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ANNUAL

FINANCIAL

REPORT

June 30, 1992

Public Employees Retirement Association of Minnesota

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1992



Pursuant to Mn Stat 356.20

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

June 30, 1992

Public Employees Retirement Association of Minnesota

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Gary R. Norstrem — Board Vice President, Cities Representative

Edward G. Bayuk — Annuitant Representative

Mark B. Dayton — State Auditor

Mary Ann Dixen — School Boards Representative

Dawn Hulmer — Membership Representative

Marian Larson — Membership Representative

Robert D. McCubbin — Membership Representative

Lois Riecken — Counties Representative

Michael Stockstead — Police and Fire Representative

Laurie Fiori Hacking

Executive Director

Prepared by:

Gary Hovland — Acting Manager of Finance

Gallery Tower Office Building

Suite 200

514 St. Peter Street

St. Paul, Minnesota 55102

(612) 296-7460

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Certificate of Achievement

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees Retirement
Association of Minnesota

For its Component Unit
Financial Report
for the Fiscal Year Ended
June 30, 1991

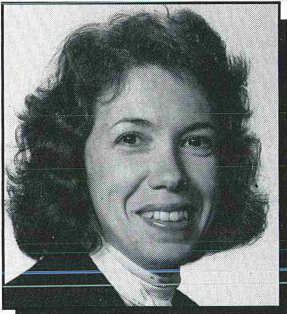
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose component unit financial reports (CUFRs) achieve the highest standards in government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



[Signature]
President

[Signature]
Executive Director

Letter of Transmittal



Laurie Fiori Hacking
Executive Director

Public Employees Retirement Association of Minnesota
Suite 200 — Skyway Level
514 St. Peter Street
St. Paul, Minnesota 55102
612-296-7460



December 1, 1992

Board of Trustees
Public Employees Retirement Association of Minnesota
Suite 200 - Skyway Level
514 St. Peter Street
St. Paul, Minnesota 55102

Dear Trustee:

We are pleased to present this sixty-first Comprehensive Annual Financial Report for the fiscal year (FY) ended June 30, 1992. 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 1992 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, the Police and Fire Consolidation Fund and the Public Employees Defined Contribution Plan are reported on the 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 FY92 totaled \$840,012,000. This represents an increase of 35.6 percent over FY91 revenues, as shown below. 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 43). Statutory contribution rates for both employers and employees remain unchanged from the prior year.

Revenue Source (in thousands)	FY 1992	FY 1991	Percent Inc./(Dec.)
Member Contributions	\$122,202	\$113,114	8.0%
Employer Contributions	146,695	138,194	6.2
Realized Investment Income	567,783	365,470	55.4
Other Income	3,332	2,592	28.5
Totals	\$840,012	\$619,370	35.6%

Realized investment income of the PERA Funds accounted for the largest share—approximately 67 percent—of total fund income. Realized income increased, due largely to outstanding performance in both the stock and bond segments of the Basic Fund. The total rate of return on investments exceeded 14 percent.

Expenses

The annual expenses of PERA 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 \$272,439,000, an increase of 9.9 percent over such expenses for FY91, as shown below:

Expense Type (in thousands)	FY 1992	FY 1991	Percent Inc./(Dec.)
Benefits	\$249,274	\$225,621	10.5%
Refunds	12,550	12,917	(2.8)
Investment Managers	3,760	2,962	26.9
Administrative	4,312	4,103	5.1
Other	2,543	2,306	10.3
Totals	\$272,439	\$247,909	9.9%

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 44-45). 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. For the year ended June 30, 1992, the overall rate of return on active member assets was 14.5 percent.

Market Value of Investments, June 30, 1992 (in thousands)		
Fund	Active Members	Retired Members
PERF	\$1,954,120	\$2,438,895
PEPFF	781,458	267,630
PFCF	95,962	89,734
Totals	\$2,831,540	\$2,796,259

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 Funds are 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 Funds are expected to outperform a composite of market indices weighted in a manner that reflects their long-term asset allocation policy.
- **Exceed Median Fund Returns.** Over a five-year period, the Basic Funds are expected to outperform the median fund from a representative universe of public and private funds with a balanced asset mix of stocks and bonds.

Assets of the retired members of the Association and their joint annuitants (see table above) are pooled in the Minnesota Post Retirement Investment Fund and are invested by SBI staff. In contrast to the portfolio for the currently working members,

Letter of Transmittal

(Continued)

80 percent of the assets for retirees are invested in fixed income securities. This asset mix is chosen to create a sizable, steady stream of income sufficient to pay promised benefits. The portfolio is structured to provide cash inflows that match required cash outflows. Thus, total return is not a relevant performance measure for the portfolio since the total return calculation factors in unrealized market values. The bond segment provided a 16.2 percent return for the year.

When a member retires, a sum of money sufficient to finance a fixed monthly annuity is transferred from the Basic Funds to the Post Fund. In order to support promised benefits, the Post Fund must "earn" at least 5 percent on its invested assets each year. If the Post Fund exceeds this earnings rate, excess earnings are used to finance permanent benefit increases for eligible retirees.

Within this framework, the SBI pursues two objectives for the Post Fund:

- To generate 5 percent realized earnings each year to maintain current benefits.
- To generate at least 3 percent additional realized earnings each year to provide annual benefit increases to eligible retirees.

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 40-41, shows the funding levels using the entry age normal actuarial cost method. At the end of FY92, the ratio of assets to liabilities of the Public Employees Retirement Fund was 73

percent. For the Public Employees Police and Fire Fund and the Police and Fire Consolidation Fund, the ratios were 110 percent and 78 percent, respectively. The second display of funding progress, the Analysis of Funding Progress, is on page 25 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, two local relief associations exercised their option to consolidate. This brings the total number of consolidation accounts within the fund to 22. With the addition of these two groups, we added 34 members to the active rolls, 52 members to those receiving benefits, and over \$17 million in assets to the fund. Currently, there are other relief associations moving through the procedural steps necessary to effect consolidation. We anticipate that one relief association will complete the consolidation process by the end of calendar year 1992.

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. One notable change in the administration of PERA was the addition of a 10th member to the Board of Trustees in September 1991. This trustee, appointed by the governor, represents Police and Fire members of the association and will serve a four-year term. The five other governor appointees to the board will see their terms expire at the end of 1992. This could result in substantial changes to the board composition in 1993.

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 benefit handbook in November 1991. The comprehensive booklet outlines how service credits are earned, how benefits are computed, how to apply for a retirement annuity as well as information on disability and survivor benefits. The mailing was

in addition to the normal fall distribution of Personal Benefit Statements, computer-generated estimates of future retirement annuities and other earned benefits.

PERA's board and staff continued their efforts to reach out to the membership during FY92. A series of town meetings, preretirement conferences and workshops, group meetings, and special retiree round tables were held at many locations throughout the state to make information and counseling as accessible as possible.

PERA is continuing to develop a long-range strategic plan to implement data base technology to improve the quality, management and accessibility of our information for the 1990s. The study project, named Tomorrow's Information Processing Planning Strategies, or "TIPPS," has developed organizational goals to accomplish PERA's planning objectives to provide service programs and support systems that will help our membership. Strategies are now being developed to accomplish the plan over the next several years.

Finally, PERA is justly proud of the abilities, knowledge and drive of its employees. Those qualities, unfortunately, were also responsible for the loss of two capable staff members during the year as Benefit Supervisor David Bergstrom and Finance Manager J. Michael Stoffel were appointed directors of the Minnesota State Retirement System and the Duluth Teachers Retirement Association, respectively. These appointments not only reflect well on the quality of the association's employees, but also provide PERA with strong ties to these other two important state public pension systems.

Professional Services

The FY92 actuarial valuation of the PERA Funds was conducted by Milliman & Robertson, Inc., and completed in October of 1992. 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 FY92 actuarial valuation, Gabriel Roeder also 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 December or January of each year to all PERA members and annuity and benefit recipients.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1991. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. PERA has received a Certificate of Achievement for each of the last seven years, fiscal years 1985-1991. We believe our current report for FY92 continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

Acknowledgements

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

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

Respectfully submitted,

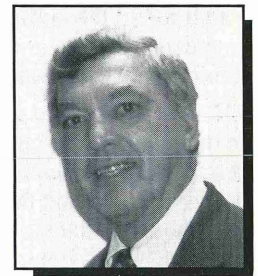
Laurie Fiori Hacking *Gary B. Hovland*

Laurie Fiori Hacking
Executive Director

Gary B. Hovland
Acting Manager of Finance

President's Report

Public Employees Retirement Association of Minnesota
Suite 200 — Skyway Level
514 St. Peter Street
St. Paul, Minnesota 55102
612-296-7460



George A. Cicmil
Board President

December 3, 1992

Dear Members, Annuitants, Beneficiaries and Governmental Employers:

This 61st 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, 1992, fiscal year end, the PERA funds had a combined total of \$5.1 billion in net assets. This reflected a \$559 million or 12 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 14.5 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 \$7.1 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. Given last fiscal year's rate of return, the MPRIF will be able to finance a 4.55 percent increase as of January 1, 1993.

Annual post-retirement increases have been declining in recent years, largely a reflection of the decline in the portion of the MPRIF's portfolio dedicated to stocks. For this reason, the PERA board, along with the boards of the other two statewide pension systems, successfully advocated a legislative change in the formula that determines post-retirement increases. The formula change was effective July 1, 1992, and will allow the Post Fund to return to a more balanced portfolio of stocks and bonds. The change also incorporates a new cost-of-living factor in the formula.

During the past year, there has been significant attention devoted to the issue of whether to invest a portion of the assets of the Basic Retirement Fund (which supports active workers' benefits) in international equities. In September 1991, the State Board of Investment decided to invest up to 10 percent of the Basic Fund in international investments. This move will provide the fund with wider investment opportunities, greater diversification, and a potential for higher returns over the long term.

In keeping with its fiduciary responsibilities, the PERA board successfully pursued legislation that will increase from 6 to 8.5 percent the interest rate charged to members for repayments of refunds and similar transactions. The Board believes that the interest rate charged on repayments of refunds should be identical to the 8.5 percent actuarial assumption for the investment earnings for the Basic Fund.

Another issue that has been explored by the PERA Board of Trustees is improving survivor benefits for Coordinated Plan members. The board has decided to pursue legislation next year that will provide benefits to survivors of Coordinated Plan members who die at an early age. Under current law, survivor benefits are paid only if the member is age 50 or older at the time of death. The board believes that the lack of survivor benefits for younger Coordinated Plan members is a sizable gap in PERA benefit coverage.

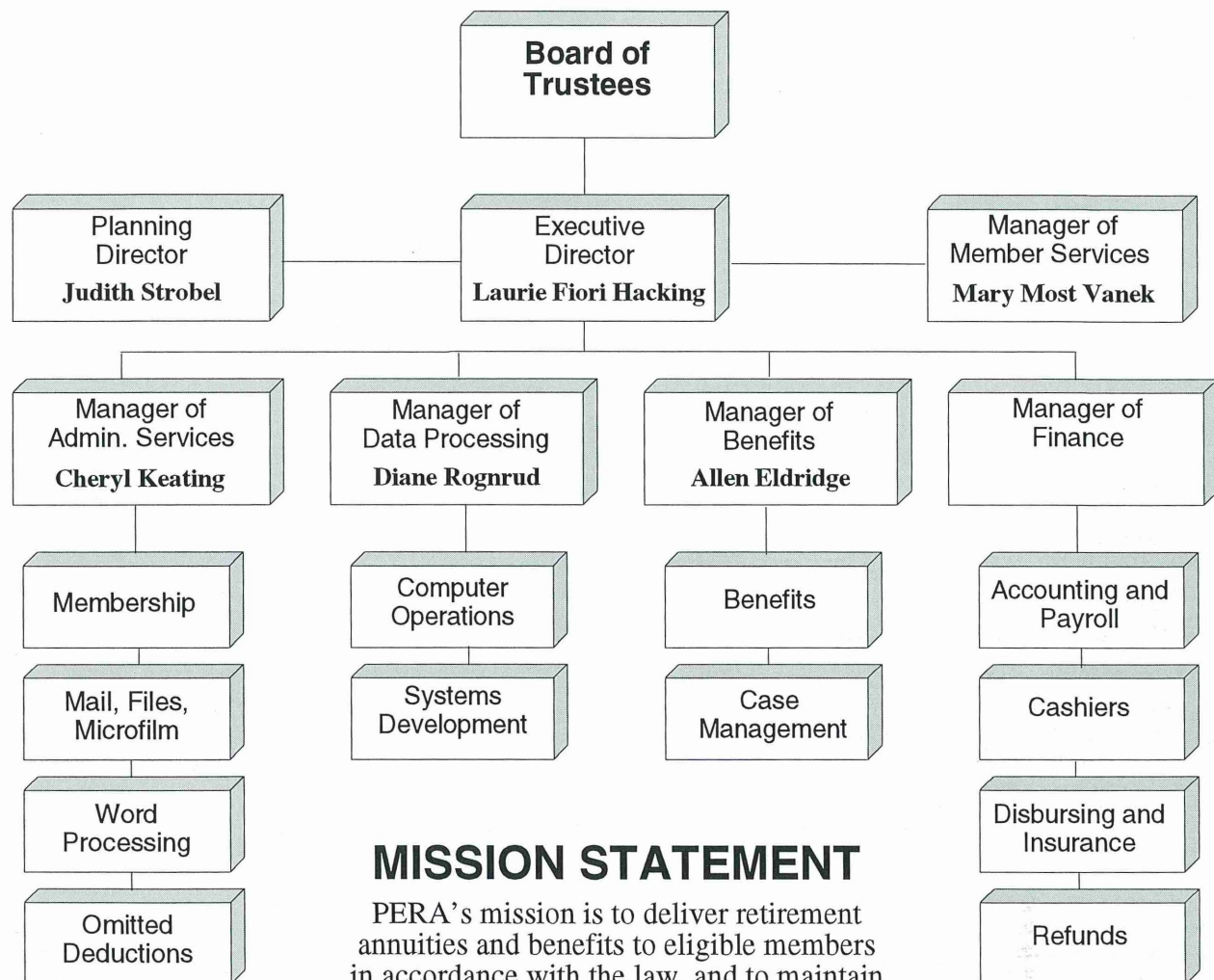
In closing, I wish to express the trustees' continuing commitment to the preservation and growth of the assets of the PERA funds and to the protection and furtherance of the interests of PERA's members, annuitants and beneficiaries, as well as the interests of the governmental employer units and the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

Sincerely,

George A. Cicmil, President
PERA Board of Trustees

GC/jp

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.

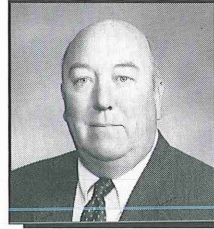
Board of Trustees

Board President

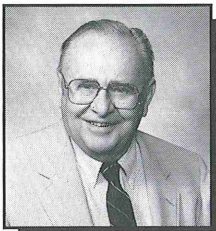


George A. Cicmil
Public Sector Representative
P.O. Box 217
Side Lake, MN 55781

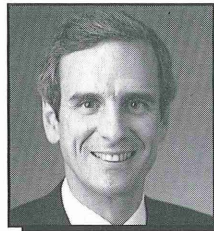
Board Vice President



Gary R. Norstrom
Cities Representative
City of Saint Paul
219 City Hall
Saint Paul, Minnesota 55102



Edward G. Bayuk
Annuitant Representative
1663 Fourth Street
White Bear Lake, Minnesota 55110



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



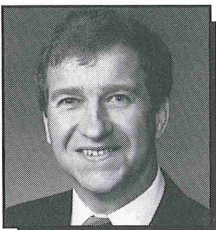
Mary Ann Dixen
School Board Representative
1428 Martin Road
Albert Lea, Minnesota 56007



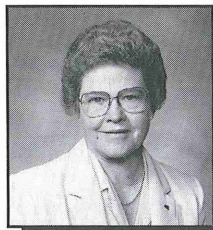
Dawn Hulmer
Elected Membership Representative
City of Duluth
Room 105, City Hall
Duluth, Minnesota 55802



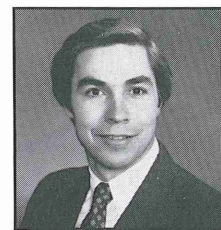
Marian Larson
Elected Membership Representative
Hopkins School District
1001 Highway 7
Hopkins, Minnesota 55343



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



Lois E. Riecken
Counties Representative
P.O. Box 320, Administration Bldg.
327 King Street
Elk River, Minnesota 55330



Michael Stockstead
Police and Fire Representative
City of St. Louis Park
P.O. Box 26332
St. Louis Park, MN 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 trustee representing Police and Fire members was added to the board in August 1991, following legislation approved the previous June.

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, any person who performs personal services for a governmental unit and 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 over 115,000 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 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.

Summary

(Continued)

Contributions

The table below shows contribution rates for employees and employers under the various plans administered by PERA as of June 30, 1992. 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%*

* This is the rate established for elected public officials.

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.

Participation in the Defined Contribution Plan is voluntary for elected officials. 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.

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 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 1/2 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 3 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 value of the member's account is payable upon termination of public service, disability, retirement or death. The payment form is a lump sum.

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. The 25 percent and 75 percent Joint and Survivor annuities were first made available August 1, 1991.

Since a Joint and Survivor annuity will be payable over the lifetimes of two individuals, the monthly annuity for the member is reduced from the Normal, single-life annuity level. This reduction is based on the age of both the retiring member and the joint annuitant.

All Joint and Survivor annuity options incorporate an automatic "bounce back" feature that 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.

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. The annuity amount

for deferred annuities increased at a rate of 5 percent per year, compounded annually, prior to January 1, 1981.

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.

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 injured 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 plans 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.

Summary

(Continued)

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 annuities and benefits 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.

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.

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

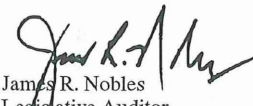
We have audited the accompanying financial statements of the Public Employees Retirement Association and the combining and individual fund financial statements of the association as of and for the year ended June 30, 1992, as listed in the table of contents. These financial statements are the responsibility 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, 1992, 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, 1992, 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 25, 1992

Combined Balance Sheet

For Fiscal Year Ended June 30, 1992 (in thousands)

Assets

Cash (F.1.)	\$ 1,252
Accounts Receivable	4,272
Due From Other Funds	317
Investments (B.2.,3.)	
Minnesota Outside Managed Pooled	
Accounts (Market Value: \$2,790,989)	2,608,427
Short-term Pooled Cash	40,551
Equity in Minnesota Post Retirement Investment	
Fund (Market Value: \$2,796,259)	2,434,705
Cash and Investments for Deferred	
Compensation Benefits (A.5., B.3.)	1,623
Fixed Assets, Net of Accumulated Depreciation (F.4.b.)	204
Other	28

Total Assets \$ 5,091,379

Liabilities and Fund Balance

Liabilities:

Accounts Payable	\$ 13,811
Accrued Compensated Absences (F.5.)	237
Deferred Compensation Benefits	1,608
Payable to Other Funds	317

Total Liabilities \$ 15,973

Fund Balance:

Member Reserves (F.3.a.)	\$ 874,412
Minnesota Post Retirement	
Investment Fund Reserve (F.2.)	2,434,705
Benefit Reserves (F.3.b.)	3,246,741

Total Reserves \$ 6,555,858

Unreserved Fund Balance —

Unfunded Actuarial Accrued Liability (C.1.,2.)	<u><u>\$(1,480,452)</u></u>
--	-----------------------------

Total Fund Balance \$ 5,075,406

Total Liabilities and Fund Balance \$ 5,091,379

Combined Statement

of Revenues, Expenses and Changes
in Fund Balance

For Fiscal Year Ended June 30, 1992 (in thousands)

Operating Revenues:

Member Contribution	\$ 122,202
Employer Contribution	146,695
Investment Income	365,222
Distributed Income of the Minnesota Post Retirement Investment Fund (F.2.c.)	202,561
Police State Aid	1,795
Other	<u>1,537</u>

Total Operating Revenues **\$ 840,012**

Operating Expenses:

Benefits Paid	\$ 249,274
Refunds	12,550
Administrative Expenses	4,312
Investment Management Fees (B.3.c.)	3,760
Interest on Late Transfer to MPRI Fund	678
Other	<u>1,865</u>

Total Operating Expenses **\$ 272,439**

Other Changes in Reserves:

Local Relief Association Mergers (F.6.)	<u>\$ 17,129</u>
--	------------------

Total Other Changes in Reserves **\$ 17,129**

Net Fund Balance Additions \$ 584,702

Fund Balance, July 1, 1991 **4,490,704**

Fund Balance, June 30, 1992 **\$5,075,406**

Notes to the Financial Statements

For Fiscal Year Ended June 30, 1992

A. PLAN DESCRIPTION

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.

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, 1992, there were 3,492 members in the plan.

Shown in Figure 1 below are the membership totals in the PERA defined benefit plans as of June 30, 1992.

Fig. 1 PERA Membership

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Retirees and beneficiaries receiving benefits	32,559	1,663	683
Terminated employees entitled to benefits/refunds but not yet receiving them			
Vested	4,502	187	14
Non-Vested	8,711	120	0
Current, active employees			
Vested	84,899	5,600	366
Non-Vested	25,201	921	36
Total	155,872	8,491	1,099

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 is 2.5 percent for each year of service. 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. Of the 683 members receiving benefits in the PFCF, 187 are covered by the benefit provisions of their local 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.

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. 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 exceed the employer share. An amount of 2 percent of employer contributions is deducted by PERA for administering the plan. There is no vesting period required to receive benefits in the PEDCP. The market value of a member's account is distributed to the member at time of retirement or termination, or to a beneficiary upon death of a member.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

1. Basis of Accounting

PERA financial statements 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.

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, 1992, the participation shares in the pooled accounts, excluding the Minnesota Post Retirement Investment Fund, totaled 22.5 percent for the PERF,

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%	*

*NOTE: 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)

9.0 percent for the PEPFF and 1.1 percent for the PFCF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund totaled 34.9 percent, 3.7 percent and 1.2 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, 1992	Market Value June 30, 1992
Pooled Accounts		
Passive Equity	\$ 918,148	\$ 992,952
Active Equity	642,817	686,217
Fixed Income	790,516	810,337
Real Estate	128,816	126,212
Venture Capital	95,707	142,369
Resources	32,423	32,902
Other	0	0
Total Pooled Accounts	\$2,608,427	\$2,790,989
Short Term Pooled Cash	40,551	40,551
Post Retirement Investment Account	2,425,176	2,796,259
Totals	\$5,074,154	\$5,627,799

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, 1992, are shown in Figure 3 above.

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

Fig. 4 Unfunded Actuarial Accrued Liability:
(In Thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Net Assets on 6/30/92 Balance Sheet	\$3,933,124	\$963,565	\$178,717
Plus 1/3 of unrealized capital gains or losses	44,986	16,416	(548)
Net assets at actuarial cost	<u>\$3,978,110</u>	<u>\$979,981</u>	<u>\$178,169</u>
Total required reserves	\$5,439,953	\$888,826	\$227,080
Less net assets at actuarial cost	3,978,110	979,981	178,169
Unfunded accrued liability (surplus assets) actuarial section	<u>\$1,461,843</u>	<u>\$ (91,155)</u>	<u>\$ 48,911</u>

participating in the pooled investment accounts. PERA's share of these expenses totaled \$2,657,000 for PERF, \$1,045,000 for PEPFF, and \$127,000 for PFCF.

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.

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.

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, 1992. 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, 1992, was \$935,000,000 in the PERF and \$44,267,000 in the PFCF. In the PEPFF, assets in excess of the pension benefit obligation totaled \$141,961,000.

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	\$2,354,095	\$ 279,421	\$139,439
Current Employees:			
Accumulated employee contributions including allocated investment income	680,511	144,479	13,528
Employer-Financed Vested	1,815,266	394,384	65,111
Employer-Financed Non-Vested	18,252	3,320	4,906
Total Pension Benefit Obligation	\$4,868,124	\$ 821,604	\$222,984
Net Assets available for benefits, at cost (Market Value is \$5,619,522)	3,933,124	963,565	178,717
Unfunded (assets in excess of) pension benefit obligation	\$ 935,000	\$(141,961)	\$ 44,267

Notes

(Continued)

3. Changes in Benefit Provisions

The 1992 legislative session did not include benefit improvements which would affect the pension benefit obligation in any of the funds administered by 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, 1992 of \$7,142,000 in the PERF and a surplus of \$5,941,000 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 compute the standardized measure of the pension obligation discussed in Note C 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 25 to 27.

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

Fig. 6

Funding Surplus: (In Thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PFCF</u>
Contributions actually made			
Employer share	\$109,203	\$28,766	\$ 8,726
Percent of current year covered payroll	4.74%	12.0%	12.0%*
Employee share	\$101,655	\$19,217	\$ 1,330
Percent of current year covered payroll	<u>4.41%</u>	<u>8.0%</u>	<u>8.0%</u>
Subtotal - Actual	\$210,858	\$47,983	\$10,056
Contributions actuarially required	<u>217,686</u>	<u>42,042</u>	<u>10,056</u>
Funding surplus (deficiency)	<u>\$ (6,828)</u>	<u>\$ 5,941</u>	<u>\$ 0</u>

*NOTE: The 12 percent employer rate in the PFCF does not include the additional municipal contribution, totaling \$6,173 in fiscal year 1992.

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 1992, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits.

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 required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. The Public Employees Retirement Fund's share of net assets of the MPRIF at June 30, 1992, is \$2,123,548,000. The Public Employees Police and Fire Fund's share of net assets of the MPRIF is \$233,026,000. The Police and Fire Consolidation Fund's share of net assets of the MPRIF is \$78,131,000.

c) The distributed MPRIF income represents the 5 percent earnings on required reserves for fiscal year 1992, plus fiscal year 1991 income used to pay the January 1, 1992 post retirement increase. In accordance with Minnesota Statutes, Section 11A.18, Subd. 9, the excess investment income of MPRIF for fiscal year 1992 will be used to increase retirement benefits for eligible annuitants, effective January 1, 1993.

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

a) 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.

b) 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.

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. Such leave is liquidated in cash primarily at the time of termination of employment.

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 1991, there were 20 local relief associations in the PFCF. During fiscal year 1992, two additional local relief associations elected to consolidate with PERA. Net assets totaling \$17,129,000 were transferred from the two relief associations to PERA on the date of consolidation. There were 34 active employees and 52 benefit recipients in the new consolidating units.

Notes

(Continued)

7. South Africa Divestment Plan

On October 2, 1985, the Minnesota State Board of Investment (SBI) adopted a resolution to carry out, within four years, a total divestment of its holdings in companies doing business in South Africa. The resolution also prohibits new investments in these same companies. The divestment plan includes four phases, the last of which was to be completed by August 3, 1989. However, action to divest under any phase of the plan may only be taken if, on the advice of the SBI's financial/legal advisors, such action would be consistent with SBI's members' obligations as fiduciaries for the management and investment of the funds under their control.

To date, no securities have been liquidated as a result of the resolution. At the suggestion of legal counsel, SBI chose not to proceed immediately with the divestment action called for by the plan. Instead, SBI instructed its active equity portfolio managers not to purchase in the future, any securities in companies that fail to meet requirements of the plan, unless such "nonpurchase" action would place SBI's members in jeopardy of violating their fiduciary responsibilities.

Should the "divestment by attrition" pattern that the SBI is following continue, active portfolio managers will have a dwindling number of companies in which to invest over time. That could significantly alter the risk/return characteristics of SBI's total portfolio.

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

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

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

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			
1983	\$ 66,181	\$ 74,005	6.5%	\$149,413	\$2,691	\$292,290
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

Public Employees Police and Fire Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION		INVESTMENT INCOME*	OTHER	TOTAL
		AMOUNT	PERCENT OF COVERED PAYROLL			
1983	\$ 9,702	\$12,953	12.3%	\$ 25,391	\$ 540	\$ 48,586
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

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

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

Required Supplementary Information

Expense by Type
(in Thousands)

Public Employees Retirement Fund

FISCAL YEAR	BENEFIT	REFUND	ADMINISTRATION	OTHER	TOTAL
1983	\$ 62,588	\$ 10,471	\$2,506	\$20,900	\$ 96,465
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

Public Employees Police and Fire Fund

FISCAL YEAR	BENEFIT	REFUND	ADMINISTRATION	OTHER	TOTAL
1983	\$ 5,358	\$ 825	\$141	\$1,935	\$ 8,259
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

Police and Fire Consolidation Fund

FISCAL YEAR	BENEFIT	REFUND	ADMINISTRATION	OTHER	TOTAL
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

Combining Balance Sheet

For Fiscal Year Ended June 30, 1992 (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	\$ 970	\$ 253	\$ 29		\$ 1,252
Accounts Receivable	428	95	3,749		4,272
Due From Other Funds	302	2	13		317
Investments					
Minnesota Outside Managed Pooled Accounts	1,792,623	719,544	96,260		2,608,427
Short-term Pooled Cash	26,539	12,667	1,345		40,551
Equity in Minnesota Post Retirement Investment Fund	2,123,548	233,026	78,131		2,434,705
Cash and Investments for Deferred Compensation Benefits				\$ 1,623	1,623
Fixed Assets, Net of Accumulated Depreciation	204				204
Other	28				28
Total Assets	\$ 3,944,642	\$ 965,587	\$ 179,527	\$ 1,623	\$ 5,091,379
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 11,280	\$ 1,768	\$ 763		\$ 13,811
Accrued Compensated Absences	237				237
Deferred Compensation Benefits Payable to Other Funds	2	253	47	\$ 1,608 15	1,608 317
Total Liabilities	\$ 11,519	\$ 2,021	\$ 810	\$ 1,623	\$ 15,973
Fund Balance:					
Member Reserves	\$ 711,803	\$ 148,562	\$ 14,047		\$ 874,412
Minnesota Post Retirement Investment Fund Reserve	2,123,548	233,026	78,131		2,434,705
Benefit Reserves	2,604,601	507,238	134,902		3,246,741
Total Reserves	\$ 5,439,952	\$ 888,826	\$ 227,080		\$ 6,555,858
Unreserved Fund Balance —					
Unfunded Actuarial Accrued Liability	\$(1,506,829)	\$ 74,740	\$ (48,363)		\$(1,480,452)
Total Fund Balance	\$ 3,933,123	\$ 963,566	\$ 178,717		\$ 5,075,406
Total Liabilities and Fund Balance	\$ 3,944,642	\$ 965,587	\$ 179,527	\$ 1,623	\$ 5,091,379

Combining Statement

of Revenues, Expenses and Changes
in Fund Balance

For Fiscal Year Ended June 30, 1992 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police and Fire Consolidation Fund	Total
Operating Revenues:				
Member Contribution	\$ 101,655	\$ 19,217	\$ 1,330	\$ 122,202
Employer Contribution	109,203	28,766	8,726	146,695
Investment Income	255,225	97,543	12,454	365,222
Distributed Income of the Minnesota Post Retirement Investment Fund	177,509	18,985	6,067	202,561
Police State Aid		1,795		1,795
Other	1,347	138	52	1,537
Total Operating Revenues	\$ 644,939	\$ 166,444	\$ 28,629	\$ 840,012
Operating Expenses:				
Benefits Paid	\$ 216,953	\$ 22,164	\$ 10,157	\$ 249,274
Refunds	11,881	636	33	12,550
Administrative Expenses	4,002	273	37	4,312
Investment Management Fees	2,609	1,026	125	3,760
Interest on Late Transfer to MPRI Fund	435	46	197	678
Other	7	1,858		1,865
Total Operating Expenses	\$ 235,887	\$ 26,003	\$ 10,549	\$ 272,439
Other Changes in Reserves:				
Local Relief Association Mergers			\$ 17,129	\$ 17,129
Total Other Changes in Reserves			\$ 17,129	\$ 17,129
Net Fund Balance Additions	\$ 409,052	\$ 140,441	\$ 35,209	\$ 584,702
Fund Balance, July 1, 1991	3,524,071	823,125	143,508	4,490,704
Fund Balance, June 30, 1992	\$3,933,123	\$ 963,566	\$ 178,717	\$5,075,406

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

Statement of Revenues

Expenses and Changes in Fund Balance Public Employees Retirement Fund

For Fiscal Year Ended June 30, 1992 (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	\$ 101,655				\$ 101,655
Employer Contribution			\$ 109,203		109,203
Investment Income			255,225		255,225
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 177,509			177,509
Other	3		1,344		1,347
Total Operating Revenues	\$ 101,658	\$ 177,509	\$ 365,772		\$ 644,939
Operating Expenses:					
Benefits Paid	\$ 1,952	\$ 196,768	\$ 18,233		\$ 216,953
Refunds	9,271		2,610		11,881
Administrative Expenses			4,002		4,002
Investment Management Fees			2,609		2,609
Interest on Late Transfer to MPRI Fund			435		435
Other	1		6		7
Total Operating Expenses	\$ 11,224	\$ 196,768	\$ 27,895		\$ 235,887
Other Changes in Reserves:					
Annuities Awarded	\$ (27,180)	\$ 188,872	\$ (161,692)		\$ 0
Mortality Loss and Other Adjustments		9,946	(9,946)		0
Transfers Between Reserves	(497)		497		0
Total Other Changes in Reserves	\$ (27,677)	\$ 198,818	\$ (171,141)		\$ 0
Net Fund Balance Additions	\$ 62,757	\$ 179,559	\$ 166,736		\$ 409,052
Change in Unfunded Accrued Liability			42,229	(42,229)	0
Fund Balance, July 1, 1991	649,046	1,943,989	2,395,636	(1,464,600)	3,524,071
Fund Balance, June 30, 1992	\$ 711,803	\$2,123,548	\$2,604,601	\$(1,506,829)	\$3,933,123

Statement of Revenues

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

For Fiscal Year Ended June 30, 1992 (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	\$ 19,217				\$ 19,217
Employer Contribution			\$ 28,766		28,766
Investment Income			97,543		97,543
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 18,985			18,985
Police State Aid			1,795		1,795
Other	<u>1</u>	<u></u>	<u>137</u>		<u>138</u>
Total Operating Revenues	<u>\$ 19,218</u>	<u>\$ 18,985</u>	<u>\$128,241</u>		<u>\$166,444</u>
Operating Expenses:					
Benefits Paid	\$ 460	\$ 18,980	\$ 2,724		\$ 22,164
Refunds	469		167		636
Administrative Expenses			273		273
Investment Management Fees			1,026		1,026
Interest on Late Transfer to MPRI Fund			46		46
Other	<u>4</u>	<u></u>	<u>1,854</u>		<u>1,858</u>
Total Operating Expenses	<u>\$ 933</u>	<u>\$ 18,980</u>	<u>\$ 6,090</u>		<u>\$ 26,003</u>
Other Changes in Reserves:					
Annuities Awarded	\$ (2,961)	\$ 23,748	\$ (20,787)		\$ 0
Mortality Loss and Other Adjustments		1,492	(1,492)		0
Transfers Between Reserves	<u>(61)</u>	<u></u>	<u>61</u>		<u>0</u>
Total Other Changes in Reserves	<u>\$ (3,022)</u>	<u>\$ 25,240</u>	<u>\$ (22,218)</u>		<u>\$ 0</u>
Net Fund Balance Additions	\$ 15,263	\$ 25,245	\$ 99,933		\$140,441
Change in Unfunded Accrued Liability			(45,910)	45,910	0
Fund Balance, July 1, 1991	<u>133,299</u>	<u>207,781</u>	<u>453,215</u>	<u>28,830</u>	<u>823,125</u>
Fund Balance, June 30, 1992	<u>\$148,562</u>	<u>\$233,026</u>	<u>\$507,238</u>	<u>\$74,740</u>	<u>\$963,566</u>

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

Statement of Revenues

Expenses and Changes in Fund Balance Police and Fire Consolidation Fund

For Fiscal Year Ended June 30, 1992 (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	\$ 1,330				\$ 1,330
Employer Contribution			\$ 8,726		8,726
Investment Income			12,454		12,454
Distributed Income of the Minnesota Post Retirement Investment Fund		\$ 6,067			6,067
Other			52		52
Total Operating Revenues	\$ 1,330	\$ 6,067	\$ 21,232		\$ 28,629
Operating Expenses:					
Benefits Paid	\$ 192	\$ 6,321	\$ 3,644		\$ 10,157
Refunds	33				33
Administrative Expenses			37		37
Investment Management Fees			125		125
Interest on Late Transfer to MPRI Fund			197		197
Total Operating Expenses	\$ 225	\$ 6,321	\$ 4,003		\$ 10,549
Other Changes in Reserves:					
Annuities Awarded	\$ (736)	\$ 13,195	\$ (12,459)		\$ 0
Mortality Gain and Other Adjustments		(1,616)	1,616		0
Local Relief Association Mergers	1,249		15,880		17,129
Total Other Changes in Reserves	\$ 513	\$ 11,579	\$ 5,037		\$ 17,129
Net Fund Balance Additions	\$ 1,618	\$ 11,325	\$ 22,266		\$ 35,209
Change in Unfunded Accrued Liability			(10,011)	10,011	0
Fund Balance, July 1, 1991	12,429	66,806	122,647	(58,374)	143,508
Fund Balance, June 30, 1992	\$ 14,047	\$ 78,131	\$134,902	\$ (48,363)	\$178,717

Schedule of Administrative Expenses

For Fiscal Year Ended June 30, 1992 (in thousands)

Personal Services:

Staff Salaries	\$2,105	
Social Security	141	
Retirement	105	
Insurance and Workers' Compensation	209	
Total Personal Services		\$2,560

Professional Services:

Actuarial	\$ 212	
Audit	30	
Legal	17	
Investment Consultants	55	
Management Consultants	46	
Total Professional Services		360

Communication:

Printing	\$ 139	
Telephone	65	
Postage and Mailing Services	373	
Travel	30	
Total Communication		607

Rentals:

Office Space	\$ 262	
Equipment Leasing	101	
Total Rentals		363

Other:

Disability Evaluations	\$ 78	
Stationery and Office Supplies	58	
Maintenance Service Contracts	47	
Microfilming	40	
Depreciation	88	
Education (Employees)	14	
Publications and Subscriptions	12	
Meeting Expense	23	
Vehicle Expense	4	
Equipment (\$500 and Under)	5	
Fees and Other Fixed Charges	7	
Indirect Cost from State	44	
Miscellaneous	12	
Total Other		432

Total Administrative Expense

\$4,322

Allocation of Administrative Expense:

Public Employees Retirement Fund	\$4,002
Public Employees Police and Fire Fund	273
Police and Fire Consolidation Fund	37
Public Employees Defined Contribution Plan	10

Total

\$4,322

Investment Summaries

For Fiscal Year Ended June 30, 1992 (in thousands)

Public Employees Retirement Fund

	<u>Market Value June 30, 1991</u>	<u>Cost June 30, 1991</u>	<u>Acquisitions</u>
Pooled Accounts			
Passive Equity Pool	\$ 654,421	\$ 567,041	\$166,614
Active Equity Pool	410,952	377,157	116,102
Fixed Income Pool	428,460	430,031	121,505
Real Estate Pool	102,806	91,560	2,711
Venture Capital Pool	66,509	60,684	7,350
Resources Pool	25,299	23,277	2,513
Total Pooled Accounts	<u>\$1,688,447</u>	<u>\$1,549,750</u>	<u>\$416,795</u>

Public Employees Police and Fire Fund

	<u>Market Value June 30, 1991</u>	<u>Cost June 30, 1991</u>	<u>Acquisitions</u>
Pooled Accounts			
Passive Equity Pool	\$ 250,641	\$ 219,982	\$ 70,756
Active Equity Pool	157,394	145,150	50,743
Fixed Income Pool	164,098	164,315	53,310
Real Estate Pool	39,375	35,849	2,102
Venture Capital Pool	25,473	23,202	3,824
Resources Pool	9,690	8,868	1,241
Total Pooled Accounts	<u>\$ 646,671</u>	<u>\$ 597,366</u>	<u>\$181,976</u>

Police and Fire Consolidation Fund

	<u>Market Value June 30, 1991</u>	<u>Cost June 30, 1991</u>	<u>Acquisitions</u>
Pooled Accounts			
Passive Equity Pool	\$ 29,104	\$ 28,715	\$ 17,400
Active Equity Pool	19,834	19,710	10,192
Fixed Income Pool	18,090	18,968	22,483
Real Estate Pool	4,962	5,245	817
Venture Capital Pool	3,210	3,070	1,108
Resources Pool	1,221	1,114	300
Equities and Bonds	19	33	4,974
Total Pooled Accounts	<u>\$ 76,440</u>	<u>\$ 76,855</u>	<u>\$ 57,274</u>

<u>Dispositions</u>	<u>Cost June 30, 1992</u>	<u>Market Value June 30, 1992</u>
\$102,709	\$ 630,946	\$ 687,709
52,117	441,142	473,194
6,800	544,736	558,784
6,456	87,815	87,032
2,429	65,605	98,174
3,411	22,379	22,688
<u>\$173,922</u>	<u>\$1,792,623</u>	<u>\$1,927,581</u>

<u>Dispositions</u>	<u>Cost June 30, 1992</u>	<u>Market Value June 30, 1992</u>
\$ 37,682	\$ 253,056	\$ 272,640
18,257	177,636	189,355
58	217,567	223,605
2,024	35,927	34,827
584	26,442	39,285
1,193	8,916	9,079
<u>\$ 59,798</u>	<u>\$ 719,544</u>	<u>\$ 768,791</u>

<u>Dispositions</u>	<u>Cost June 30, 1992</u>	<u>Market Value June 30, 1992</u>
\$ 11,969	\$ 34,145	\$ 32,603
5,863	24,039	23,668
13,238	28,214	27,948
988	5,075	4,353
518	3,660	4,910
286	1,127	1,135
5,007	0	0
<u>\$ 37,869</u>	<u>\$ 96,260</u>	<u>\$ 94,617</u>

Summary Schedules

For Fiscal Year Ended June 30, 1992 (in thousands)

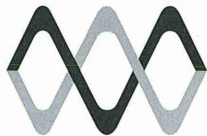
Summary Schedule of Cash Receipts and Disbursements

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Police and Fire Consolidation Fund	Total
Cash Balance at Beginning of Year	\$ 556	\$ 103	\$ 22	\$ 681
Add Receipts:				
Member Contributions	105,722	19,407	1,333	126,462
Employer Contributions	109,397	30,577	7,677	147,651
Investment Income	253,071	96,703	12,356	362,130
Minnesota Post Retirement Investment Fund	294,779	29,591	9,660	334,030
Investments Redeemed/Sold	413,118	138,185	63,095	614,398
Local Relief Association Mergers	0	0	17,140	17,140
Other	324	4	468	796
Total Cash Receipts	\$1,176,411	\$314,467	\$111,729	\$1,602,607
Less Disbursements:				
Benefit Payments	\$ 217,548	\$ 22,217	\$ 10,183	\$ 249,948
Refunds	11,942	639	33	12,614
Administrative Expense	6,690	107	32	6,829
Investments Purchased	630,676	252,601	81,490	964,767
Minnesota Post Retirement Investment Fund	308,692	36,611	19,757	365,060
Other	449	2,142	227	2,818
Total Cash Disbursements	\$1,175,997	\$314,317	\$111,722	\$1,602,036
Cash Balance at End of Year: June 30, 1991	\$ 970	\$ 253	\$ 29	\$ 1,252

Summary Schedule of Commissions and Payments to Consultants

Individual or Firm Name	Nature of Services	Fee Paid
Gabriel, Roeder, Smith & Co.	Actuary	\$ 58
Richards & Tierney	Investment	55
Benefacts, Inc.	Management	46
State of Minnesota —		
Attorney General	Legal	17
Legislative Auditor	Auditor	30
Legislative Commission on Pensions & Retirement	Actuary	154
		\$360

Certification Letter



Milliman & Robertson, Inc. Actuaries and Consultants

November 16, 1992

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, 1992.

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 .85% of payroll was the result of the actuarial computation requirement of 9.95% exceeding the statutory contribution of 9.10%.

The actuarial valuation was based upon applicable statutory provisions and the Standards for Actuarial Work in effect on July 1, 1992. 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, 1992 valuation, legislative activity since the last actuarial valuation resulted in some minor changes in benefit provisions for all three funds. These changes did not have a significant impact on the PERF, PEPFF and PFCF.

The following table shows the date for full funding for each of the three plans and the funding percentage for the 1991 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	73%
PEPFF	2020	110
PFCF	2010	78

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, 1992

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, 50% utilization of retirement 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 .27% 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 .46% 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, the actuarial cost method and actuarial assumptions are the same as those indicated above. For members selecting benefit provisions of the local relief association, the actuarial assumptions used may vary depending upon the provisions of the particular relief association.

Adoption Dates

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

Actuarial Tables

June 30, 1992

Schedule of Recommended vs. Actual Contributions

	Actual Contribution Rate			Recommended Rate
	Member	Employer	Total	
Public Employees Retirement Fund	4.41	4.74	9.10	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*

*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.

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

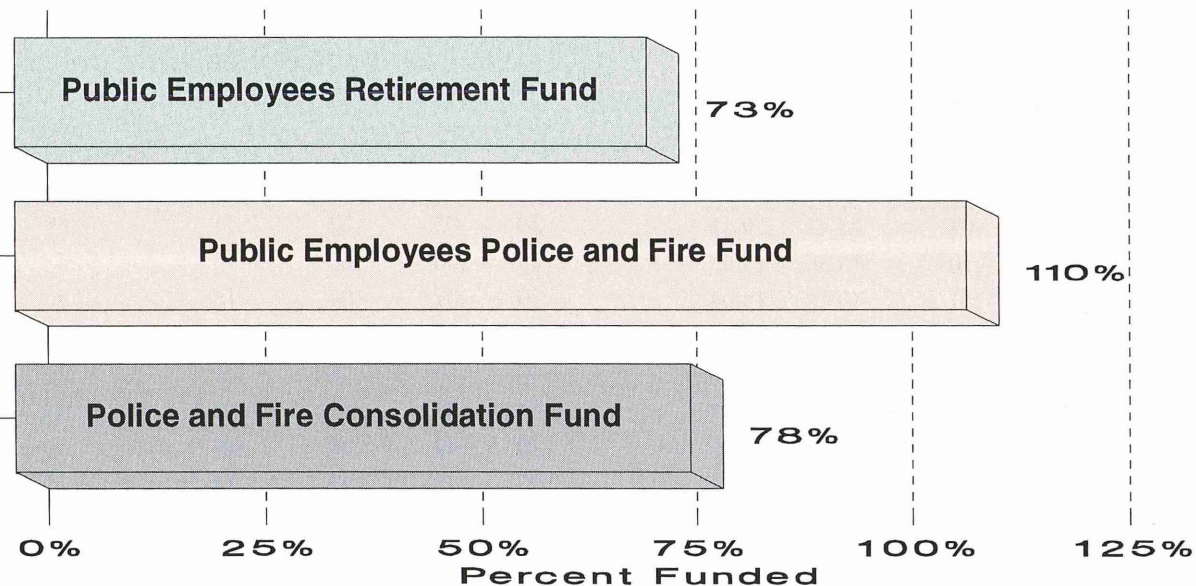
Last Ten Years
(in Thousands)

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
6-30-83	\$1,875,560	\$1,474,041	79%	\$ 401,519	\$1,135,785	35%
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

Funding Ratios

(Ratio of Assets to Actuarial Accrued Liabilities for FY92)



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 73 percent funded while the Consolidation Fund has achieved 78 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
6-30-83	\$250,280	\$249,540	100%	\$ 740	\$105,153	1%
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-

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

Solvency Test

Last Ten Years
(in Thousands)

Public Employees Retirement Fund

ACTUARIAL ACCRUED LIABILITIES FOR:					PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
VALUATION DATE	ACTIVE MEMBER CONTRIBUTIONS (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)	VALUATION ASSETS	(1)	(2)	(3)
6-30-83	\$348,904	\$ 623,703	\$ 902,952	\$1,474,041	100%	100%	55.5%
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

Public Employees Police and Fire Fund

ACTUARIAL ACCRUED LIABILITIES FOR:					PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
VALUATION DATE	ACTIVE MEMBER CONTRIBUTIONS (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)	VALUATION ASSETS	(1)	(2)	(3)
6-30-83	\$ 52,234	\$ 65,633	\$132,413	\$249,540	100%	100%	99.4%
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

Police and Fire Consolidation Fund

ACTUARIAL ACCRUED LIABILITIES FOR:					PORTION OF ACCRUED LIABILITIES COVERED BY VALUATION ASSETS		
VALUATION DATE	ACTIVE MEMBER CONTRIBUTIONS (1)	RETIRANTS AND BENEFICIARIES (2)	ACTIVE MEMBERS (EMPLOYER FINANCED) PORTION (3)	VALUATION ASSETS	(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

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
6-30-83	83,351	\$1,135,784,941	\$13,626	7.8%
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

Public Employees Police and Fire Fund

VALUATION DATE	NUMBER	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	% INCREASE IN AVERAGE PAY
6-30-83	4,596	\$105,153,394	\$22,879	6.0%
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

Police and Fire Consolidation Fund

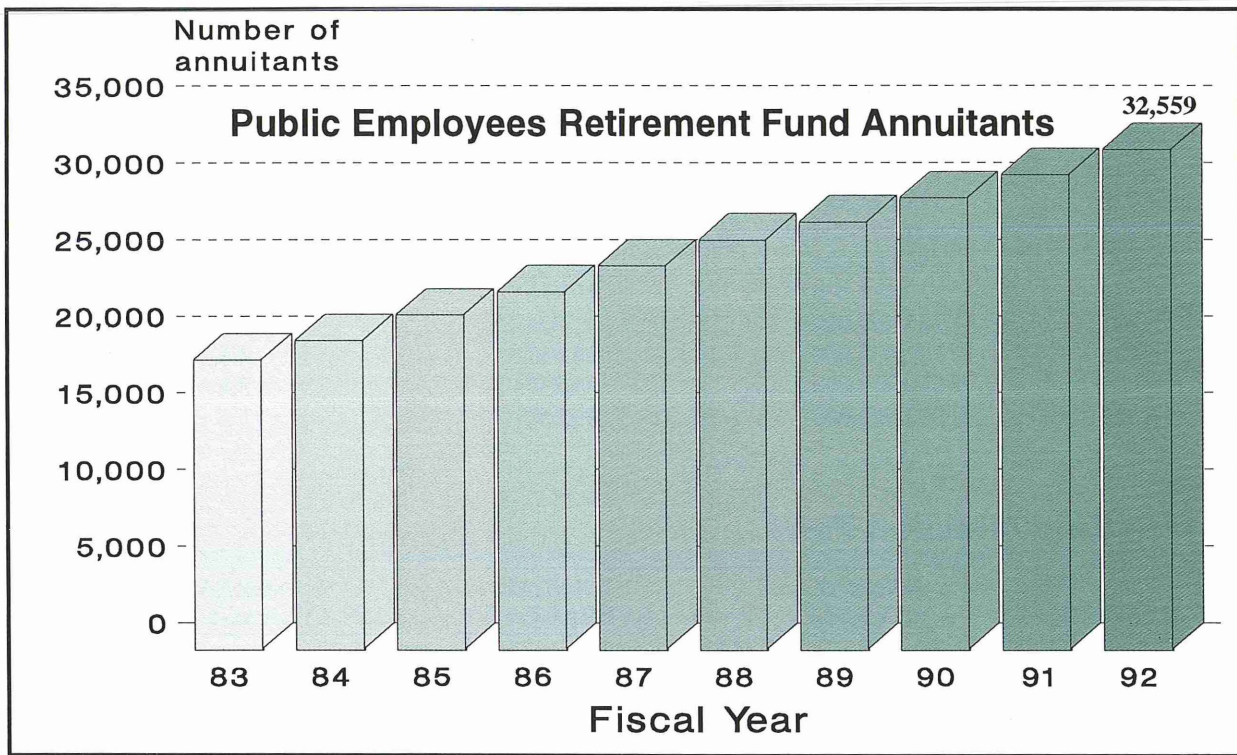
VALUATION DATE	NUMBER	ANNUAL PAYROLL	ANNUAL AVERAGE PAY	% INCREASE IN AVERAGE PAY
6-30-88	93	\$ 2,553,569	\$27,458	0.0 %
6-30-89	102	3,454,608	33,869	23.3
6-30-90	287	10,220,881	35,613	5.1
6-30-91	394	15,154,000	38,462	8.0
6-30-92	402	16,699,000	41,540	8.0

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		
6-30-83	2,170	823	18,876	\$ 64,156,295	21.7%	\$3,399
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



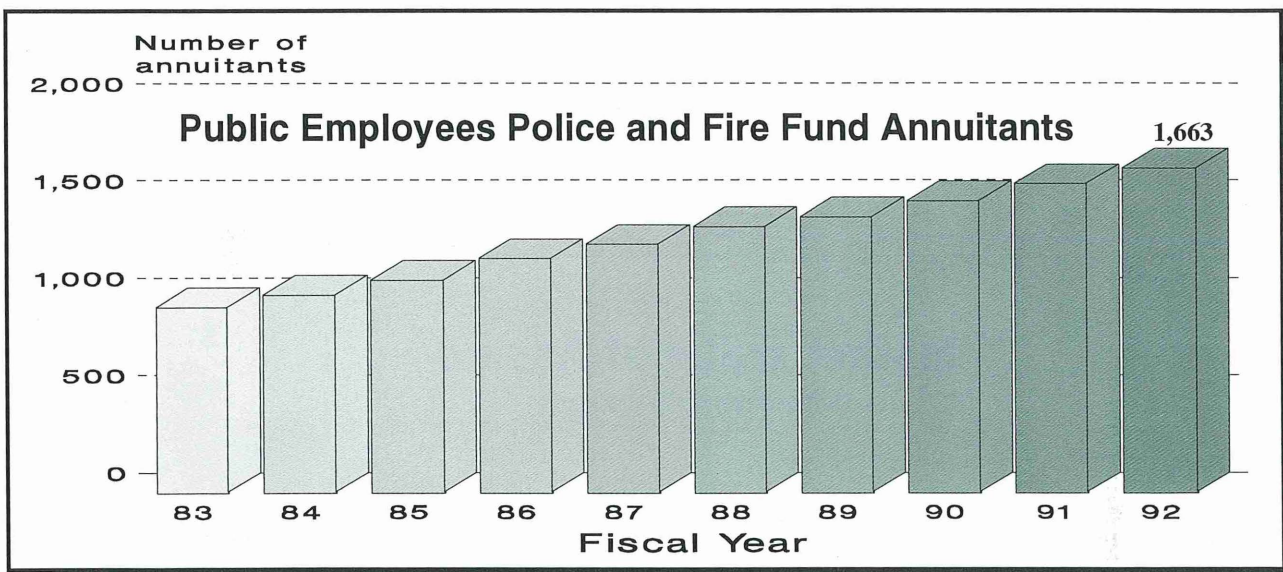
The number of people receiving retirement annuities from the Public Employees Retirement Fund nearly doubled over the past 10 years, growing from 18,876 in 1983 to 32,559 in 1992. Average annual payments nearly doubled during the same period.

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		
6-30-83	84	41	950	\$ 5,576,067	18.8%	\$ 5,870
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

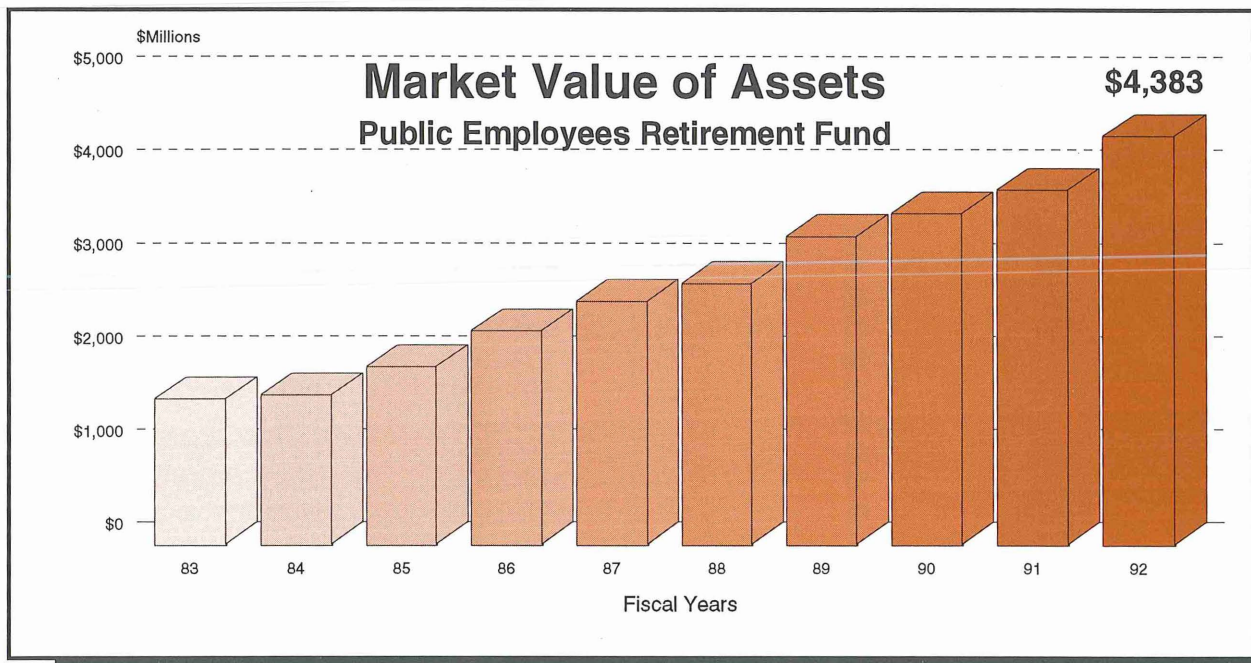


Police and Fire annuitant growth reflected the trend shown under the Public Employees Retirement Fund. From 1983 to 1992, the number of retirees increased from 950 to 1,663..

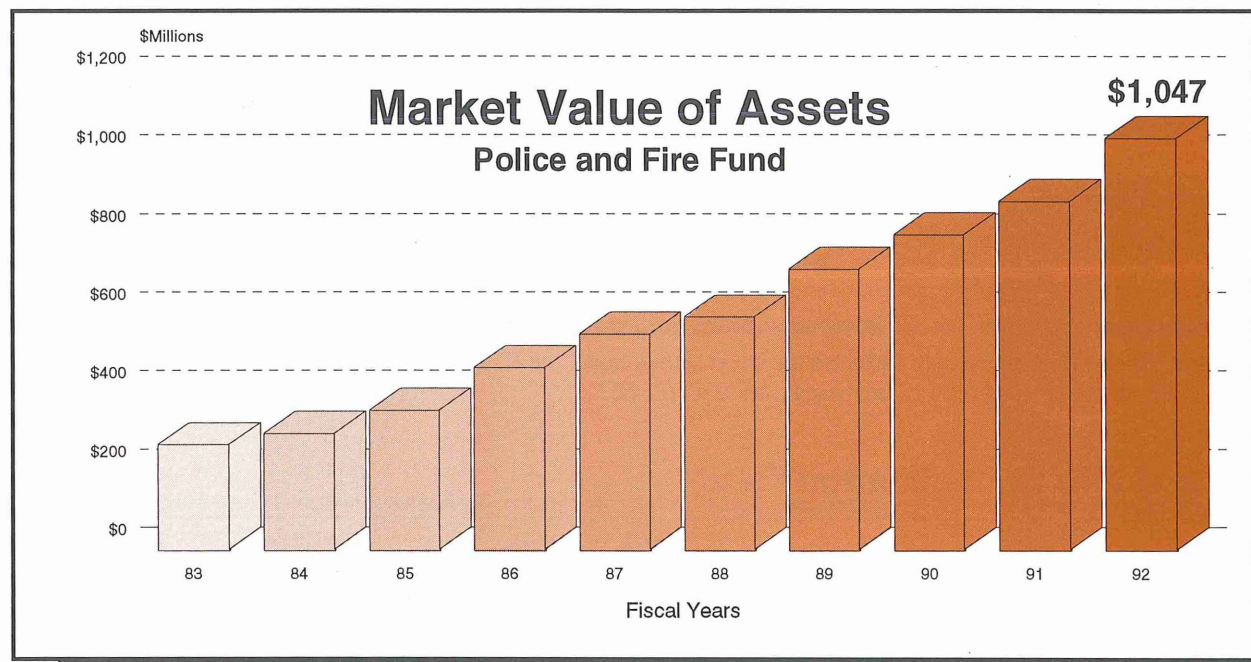
Police and Fire Consolidation Fund

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

Market Value of Assets



Over the past 10 years, the market value of the Public Employees Retirement Fund has grown from \$1.5 billion in 1983 to \$4.3 billion in 1992.



Market value of Police and Fire Fund assets increased from \$261 million in 1983 to \$1.0 billion in 1992.

Revenue Ratios by Source of Revenue

Excluding Other Income
Last Ten Years

Public Employees Retirement Fund

<u>FISCAL YEAR</u>	<u>MEMBER CONTRIBUTION</u>	<u>EMPLOYER CONTRIBUTION</u>	<u>INVESTMENT INCOME</u>	<u>TOTAL REVENUES</u>
1983	22.8%	25.6%	51.6%	100.0%
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

Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>MEMBER CONTRIBUTION</u>	<u>EMPLOYER CONTRIBUTION</u>	<u>INVESTMENT INCOME</u>	<u>TOTAL REVENUES</u>
1983	20.2%	27.0%	52.8%	100.0%
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

Police and Fire Consolidation Fund

<u>FISCAL YEAR</u>	<u>MEMBER CONTRIBUTION</u>	<u>EMPLOYER CONTRIBUTION</u>	<u>INVESTMENT INCOME</u>	<u>TOTAL REVENUES</u>
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

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>
1983	\$ 52,963	\$ 6,669	\$2,956	\$10,471	\$ 73,059
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

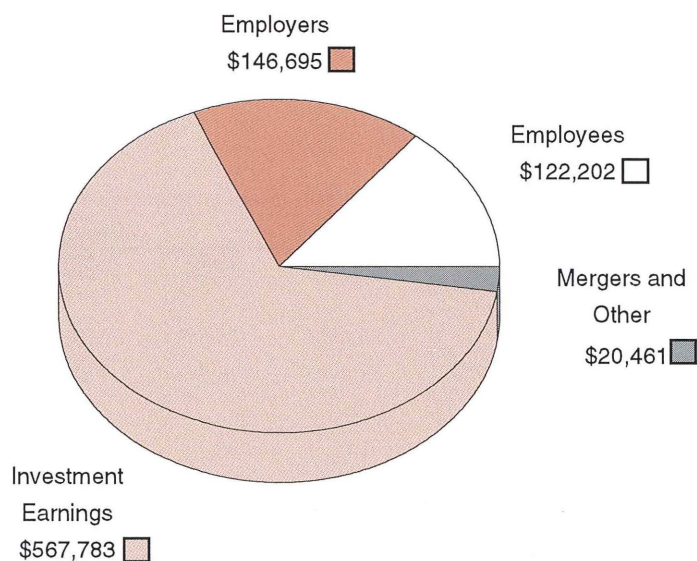
Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1983	\$ 4,377	\$ 680	\$ 300	\$ 825	\$ 6,182
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

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

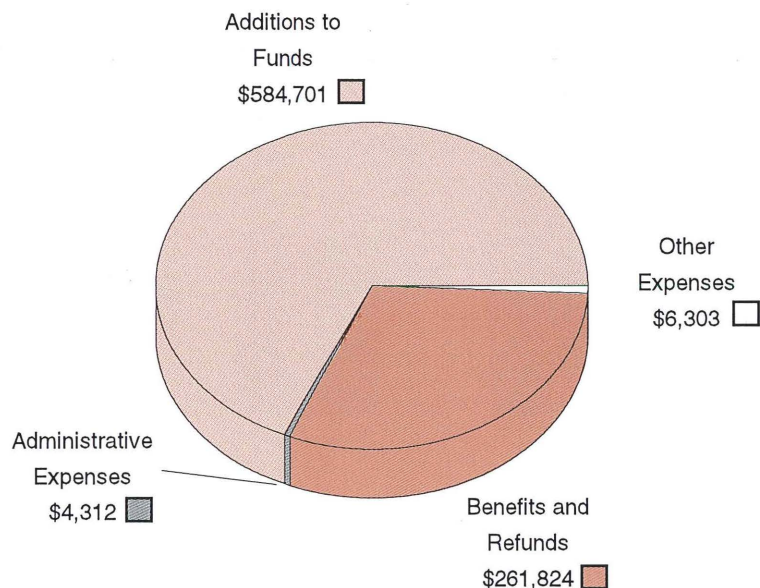
Revenues



Revenue by Source

All Funds
(In Thousands)

Investment earnings make up 66 percent of PERA's revenues, while employee and employer contributions total 32 percent of the association's income.



Revenue Allocation

All Funds
(In Thousands)

Over 68 percent of PERA's revenues were added to the association's funds in FY'92.

Investment Results

Last Five Years

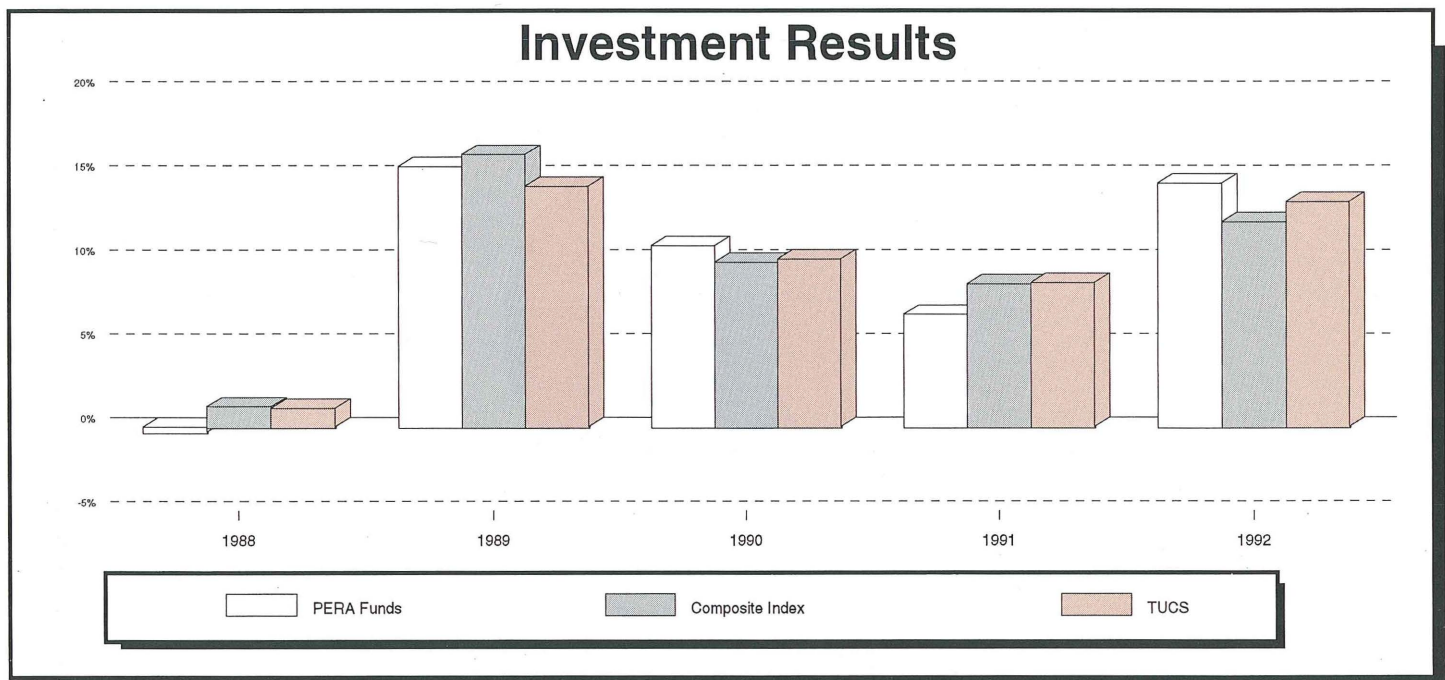
Investment Results Last 5 Years

	Fiscal Year					5-Year Annualized
	1988	1989	1990	1991	1992	
Rate of Return — Time Weighted*						
PERA Funds	-0.4%	15.5%	10.8%	6.7%	14.5%	9.3%
Inflation Rate — Consumer Price Index	3.9	5.2	4.7	4.7	3.1	4.3
Market Indicator						
Composite Index**	1.0	16.2	9.8	8.5	12.2	9.0
Trust Universe Comparison Service (TUCS)***	1.1	14.3	10.0	8.6	13.4	10.0

*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.

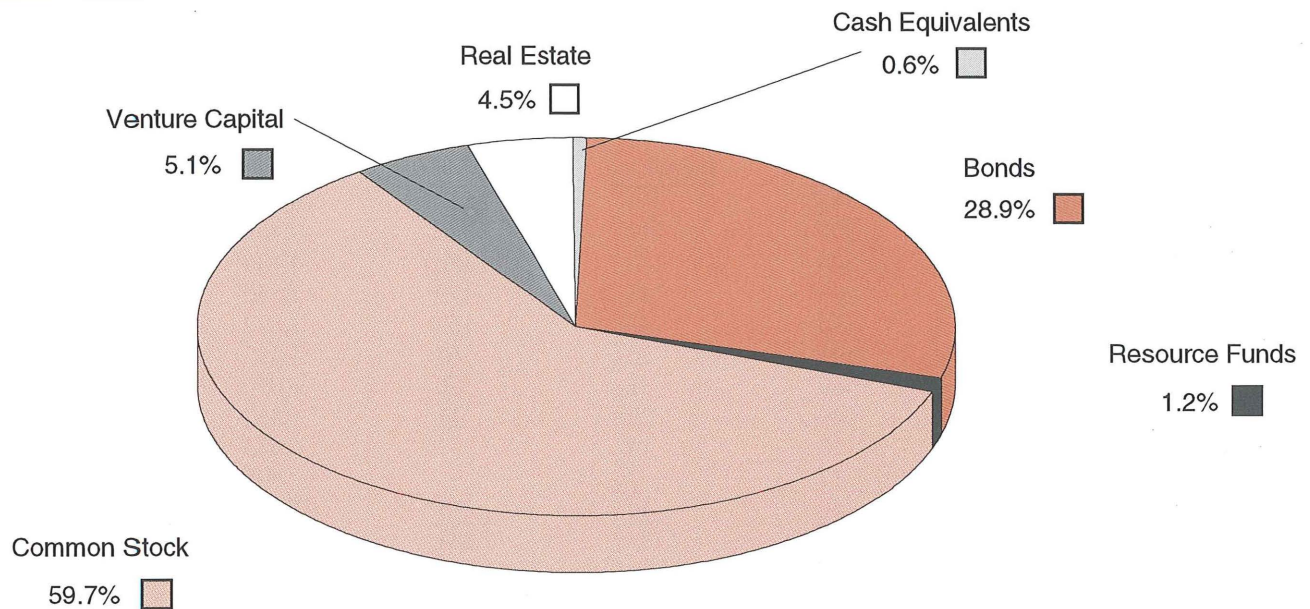
**The Composite Index is a composite of market indices weighted in the same proportion as the PERA funds asset allocation.

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



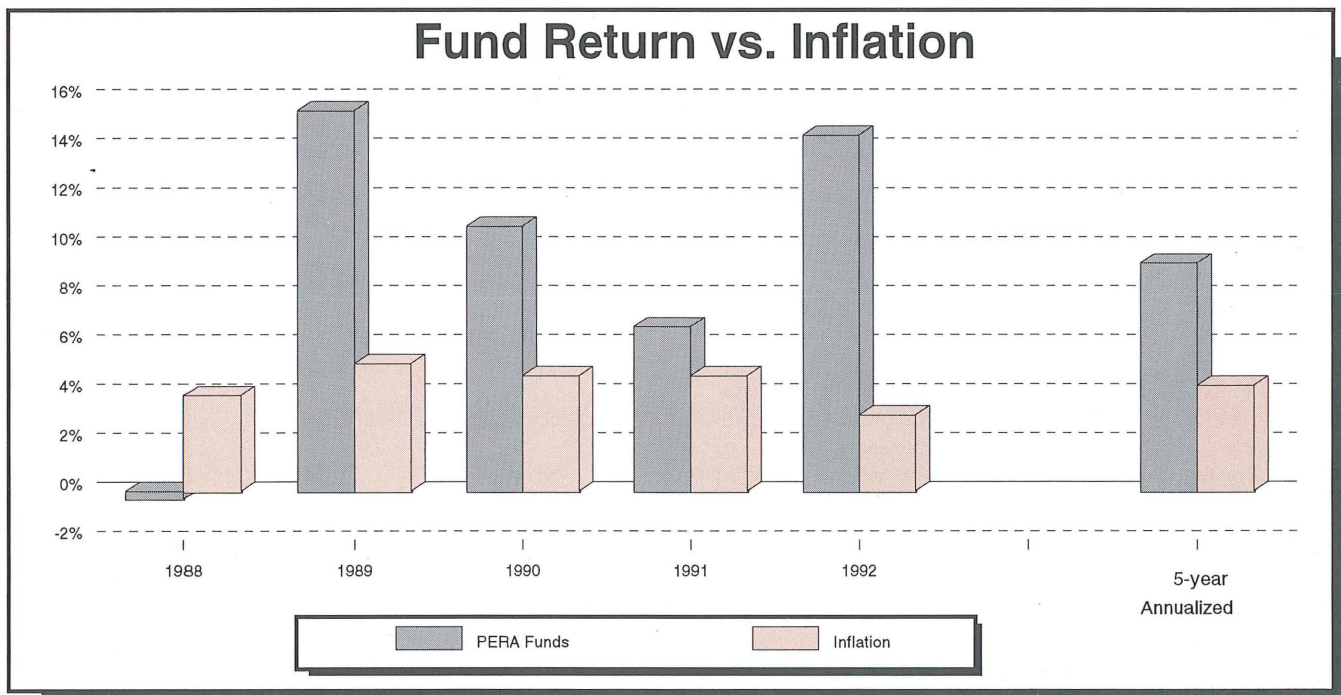
PERA's funds, as invested by the State Board of Investment, earned 14.5 percent in FY'92. This exceeded the performance of the Composite Index and the Trust Universe Comparison Service (TUCS). The five-year annualized return is above the Composite Index, below the TUCS, and is more than double the rate of inflation.

Investments



Active Funds Allocation of Investments

Common stocks and bonds represent nearly 90 percent of the investments for PERA's active funds.



PERA's funds have significantly outperformed inflation over the past five years.

Schedule of Retired Members

by Amount and Type of Benefit

Public Employees Retirement Fund

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabillant	Survivor	Total
\$ 1- 200	8,559	743	251	1,027	10,580
201- 400	6,235	575	212	742	7,765
401- 600	3,498	344	113	180	4,135
601- 800	2,117	213	41	179	2,550
801-1,000	1,519	176	40	157	1,892
1,001-1,200	1,167	101	25	63	1,356
1,201-1,400	929	69	32	20	1,050
1,401-1,600	775	49	27	11	862
1,601-1,800	610	28	14	1	653
1,801-2,000	481	17	7		505
Over 2,000	1,169	40	19	1	1,228
	27,058	2,355	782	2,381	32,576

Public Employees Police and Fire Fund

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabillant	Survivor	Total
\$ 1- 200	73	15		50	138
201- 400	66	29		56	151
401- 600	90	32	5	16	143
601- 800	113	30	6	28	177
801-1,000	111	18	16	25	170
1,001-1,200	111	15	11	13	150
1,201-1,400	117	9	23	8	157
1,401-1,600	124	6	19	4	153
1,601-1,800	102	5	8	8	123
1,801-2,000	77	3	4	2	86
Over 2,000	208	4	3	3	218
	1,192	166	95	213	1,666

Police and Fire Consolidation Fund

Amount of Monthly Benefit	Annuitant	Optional Annuitant	Disabillant	Survivor	Total
\$ 1- 200	2	10		5	17
201- 400	6	16		4	26
401- 600	2	1		2	5
601- 800	5	42		19	66
801-1,000	3	59	1	16	79
1,001-1,200	11	3	1	3	18
1,201-1,400	89	8	8	2	107
1,401-1,600	92		11	1	104
1,601-1,800	176	1	6		183
1,801-2,000	54		2	2	58
Over 2,000	18		1		19
	458	140	30	54	682

Average Benefit Payments

Last Five Years

Schedule of Average Benefit Payments

Public Employees Retirement Fund

Retirement Effective Dates	Years of Service						
July 1, 1987 to June 30, 1992	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/87 to 6/30/88:							
Average Monthly Benefit	\$93.58	\$112.61	\$178.48	\$323.44	\$698.64	\$1,207.14	\$1,906.27
Number of Active Retirants	82	205	560	543	356	171	208
Period 7/1/88 to 6/30/89:							
Average Monthly Benefit	\$66.01	\$104.16	\$178.28	\$313.69	\$598.69	\$1,054.57	\$1,711.91
Number of Active Retirants	66	240	455	447	288	86	114
Period 7/1/89 to 6/30/90:							
Average Monthly Benefit	\$74.78	\$139.92	\$226.64	\$357.33	\$636.47	\$1120.91	\$1,729.96
Number of Active Retirants	131	259	442	483	382	160	156
Period 7/1/90 to 6/30/91:							
Average Monthly Benefit	\$81.49	\$147.00	\$221.49	\$345.76	\$563.18	\$1,151.57	\$1,762.09
Number of Active Retirants	166	256	421	464	393	203	164
Period 7/1/91 to 6/30/92:							
Average Monthly Benefit	\$84.24	\$161.21	\$232.78	\$349.23	\$539.32	\$1,094.84	\$1,857.80
Number of Active Retirants	147	261	436	459	440	251	210
Period 7/1/87 to 6/30/92:							
Average Monthly Benefit	\$80.64	\$134.34	\$205.70	\$337.72	\$604.03	\$1,130.92	\$1,808.28
Number of Active Retirants	592	1,221	2,314	2,396	1,859	871	852

Average Benefit Payments

Last Five Years

Schedule of Average Benefit Payments

Public Employees Police and Fire Fund

Retirement Effective Date July 1, 1987 to June 30, 1992	Years of Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/87 to 6/30/88:							
Average Monthly Benefit	\$294.03	\$394.35	\$693.63	\$1,252.54	\$1,595.81	\$2,034.97	\$2,471.08
Number of Active Retirants	6	7	14	20	26	16	12
Period 7/1/88 to 6/30/89:							
Average Monthly Benefit	\$151.83	\$822.36	\$645.44	\$1,175.33	\$1,226.05	\$2,125.37	\$2,428.72
Number of Active Retirants	4	7	5	9	16	11	4
Period 7/1/89 to 6/30/90:							
Average Monthly Benefit	\$119.89	\$522.69	\$583.90	\$1,103.09	\$1,391.35	\$2,063.83	\$2,285.89
Number of Active Retirants	7	10	8	17	23	26	6
Period 7/1/90 to 6/30/91:							
Average Monthly Benefit	\$215.23	\$521.66	\$680.55	\$1,020.42	\$1,529.93	\$1,694.50	\$2,557.69
Number of Active Retirants	8	7	7	23	23	15	16
Period 7/1/91 to 6/30/92:							
Average Monthly Benefit	\$199.45	\$421.80	\$1,058.08	\$992.03	\$1,624.11	\$1,886.49	\$2,503.25
Number of Active Retirants	8	7	10	13	29	27	7
Period 7/1/87 to 6/30/92:							
Average Monthly Benefit	\$197.82	\$535.48	\$748.95	\$1,106.80	\$1,499.11	\$1,957.38	\$2,478.42
Number of Active Retirants	33	38	44	82	117	95	45

Participating Employers

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

CITIES AND TOWNSHIPS

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

Statistical Section

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

TOWER	WINGER	LAKE OF THE WOODS	ARLINGTON-	CLARA CITY #126	FISHER #600
TRACY	WINNEBAGO	LE SUEUR	GREEN ISLE #731	CLARKFIELD #892	FLOODWOOD #698
TRIMONT	WINONA	LINCOLN	ASHBY #261	CLEARBROOK #161	FOLEY #51
TRUMAN	WINSTED	LYON	ATWATER #341	CLEVELAND #391	FOREST LAKE #831
TURTLE LAKE TWP.	WINTHROP	MAHNOMEN	AUDUBON #21	CLIMAX #592	FOSSTON #601
TWIN VALLEY	WINTON	MARSHALL	AURORA-HOYT LKS.-	CLINTON-	FRANKLIN #650
TWO HARBORS	WOLF LAKE	MARTIN	BIWABIK #2711	GRACEVILLE #55	FRAZEE #23
TWO RIVERS TWP.	WOLVERTON	MCLEOD	AUSTIN #492	CLOQUET #94	FREEBORN #244
TYLER	WOOD LAKE	MEEKER	BABBITT #692	COKATO-DASSEL #466	FRIDLEY #14
ULEN	WOODBURY	MILLE LACS	BADGER #676	COLD SPRING #750	FULDA #505
UNDERWOOD	WOODLAND TWP.	MORRISON	BAGLEY #162	COLERAINE #316	GARY #523
UPSALA	WORTHINGTON	MOWER	BALATON #411	COLUMBIA HEIGHTS	GAYLORD #732
VADNAIS HEIGHTS	WRENSHALL	MURRAY	BARNESVILLE #146	#13	GILBERT #699
VASA TWP.	WYANETT TWP.	NICOLLET	BARNUM #91	COMFREY #81	GLENCOE #422
VERGAS	WYKOFF	NOBLES	BARRETT #262	COOK COUNTY #166	GLENVILLE #245
VERMILLION	WYOMING TWP.	NORMAN	BATTLE LAKE #542	COSMOS #461	GLYNDON-
VERNDALE	WYOMING	OLMSTED	BEARDSLEY #57	COTTONWOOD #412	FELTON #145
VERNON CENTER	YORK TWP.	OTTERTAIL	BECKER #726	CROMWELL #95	GONVICK-TRAIL #158
VESTA	YNG. AMERICA TWP.	PENNINGTON	BELGRADE #736	CROOKSTON #593	GOODHUE #253
VICTOR TWP.	YOUNG AMERICA	PINE	BELLE PLAINE #716	CROSBY-IRONTON #182	GOODHUE CO. #6051
VICTORIA	YUCATAN TWP.	PIPESTONE	BELLINGHAM #371	CYRUS #611	GOODRIDGE #561
VIRGINIA	ZIMMERMAN	POLK	BELVIEW #631	DAKOTA CO. TECH.	GRAND MEADOW #495
WABASHA	ZUMBROTA	POPE	BEMIDJI #31	COLLEGE #917	GRAND RAPIDS #318
WABASSO		RAMSEY	BENSON #777	DANUBE #648	GRANITE FALLS #894
WACONIA		RED LAKE	BERTHA-HEWITT #786	DEER RIVER #317	GREENBUSH #678
WACONIA TWP.		REDWOOD	BIG LAKE #727	DELANO #879	GREY EAGLE #791
WADENA		RENVILLE	BIRD ISLAND-	DELAVAN #218	GROVE CITY #464
WAHCON		RICE	OLIVIA #2534	DETROIT LAKES #22	GRYGLA #447
WAITE PARK	<u>Counties</u>	ROCK	BLACKDUCK #32	DILWORTH #147	HALLOCK-
WALDORF	AITKIN	ROSEAU	BLOOMING PRAIRIE	DODGE CENTER-	HUMBOLDT #2359
WALKER	ANOKA	ST LOUIS	#756	CLAREMONT-	HALSTAD-
WALNUT GROVE	BECKER	SCOTT	BLOOMINGTON #271	W. CONCORD #2125	HENDRUM #2527
WALTHAM TWP.	BELTRAMI	SHERBURNE	BLUE EARTH #240	DULUTH #709	HANCOCK #768
WANAMINGO TWP.	BENTON	SIBLEY	BORUP #522	EAGLE BEND #790	HARMONY #228
WANAMINGO	BIG STONE	STEARNS	BOYD-DAWSON #378	EAST CHAIN-	HASTINGS #200
WANDA	BLUE EARTH	STEELE	BRAHAM #314	GRANADA #2536	HAWLEY #150
WARREN	BROWN	STEVENS	BRAINERD #181	EAST GRAND	HAYFIELD #203
WARROAD	CARLTON	SWIFT	BRAINERD-	FORKS #595	HECTOR #651
WARSAW TWP.	CARVER 1	TODD	STAPLES REG.	EAST GRAND FORKS	HENDRICKS #402
WASECA	CASS	TRAVERSE	TECH. COLLEGE #2190	NORTHWEST TECH.	HENNEPIN CO. #287
WATERTOWN TWP.	CHIPPEWA	WABASHA	BRANDON #207	COLLEGE	HENNING #545
WATERTOWN	CHISAGO	WADENA	BRECKENRIDGE #846	ECHO #893	HERMAN #264
WATERVILLE	CLAY	WASECA	BREWSTER #513	EDEN	HERMANTOWN #700
WATKINS	CLEARWATER	WASHINGTON	BRICELYN #217	VALLEY-WATKINS #463	HERON LAKE-
WATSON	COOK	WATONWAN	BROOKLYN CNTR. #286	EDGERTON #581	OKABENA #330
WAUBUN	COTTONWOOD	WILKIN	BROOTEN #737	EDINA #273	HIAWATHA
WAVERLY	CROW WING	WRIGHT	BROWERVILLE #787	ELGIN-MILLVILLE #806	VALLEY #61-6013
WAYZATA	DAKOTA	YELLOW MEDICINE	BROWNS VALLEY #801	ELK RIVER #728	HIBBING #701
WEBSTER TWP.	DODGE		BROWNTON #421	ELLENDALE #762	HILL CITY #2
WELCOME	DOUGLAS		BUFFALO #877	ELLSWORTH #514	HILLS-
WELLS	FARIBAULT		BUFFALO LAKE #647	ELMORE #219	BEAVER CREEK #671
WENDELL	FILLMORE		BURNSVILLE #191	ELY #696	HINCKLEY #573
WEST CONCORD	FREEBORN		BUTTERFIELD #836	EMMONS #243	HOFFMAN #265
WEST ST. PAUL	GOODHUE	<u>School Districts</u>	BYRON #531	ESKO #99	HOLDINGFORD #738
WESTBROOK	GRANT	ADA #521	CALEDONIA #299	EVANSVILLE #208	HOPKINS #270
WESTBROOK TWP.	HENNEPIN	ADRIAN #511	CAMBRIDGE-ISANTI #911	EVELETH #697	HUSTON #294
WHEATON	HOUSTON	AITKIN #1	CAMPBELL-TINTAH #852	EVELETH-HIBBING	HOWARD LAKE-
WHITE TWP.	HUBBARD	ALBANY #745	CANBY #891	RANGE TECH. COLLEGE	WAVERLY #880
WHITE BEAR TWP.	ISANTI	ALBERT LEA #241	CANNON FALLS #252	EYOTA-DOVER #533	HUTCHINSON #423
WHITE BEAR LAKE	ITASCA	ALDEN-CONGER #242	CARLTON #93	FAIRFAX-GIBBON-	INTERNATIONAL
WILLIAMS	JACKSON	ALEXANDRIA #206	CASS LAKE #115	WINTHROP #2365	FALLS #361
WILLERNIE	KANABEC	ALVARADO #436	CENTENNIAL #12	FAIRMONT #454	INVER GROVE
WILLMAR	KANDIYOHI	AMBOY-GOOD	CEYLON #451	FARIBAULT #656	HEIGHTS #199
WILMONT	KITTSON	THUNDER #79	CHASKA #112	FARMINGTON #192	ISLE #473
WINDOM	KOOCHICING	ANNANDALE #876	CHATFIELD #227	FERGUS FALLS #544	IVANHOE #403
	LAC QUI PARLE	ANOKA-HENNEPIN #11	CHISHOLM #695	FERTILE #599	JACKSON #324
	LAKE	ARGYLE #437	CHOKIO-ALBERTA #771	FINLAYSON #570	
			CHOSEN VALLEY #227		

JANESVILLE-
PEMBERTON-
WALDORF #2835

JASPER #582

JEFFERS-
STORDEN #178

JORDAN #717

KARLSTAD-
STRANDQUIST #2358

KASSON-
MANTORVILLE #204

KELLIHER #36

KENNEDY #354

KENSINGTON #209

KENYON #254

KERKHOVEN-
MURDOCK-
SUNBURG #775

KIESTER #222

KIMBALL #739

KOOCHICHIING
COUNTY #363

LA CRESCENT #300

LAKE BENTON #404

LAKE CITY #813

LAKE CRYSTAL #2071

LAKE PARK #24

LAKE SUPERIOR #381

LAKE WILSON-
CHANDLER #918

LAKE OF
THE WOODS #390

LAKEFIELD #325

LAKEVILLE #194

LAMBERTON #633

LANCASTER #356

LANESBORO #229

LAPORTE #306

LE CENTER #392

LEROY-
OSTRANDER #499

LE SUEUR-
HENDERSON #2397

LESTER PRAIRIE #424

LEWISTON #857

LINSTROM-
CHISAGO LAKES #141

LITCHFIELD #465

LITTLE FALLS #482

LITTLEFORK-
BIG FALLS #362

LONG PRAIRIE #792

LYLE #497

LYND #415

MABEL-CANTON #238

MADELIA #837

MADISON JOINT
POWERS #6011

MAGNOLIA #669

MAHNOMEN #432

MAHTOMEDI #832

MANKATO #77

MAPLE LAKE #881

MAPLETON #72

MARSHALL #413

MAYNARD #127

MAZEPPA-
ZUMBROTA #2805

MC GREGOR #4

MEDFORD #763
MELROSE #740
MENAHA #821
MENTOR #604
MIDDLE RIVER #440
MID-STATE #6979
MILACA #912
MILROY #635
MINNEAPOLIS #1
MINNEOTA #414
MINNESOTA LAKE #223
MINNETONKA #276
MONTEVIDEO #129
MONTGOMERY-
LONSDALE #394
MONTICELLO #882
MOORHEAD #152
MOOSE LAKE #97
MORA #332
MORGAN #636
MORRIS #769
MORRISTOWN #657
MORTON #652
MOTLEY #483
MOUNDS VIEW #621
MOUNTAIN IRON-
BUHL #712
MOUNTAIN LAKE #173
NASHWAUK-
KEEWATIN #319
NETT LAKE #707
NEVIS #308
NEW LONDON-
SPICER #345
NEW PRAGUE #721
MN. RIVER
VALLEY #993
NEW RICHLAND-
HARTLAND #827
NEW ULM #88
NEW YORK MILLS #553
MARSHALL CO.
CENTRAL #441
NICOLLET #507
NORTH BRANCH #138
NORTH CENTRAL
TECH. COLLEGE
NORTHEAST METRO
INTERM #916
NORTHFIELD #659
NO. ST. PAUL-
MAPLEWOOD-
OAKDALE #622
NORWOOD-YOUNG
AMERICA #108
OGILVIE #333
OKLEE #627
ONAMIA #480
ORONO #278
ORTONVILLE #62
OSAKIS #213
OSLO #442
OSSEO #279
OWATONNA #761
PARK RAPIDS #309
PARKERS PRAIRIE #547
PAYNESVILLE #741
PELICAN RAPIDS #548

PEQUOT LAKES #186
 PERHAM #549
 PIERZ #484
 PILLAGER #116
 PINE CITY #578
 PINE CITY TECH.
 COLLEGE #579
 PINE ISLAND #255
 PINE RIVER-
 BACKUS #117
 PIPESTONE #583
 PLAINVIEW #810
 PLUMMER #628
 PRESTON-
 FOUNTAIN #233
 PRINCETON #477
 PRIOR LAKE #719
 PROCTOR #704
 RANDOLPH #195
 RAYMOND #346
 RED LAKE #38
 RED LAKE FALLS #630
 RED WING #256
 REDWOOD FALLS #637
 REMER #118
 RENVILLE #654
 RICHFIELD #280
 ROBBINSDALE #281
 ROCHESTER #535
 LUVERNE #670
 ROCKFORD #883
 ROSEAU #682
 ROSEMOUNT #196
 ROSEVILLE #623
 ROTHSA Y #850
 ROUND LAKE #516
 ROYALTON #485
 RUSH CITY #139
 RUSHFORD-
 PETERSON #239
 RUSSELL #418
 RUTHTON #584
 SACRED HEART #655
 ST. ANTHONY #282
 ST. CHARLES #858
 ST. CLAIR #75
 ST. CLOUD #742
 ST. FRANCIS #15
 ST. JAMES #840
 ST. LOUIS CO. #710
 ST. LOUIS PARK #283
 ST. MICHAEL-
 ALBERTVILLE #885
 ST. PAUL #625
 ST. PETER #508
 SANBORN #638
 SANDSTONE-
 ASKOV #2580
 SARTELL #748
 SAUK CENTRE #743
 SAUK RAPIDS #47
 SEBEKA #820
 SHAKOPEE #720
 SHERBURN-TRIMONT-
 WELCOME #2372
 SIBLEY COUNTY-
 RIVER BEND #6049
 SILVER LAKE #425
 SIOUX VALLEY #328

SLAYTON #504
SLEEPY EYE #84
SOUTHLAND #500
SO. ST. PAUL #6
SO. WASHINGTON
COUNTY #833
SOUTHWESTERN
TECH. COLLEGE #900
SPRING GROVE #297
SPRING LK. PARK #16
SPRING VALLEY #237
SPRINGFIELD #85
STAPLES #793
STEPHEN #443
STEWART #426
STEWARTVILLE #534
STILLWATER #834
SWANVILLE #486
TAYLORS FALLS #140
THIEF RIVER
FALLS #564
THIEF RIVER FALLS
NORTHWEST TECH.
COLLEGE
TOWER-SOUDAN #708
TRACY #417
TRUMAN #458
TWIN VALLEY #526
TYLER #409
ULEN-HITTERDAL #914
UNDERWOOD #550
UPSALA #487
VALLEY & LAKES
EDUCATION #6001
VERDI #408
VERNDALE #818
VIRGINIA #706
WABASHA-
KELLOGG #811
WABASSO #640
WACONIA #110
WADENA #819
WADENA TECH.
INSTITUTE
WALKER-
HACKENSACK-
AKELEY #113
WALNUT GROVE #641
WANAMINGO #258
WARREN #446
WARROAD #690
WASECA #829
WATERTOWN-
MAYER #111
WATERVILLE-
ELYSIAN #395
WAYZATA #284
WELLS-EASTON #224
WESTBROOK #175
WEST CENTRAL #263
WESTONKA #277
WEST ST. PAUL #197
WHEATON #803
WHITE BEAR LAKE
#624
WHITE EARTH-
OGEMA-WAUBUN #435
WILLMAR #347
WILLMAR-HUTCHINSON
TECH. COLLEGE
WILLOW RIVER #577

WINDOM #177
WIN-E-MAC #2609
WINNEBAGO #225
WINONA #861
WINONA-RED WING
TECH. COLLEGE
WINSTED #427
WOOD LAKE #896
WORTHINGTON #518
WRENSHALL #100
WYKOFF #236

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
 KITTSON COUNTY SWCD
 KITTSON-MARSHALL RURAL WATER SYSTEM
 KOOCHICHING 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 KITTSON 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 COUNTY 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.
 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
