St. Paul Teachers' Retirement Fund Association

Annual Report of the Board of Trustees

Fiscal Year Ended June 30, 2002

St. Paul Teachers' Retirement Fund Association

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Fiscal Year Ended June 30, 2002

Table of Contents

Mission Statement

The Mission of St. Paul Teachers' Retirement Fund Association is to:

- Provide our members and their beneficiaries with retirement, survivor and disability benefits as specified in law and the Association Articles and Bylaws.
- Assist our members in planning a secure retirement by providing friendly, high quality, consumer oriented service, pre-retirement education and information in a professional and cost effective manner.
- Prudently invest the assets of the fund to provide the optimum return while preserving principal by controlling the portfolio risk.

St. Paul Teachers' Retirement Fund Association

Board of Trustees

St. Paul Teachers' Retirement Fund Association

1619 Dayton Avenue, Room 309
Saint Paul, MN 55104-6206
Phone (651) 642-2550
Fax (651) 642-2553

The Board of Trustees of the St. Paul Teachers' Retirement Fund Association (SPTRFA) submits herewith the Financial Report for the fiscal year July 1, 2001 to June 30, 2002 in accordance with the provisions of Minnesota Statutes 356.20.

The financial statements of the Association were audited by the Office of the State Auditor. A copy of the report is included in this document.

Portions of the Actuarial Valuation from the actuary retained by the Legislative Commission on Pensions and Retirement, Milliman USA, are also included in this report. The complete actuarial valuation is on file in our office.

Consulting actuarial work was performed by Gabriel, Roeder, and Smith.

Legal services were performed by the firm of Oppenheimer, Wolfe & Donnelly, LLP, our legal counsel.

Callan Associates is the Investment Consultant for the Association.

REVENUES
The reserves required to finance benefits come from contributions by employees, employers and the State of Minnesota, along with investment returns. During fiscal year 2001-2002, total contributions amounted to $38,683,879. Net investment income including unrealized market appreciation/depreciation for the same period was ($ 34,095,144).

EXPENSES
Benefits to annuitants, disabilitants, survivors and dependent children paid in this fiscal year totaled $58,738,724. Refunds to members who left the Association totaled $717,374. Administrative expenses amounted to $451,797.

INVESTMENTS
The investments of SPTRFA had a rate of return of (3.7%) for the fiscal year ending June 30, 2002. This return was below the 8.5% rate the actuaries assume when determining our funding status. Although negative, this return is over the return of our benchmark portfolio, which was (6.1%). The market value of the net assets of the fund held in trust for pension benefits decreased from $824,224,957 on June 30, 2001 to $768,931,641 on June 30, 2002.

MEMBER SERVICES
Each year, SPTRFA sends detailed benefit estimates to each vested member over age 40. All other members receive a statement of account. Our web site, "SPTRFA.ORG" has been upgraded to be more informative and useful to our members. This reconstruction of our web page was completed by March 1, 2002.

** note: values in (parenthesis) are negative*

One copy of this complete Annual Report of the Board of Trustees has been mailed to each school building and location where members work. To save printing costs, each member has been sent a summary version of this report, which contains all of the relevant information but less detail. A copy of the full Annual Report will be sent to any member on request.

FUNDING

The actuary for the State of Minnesota, Milliman USA, determines the funding status of our Association. The actuarial accrued liability funding ratio decreased from 81.91% to 78.82% as of July 1, 2002.

LEGISLATION

The 2002 legislative session produced two important pieces of legislation for our members. Active members of our plan are eligible to purchase service credit in SPTRFA through May 16, 2003. Another provision of the 2002 Omnibus Pension Bill concerns charter schools located within the city limits of Saint Paul. After June 30, 2002 all charter school teachers in the State of Minnesota will be members of the Minnesota Teachers Retirement Association (TRA). A final provision was the institution of a second "trigger" before the excess administrative service charge is assessed. The second trigger is inflation-based.

ADMINISTRATIVE SERVICE CHARGE

This annual report contains a summary of the calculation of the member service charge as required by law. Again this year, members will not be assessed a service charge because administrative expenses of SPTRFA were lower than the comparable per member cost of the State TRA plan.

As SPTRFA enters its 94th year of providing pensions and benefits to teachers in the public schools, charter schools, and the technical college in the City of Saint Paul, we are proud to look back on our record. There are 4,462 active teaching members of SPTRFA. The number of retirees, disabilitants, and survivors receiving benefits is 2,136. The median annual benefit payment to retirees, survivors and dependents is approximately $29,000. All retirees who have been retired for at least one year will receive an increase of 2.00% on January 1, 2003.

On behalf of the members of the Board of Trustees we wish to express our gratitude to the Association staff, ISD #625, and to others who have helped assure our successful operation. We pledge to continue to administer the affairs of the Association in the most competent and efficient manner possible.

Respectfully submitted,

Carol J. Adams
President

Eugene R. Waschbusch
Secretary-Treasurer

Professional Listing
(as of June 30, 2002)

Actuaries
Milliman USA
Gabriel, Roeder, Smith & Company

Auditor
Office of the State Auditor

Investment Counsel
Alliance Capital
Barclays Global Investors
Barrow, Hanley, Mewhinney & Strauss, Inc.
The Boston Company Asset Management
Capital Guardian Trust Company
Capital International, Inc.
The Clifton Group
Dimensional Fund Advisors, Inc.
Morgan Stanley Asset Management
Paladin Investment Associates
RWI Group
Voyageur Asset Management
Wellington Management Company, LLP

Investment Consultant
Callan Associates

Legal Counsel
Oppenheimer, Wolfe & Donnelly, LLP

St. Paul Teachers' Retirement Fund Association

MEMBERS: Active, Retired, Dependents & Beneficiaries

BOARD OF TRUSTEES

Carol J. Adams	President	W. Matthew Bogenschultz	Erma E. McGuire
Feryle W. Borgeson	Vice President	John R. Kunz	Al Oertwig
Eugene R. Waschbusch	Secretary-Treasurer	Mike McCollor	James Paddock
			Chong Thao

Board Committees: Executive, Annuities, Investments, Refunds, Personnel

ADMINISTRATION

Phillip G. Kapler, Executive Director
James A. Callaway, Assistant Director
Jo Groth, Retired Member Clerk
Nancy Langer, Active Member Clerk
Tamera Zielinski, Information Clerk

BENEFITS ADMINISTRATION

- Active Member Services
- Retired Member Services
- Records Management
- Member Counseling

OPERATIONS

- Business Administration
- Accounting/Reporting
- Payroll
- Fiscal
- Publications
- Information Systems

INVESTMENTS

- Asset Management
- Performance Monitoring
- Reporting

PROFESSIONAL TECHNICAL SERVICES

- Legal Counsel
- Investment Managers
- Auditor
- Actuary
- Medical Advisor

GOVERNMENTAL RELATIONS

- Minnesota State Auditor
- Legislative Commission on Pensions & Retirement
- Minnesota Department of Revenue
- Minnesota Department of Finance
- Minnesota Campaign Finance & Public Disclosure Board
- U.S. Department of the Treasury

Financial Section

JUDITH H. DUTCHER
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

SUITE 400
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
stateauditor@osa.state.mn.us (E-Mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
St. Paul Teachers' Retirement Fund Association

We have audited the basic financial statements of the St. Paul Teachers' Retirement Fund Association as of and for the years ended June 30, 2002 and 2001, as listed in the table of contents. These basic financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net assets of the St. Paul Teachers' Retirement Fund Association as of June 30, 2002 and 2001, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the basic financial statements, the St. Paul Teachers' Retirement Fund Association adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments,* as amended.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The management's discussion and analysis and the required supplementary information referred to in the table of contents are not required parts of the basic financial statements but are required by the Governmental Accounting Standards Board. We have applied certain limited procedures to this information, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Judith H. Dutcher
JUDITH H. DUTCHER
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

November 4, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section summarizes key information drawn from more detailed sections elsewhere in this report. It includes a brief overview of the financial performance and actuarial status of the Saint Paul Teachers' Retirement Fund Association (hereinafter "SPTRFA", "Association" or "Fund") for the fiscal year ended June 30, 2002.

Organizational Structure

The SPTRFA is a non-profit corporation organized under Minnesota Statutes, Chapter 317A. At the direction and oversight of a 10-member Board of Trustees, Association staff are responsible for the day-to-day administration of two tax-qualified, defined benefit pension programs for licensed personnel of a single employer; Independent School District (ISD) No. 625, the central administrative body for public schools within the City of Saint Paul.

Basic Plan members do not participate in Social Security through employment with ISD No. 625. The Coordinated Plan, commenced in 1978, provides retirement benefits for members who ***do*** participate in Social Security.

Under state law, payroll contributions to the Fund are a direct operating obligation of the school district and members. However, the Association is not a component unit of Saint Paul Schools; neither are the Fund's assets or liabilities included in District financial statements.

Financial Highlights

This discussion and analysis serves as an overview of the basic financial statements in this report, which consist of the following principle schedules:

1. Fund financial statements

    a. Comparative Statement of Plan Net Assets
    b. Comparative Statement of Changes in Plan Net Assets

2. Notes to the financial statements

3. Required supplementary schedules of contributions and funding progress

Over the 12 months ended June 30, 2002, net assets held in trust for pension benefits by the SPTRFA decreased from $824 million to $769 million. This decrease of approximately $55 million (6.7 percent) was caused primarily by adverse investment conditions. Roughly two-thirds, ($34 million) resulted from a reduction to the market value of invested assets, particularly in the domestic and international equity portfolios. The remaining one-third is attributable to the spend-down of assets to raise cash for benefit payments.

Investment Performance Comparison
Annualized Returns (%)

	1 Year	3 Year	5 Year
Actual Performance	(3.7)	1.0	5.7
Benchmark	(6.1)	(1.6)	4.5
Actual Target	8.5	8.5	8.5
Actual versus Benchmark	2.4	2.6	1.2
Actual versus Actuarial Target	(12.2)	(7.5)	(2.8)

The statutory, actuarial assumed return is 8.5 percent per year. This is the long-term rate of return target the Fund must obtain in order to avoid investment-driven increases to unfunded liabilities. Over shorter periods of time, the time-weighted composite benchmark return for the Fund is a fair measure of returns attainable, given the asset allocation chosen for the Fund.

For the 12 months ended June 30, 2002 , the benchmark settled at (6.1) percent. SPTRFA's actual return was (3.7) percent. On an actuarial basis, the Fund had a horrible year, trailing the actuarial target by 12.2 percent. However, relative to the total portfolio benchmark, investment performance was a solid 2.4 percent better than would have occurred had the entire portfolio been invested in passive accounts. A relatively conservative portfolio structure, and superior active management were the primary drivers behind SPTRFA's overall relative good performance.

Summary Information from the Fund Financial Statements

The following two tables summarize data found later in this report. Detailed information can be found in schedules with corresponding names under the Financial Section.

Plan Net Assets
($'s in 000's)

	Year Ended June 30	
	2002	2001
Assets		
Cash	$ 683	$ 459
Receivables	4,976	4,239
Investments at fair value	766,743	820,443
Securities lending collateral	29,653	104,858
Fixed assets less depreciation	34	33
Total Assets	$ 802,089	$ 930,032
Liabilities		
Payables	$ 3,241	$ 583
All other liabilities	29,916	105,224
Total Liabilities	$ 33,157	$ 105,807
Net Assets in Trust for Benefits	$ 768,932	$ 824,225

Changes in Plan Net Assets
($'s in 000's)

	Year Ended June 30	
	2002	2001
Additions		
Contributions		
Employer, employee, and State of Minnesota	$ 38,684	$ 36,721
Investment activity	(31,443)	(28,408)
Investment management expenses	(2,656)	(2,769)
Net securities lending income	30	96
Total Additions	$ 4,615	$ 5,640
Deductions		
Benefits, withdrawals, and refunds	$ 59,456	$ 54,199
Administrative expenses	452	444
Total Deductions	$ 59,908	$ 54,643
Net Decrease	$ (55,293)	$ (49,003)
Net Assets in Trust for Benefits (Beginning of Year)	824,225	873,228
Net Assets in Trust for Benefits (End of Year)	$ 768,932	$ 824,225

Notes to the Basic Financial Statements

The notes provide supplemental information that is essential to fully understand the data provided in the basic financial statements. Below is a brief description of the notes, listed in numerical order:

1. Describes accounting policies applied in the development of the basic financial statements.

2. Provides a description of the plans administered by the SPTRFA, including coverage, classes of membership, and benefits.

3. Describes the laws and policies governing the deposit and investment of Association assets.

4. Explains the securities lending program in which the SPTRFA participates through our custodian, Bank of New York. By state law, the SPTRFA securities on loan must be 100 percent collateralized at all times.

5. Describes how funds are accumulated through contributions.

6. Discusses the risk management policies of the SPTRFA.

Actuarial Valuation as Supplement to the Financial Statements

The financial statements can tell the reader whether, on a date certain, a plan is solvent, or how certain critical financial variables are moving over narrow time frames. However, they cannot tell the reader whether financing mechanisms in place are adequate to satisfy future liabilities associated with promised plan benefits over longer periods of time.

For any defined benefit pension plan to be *actuarially* funded, the following equation must be satisfied:

Where,	PV	=	Present Value
	C	=	Future Contributions
	I	=	Investment Earnings
	A	=	Present Assets
	B	=	Benefit Liabilities
	E	=	Expenses

Then, $PV[A + C + I] = PV[B + E]$

In an actuarially funded program, the key variable is the contribution level, normally established as a level dollar or level percent of payroll rate. Contributions can be set as the dependent variable, and the simple equation above may be restated as follows:

$$PV [C] = PV [B + E] - PV [A + I]$$

This simplified model illustrates how the actuary determines whether contributions are adequate to satisfy all liabilities through the full funding target date (for the SPTRFA, June 30, 2021). If the actual contribution rate exceeds the required rate, there exists a "sufficiency;" if otherwise, a "deficiency." Ideally, neither would be allowed to persist, since that would imply that assets and liabilities are not accruing at the same overall pace, which could produce what actuaries refer to as "intergenerational inequities."

For the SPTRFA, actuarial assumption changes and adverse investment performance in recent years have caused some erosion in the accrued liability funding ratio, reducing it from 82 percent in 2001 to 79 percent in 2002. As of July 1, 2002 contributions from all sources to the SPTRFA appear to be "deficient" by about 1.5 percent (See Actuarial Section, Report Highlights). The importance of monitoring this deficiency and being prepared to take corrective action cannot be overemphasized.

Collectively, the schedules, accompanying notes, and discussions in this report provide comprehensive information as of June 30, 2002, regarding the:

- Benefit plans administered by the Association
- Asset and liability structure of the Fund
- Financial and actuarial status of the SPTRFA
- Key policies and procedures of the Association

We have endeavored throughout this report to conform with generally accepted accounting principles, GASB Statements 25, 28, and 34. It is important that we provide an accurate and balanced picture of the financial and actuarial condition of the retirement program established and administered on behalf of educators in Saint Paul. Any questions about the information in this report should be directed to the SPTRFA Office:

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Saint Paul, Minnesota 55104-6206

Phone: (651) 642-2550
Fax: (651) 642-2553

Website: http://www.sptrfa.org
Email: info@sptrfa.org

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

COMPARATIVE STATEMENT OF PLAN NET ASSETS
JUNE 30, 2002 AND 2001

	2002		2001	
Assets				
Cash	**$**	**682,787**	**$**	**458,692**
Receivables				
Employer and employee contributions	$	991,672	$	2,537,265
Interest		928,053		1,103,525
Dividends		160,040		148,135
Sales of securities		2,663,288		-
Variation margins receivable		231,869		439,068
Other		1,332		11,464
Total receivables	**$**	**4,976,254**	**$**	**4,239,457**
Investments, at fair value				
Commercial paper	$	12,275,951	$	12,258,645
U.S. government securities		29,244,311		46,811,727
TBA mortgage-backed securities		22,869,446		-
Corporate bonds		34,464,109		31,682,741
Corporate stocks		166,594,881		177,427,465
Commingled investment funds				
Pooled international equity trust		105,518,408		100,679,724
Government/credit bond index fund		104,383,018		96,203,146
Equity index fund		113,373,114		160,206,343
U.S. debt index fund		46,874,404		50,267,369
Extended equity index fund		34,627,879		44,486,638
Russell 2000 equity index fund		6,333,823		6,128,987
International emerging markets growth fund		19,743,474		20,924,780
Mutual fund		38,129,547		34,520,026
International small capital equity fund		21,845,560		23,251,033
Money market funds		9,257,368		14,654,898
Limited partnership		1,207,354		940,000
Total investments, at fair value	**$**	**766,742,647**	**$**	**820,443,522**
Invested securities lending collateral	**$**	**29,652,944**	**$**	**104,857,591**
Furniture and fixtures (at cost, less accumulated depreciation of $61,368 and $52,435 in 2002 and 2001, respectively)	**$**	**34,037**	**$**	**33,138**
Total Assets	**$**	**802,088,669**	**$**	**930,032,400**

The notes to the financial statements are an integral part of this statement.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

COMPARATIVE STATEMENT OF PLAN NET ASSETS
JUNE 30, 2002 AND 2001

	2002	2001
Liabilities		
Accounts payable	$ 680,111	$ 583,363
Security purchases payable	2,561,357	-
Variation margins payable	262,616	366,489
Securities lending collateral	29,652,944	104,857,591
Total Liabilities	**$ 33,157,028**	**$ 105,807,443**
Net Assets Held in Trust for Pension Benefits (A Schedule of Funding Progress is Presented on Page 22)	**$ 768,931,641**	**$ 824,224,957**

The notes to the financial statements are an integral part of this statement.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

COMPARATIVE STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Additions		
Contributions		
Employer	$ 20,958,423	$ 19,996,142
Members	14,467,695	13,152,552
Other sources		
State of Minnesota	3,257,761	3,572,726
Total contributions	**$ 38,683,879**	**$ 36,721,420**
Investment income (loss)		
From investing activity		
Net appreciation (depreciation) in fair value of investments	$ (40,285,792)	$ (43,366,168)
Interest	6,081,022	10,516,685
Dividends	2,680,711	4,329,565
Other	81,284	111,755
Total investing activity income (loss)	**$ (31,442,775)**	**$ (28,408,163)**
Less: investing activity expense	(2,656,216)	(2,769,232)
Net income (loss) from investing activity	**$ (34,098,991)**	**$ (31,177,395)**
From securities lending activity		
Securities lending income	**$ 330,517**	**$ 5,291,894**
Less: securities lending expense		
Borrower rebates	$ (287,616)	$ (5,131,671)
Management fees	(13,257)	(64,068)
Total securities lending expense	**$ (300,873)**	**$ (5,195,739)**
Net income from securities lending activity	**$ 29,644**	**$ 96,155**
Net investment income (loss)	**$ (34,069,347)**	**$ (31,081,240)**
Total Additions	**$ 4,614,532**	**$ 5,640,180**

The notes to the financial statements are an integral part of this statement.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

COMPARATIVE STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

	2002	2001
Deductions		
Benefits to participants		
Retirement	$ 53,006,236	$ 48,276,142
Disability	766,025	761,224
Survivor	4,938,985	4,349,331
Dependent children	27,478	17,952
Withdrawals and refunds	717,374	794,756
Total benefits, withdrawals, and refunds	**$ 59,456,098**	**$ 54,199,405**
Administrative expenses	451,750	443,745
Total Deductions	**$ 59,907,848**	**$ 54,643,150**
Net Increase (Decrease)	**$ (55,293,316)**	**$ (49,002,970)**
Net Assets Held in Trust for Pension Benefits		
Beginning of Year	**824,224,957**	**873,227,927**
End of Year	**$ 768,931,641**	**$ 824,224,957**

The notes to the financial statements are an integral part of this statement.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2002 AND 2001

1. Summary of Significant Accounting Policies

Reporting Entity

The St. Paul Teachers' Retirement Fund (Fund) is a single-employer defined benefit pension fund administered by the St. Paul Teachers' Retirement Fund Association (Association), pursuant to the Association's bylaws and Minn. Stat. chs. 354A and 356. The Fund's membership consists of eligible employees of Independent School District 625, St. Paul, employees formerly employed by Independent School District 625, charter schools, and the employees of the Association. The Association is governed by a ten-member Board of Trustees.

Basis of Presentation

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and with Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended.

Basis of Accounting

The basis of accounting is the method by which additions and deductions to plan net assets are recognized in the accounts and reported in the financial statements. The Association uses the accrual basis of accounting. Under the accrual basis of accounting, additions are recognized when they are earned, and deductions are recognized when the liability is incurred.

Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on an exchange are valued at the last reported sales price at current exchange rates. Market values of investments in limited partnerships are determined by reference to published financial information of the partnership. Investments that do not have an established market are reported at estimated fair value.

Net appreciation (depreciation) in fair value of investments includes net unrealized and realized gains and losses. Purchases and sales of securities are recorded on a trade date basis.

1. Summary of Significant Accounting Policies

Investments (Continued)

The Association participates in a securities lending program. In accordance with GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, investments lent under the program are reported as assets on the balance sheet and collateral received on those investments is reported as an asset and a liability.

Derivative Investments

The Association invests in futures contracts using a static asset allocation investment strategy.

Upon entering into a futures contract, each party is required to deposit with the broker an amount, referred to as the initial margin, equal to a percentage of the purchase price indicated by the futures contract. In lieu of a cash initial margin, the Association holds certain investments in its account for the broker as collateral. Subsequent deposits, referred to as variation margins, are received or paid each day by each party equal to the daily fluctuations in the fair value of the contract. These amounts are recorded by each party as unrealized gains or losses. When a contract is closed, each party records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Futures contracts involve, to varying degrees, credit and market risks. The Association enters into contracts only on exchanges or boards of trade where the exchange or board of trade acts as the counterparty to the transactions. Thus, credit risk on such transactions is limited to the failure of the exchange or board of trade. Losses in value may arise from changes in the value of the underlying instruments or if there is an illiquid secondary market for the contracts.

TBA or "to-be-announced" mortgage-backed securities transactions are a basic mechanism for trading federal agency mortgage pass-through securities on a delayed delivery and settlement basis. They do not represent a separate type or class of mortgage-backed securities. A TBA transaction is a purchase or sale of mortgage pass-through securities with settlement agreed upon for some future date. The purchase of pass-throughs on a TBA basis creates a long position in the underlying security on the trade date with associated market risk in the position. The securities to be delivered are described in general detail at the time of trade but are not specifically identified until shortly prior to settlement. TBA transactions may involve newly-issued or existing agency mortgage pass-throughs.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

1. Summary of Significant Accounting Policies (Continued)

Investment Income

Interest income is recognized when earned on an accrual basis. Dividend income is recorded on the ex-dividend date.

Contributions

Member employee contributions are recognized when withheld or when paid directly by the member employee. Employer contributions are recognized as a percentage of covered payroll as earned. Direct state aid and state amortization aid are recognized pursuant to state statute.

Benefits and Refunds

Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Furniture and Fixtures

Furniture and fixtures are carried at cost less accumulated depreciation. Depreciation has been provided using the straight-line method over estimated useful lives ranging from five to ten years.

2. Description of Plans

The following brief description of the plans is provided for general information purposes only. Participants should refer to the plan agreements for more complete information.

The plans are not subject to the provisions of the Employee Retirement Income Security Act of 1974.

General

The Association was created to provide retirement and other specified benefits for its members. The Association maintains two defined benefit pension plans covering teachers in the St. Paul public school system.

2. Description of Plans

General (Continued)

Effective July 1, 1978, the Association established a plan, coordinated with Social Security, in accordance with Minnesota statutes (the Coordinated Plan). Teachers who became members of the Association subsequent to June 30, 1978, automatically became members of the Coordinated Plan. Members' contributions and benefits under the Coordinated Plan have been adjusted to reflect contributions to and benefits from Social Security. Teachers who were members of the Association prior to July 1, 1978, are generally covered under the Basic Plan, which provides all retirement benefits for its members.

Membership

At June 30, 2002 and 2001, the Association's membership consisted of:

	2002	2001
Retirees and beneficiaries currently receiving benefits	2,136	2,050
Terminated employees entitled to but not yet receiving benefits	815	324
Terminated, non-vested	2,078	1,671
Current active plan members (including members on leave)	4,462	4,924
Total Membership	9,491	8,969

Pension Benefits

Members who satisfy required length-of-service and minimum age requirements are entitled to annual pension benefits equal to a certain percentage of final average salary (as defined in each plan) multiplied by the number of years of accredited service.

Disability Benefits

Active members who become totally and permanently disabled and satisfy required length-of-service requirements are entitled to receive annual disability benefits as calculated under each plan.

2. Description of Plans (Continued)

Other Benefits

Limited service pensions, deferred pensions, survivor benefits, and family benefits are available to qualifying members and their survivors.

3. Deposits and Investments

Deposits

Minn. Stat. § 356A.06 authorizes the Association to deposit its cash in financial institutions designated by the Board of Trustees. At June 30, 2002, the carrying amount of the Association's deposits was $682,587, and the bank balance was $163,649. At June 30, 2001, the carrying amount of the Association's deposits was $458,492, and the bank balance was $350,960.

Minnesota statutes require that all Association deposits be covered by deposit insurance, surety bond, or pledged collateral.

The following is a summary of the June 30, 2002 and 2001, insurance and collateral as it relates to the Association's custodial credit risk for its deposits.

	Bank Balance	
	2002	2001
Covered Deposits		
Insured, or collateralized with securities held by the Association or its agent in the Association's name	$ 163,649	$ 350,960
Uncollateralized	-	-
Total	$ 163,649	$ 350,960

Investments

The Association's investments are categorized to give an indication of the level of custodial credit risk assumed by the Association at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Association or its agent in the Association's name. Category 2 includes uninsured and unregistered investments for which the

3. Deposits and Investments

Investments (Continued)

securities are held by the counterparty's trust department or agent in the Association's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the Association's name.

Minn. Stat. § 356A.06 authorizes the types of securities available to the Association for investment. Following are the Association's investments at June 30, 2002 and 2001, and the level of custodial credit risk for these investments.

2002	Risk Category	Carrying and Fair Value
Commercial paper	3	$ 12,275,951
U.S. government securities	1	15,414,923
TBA mortgage-backed securities	1	22,869,446
Corporate bonds	1	31,253,472
Corporate stocks	1	155,421,821
Invested securities lending collateral		
Corporate bonds	3	19,057,108
Repurchase agreements	3	3,602,337
Certificates of deposit	3	6,993,499
Total		$ 266,888,557
Add		
Investments held by broker-dealers under securities loans		
U.S. government securities		13,829,388
Corporate bonds		3,210,637
Corporate stocks		11,173,060
Mutual fund		38,129,547
Commingled investment funds		461,957,048
Limited partnership		1,207,354
Total Investments		$ 796,395,591

3. Deposits and Investments

Investments (Continued)

2001	Risk Category	Carrying and Fair Value
Commercial paper	3	$ 12,258,645
U.S. government securities	1	18,600,278
Corporate bonds	1	30,851,690
Corporate stocks	1	104,985,431
Repurchase agreements - invested securities lending collateral	3	62,000,000
Total		$ 228,696,044
Add		
Investments held by broker-dealers under securities loans		
U.S. government securities		28,211,449
Corporate bonds		831,051
Corporate stocks		72,442,034
Pooled cash equivalents - invested securities lending collateral		42,857,591
Mutual fund		34,520,026
Commingled investment funds		516,802,918
Limited partnership		940,000
Total Investments		$ 925,301,113

The Association has no concentration of five percent or more of the plan's net investments in securities of a single organization.

The investments of the Association are governed primarily by an investment authority known as the "prudent person rule." The prudent person rule, as set forth in Minn. Stat. § 356A.04, subd. 2, establishes a standard for all fiduciaries, which includes any party that has authority with respect to the system.

4. Securities Lending Program

The Association participates in a securities lending program. On June 30, 2002 and 2001, 14 and 40 percent, respectively, of its U.S. government securities, corporate bonds, and corporate stocks were loaned out.

4. Securities Lending Program (Continued)

Minn. Stat. § 356A.06, subd. 7, permits the Association to enter into securities lending transactions. These are loans of securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Loans may be made only to pre-approved borrowers. The Association's securities custodian is the agent in lending the Association's securities for collateral of at least 102 percent of the market value of loaned securities. Loaned investments are marked to market daily. If the collateral provided by the borrower falls below 100 percent of the market value of the loaned investment, the borrower is required to provide additional collateral to bring the collateral to 102 percent of the current market value. Collateral may be provided in securities or cash.

As of June 30, 2002, the fair value of collateral received was $32,852,745, of which $29,652,944 was cash collateral which is included in the Statement of Plan Net Assets as an asset and offsetting liability. All of the collateral at June 30, 2001, was provided in cash. Cash collateral is invested in corporate obligations, repurchase agreements, and certificates of deposit which have an average weighted maturity of 14 days.

The Association has no credit risk exposure to borrowers because the amounts the Association owes borrowers exceed amounts borrowers owe the Association. The contract with the trust company does not require the trust company to indemnify the Association if borrowers fail to return the securities but does provide for the trust company to deliver collateral up to the market value of the loaned securities to the Association. All securities loans may be terminated on demand by either the Association or the borrower.

5. Contributions

Funding

Benefit and contribution provisions are established by state law and may be amended only by the State of Minnesota Legislature.

Minn. Stat. § 354A.12 sets the rate for employee and employer contributions that, expressed as a percentage of annual covered payroll, are sufficient to fully fund the pension plan by the year 2020. The requirement to reach full funding by the year 2020 is set in Minn. Stat. § 356.215, subd. 4g. As part of the annual actuarial valuation, the actuary determines the sufficiency or deficiency of the statutory contribution rates toward meeting the required full funding deadline. The actuary compares the actual contribution rate to a "required" contribution rate.

5. Contributions

Funding (Continued)

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 required date for full funding, and (c) an allowance for administrative expenses.

Required Contributions

For the fiscal years ended June 30, 2002 and 2001, the contribution rates required by statute were as follows:

	Percentage of Members' Salaries	
	Basic Plan	Coordinated Plan
Employee contribution	8.00%	5.50%
Employer contribution	11.64	8.34

Other Contributions

Minn. Stat. § 354A.12, requires the state to annually provide the Association with direct aid until it reaches the same funded status as the Minnesota Teachers' Retirement Association (TRA). The direct state aid contribution was $2,827,000 for each of the fiscal years 2002 and 2001.

Minn. Stat. § 423A.02, subd. 3, requires the state to annually provide certain aid to the Association until it is fully funded. The state amortization aid contribution was $430,761 and $745,726 for fiscal years 2002 and 2001, respectively. Beginning in fiscal year 1998, the School District must make an additional annual contribution to the Association in order for the Association to continue receiving state amortization aid. The School District contributed $800,000 for each of the fiscal years 2002 and 2001.

Statutes also require active and retired members of the Association to provide contributions for the relative difference (per member) between the administrative expenses incurred by the Association and the state TRA.

5. Contributions (Continued)

Reserve

At June 30, 2002 and 2001, $6,764,584 and $6,874,713, respectively, of the net assets is considered reserved as it represents the amount of state amortization aid which, pursuant to legislation, must be separately accounted for and may not be used in determining benefit increases. This is considered to be fully funded.

6. Risk Management

The Association is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. To cover its liabilities, the Association purchases commercial insurance. There were no significant reductions in insurance coverage from coverage in the prior year. The amount of settlements did not exceed insurance coverage for each of the past three fiscal years.

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

Schedule 1

SCHEDULE OF FUNDING PROGRESS
(IN THOUSANDS OF DOLLARS)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1997	$ 556,406	$ 805,066	$ 248,660	69.11%	$ 151,363	164.28%
1998	625,053	861,584	236,531	72.55	168,564	140.32
1999	704,233	938,847	234,614	75.01	178,254	131.62
2000	801,823	998,253	196,430	80.32	187,950	104.51
2001	869,045	1,060,931	191,886	81.91	202,915	94.56
2002	899,572	1,141,300	241,728	78.82	201,456	119.99

(Unaudited)

ST. PAUL TEACHERS' RETIREMENT FUND ASSOCIATION
ST. PAUL, MINNESOTA

Schedule 2

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYER
AND OTHER CONTRIBUTING ENTITIES
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Annual Required Contributions	Employer Percentage Contributed	State Contributions	State Percentage Contributed
1997	$ 16,202	92.70%	$ 1,023	6.31%
1998	23,246	69.66	5,509	23.70
1999	21,899	79.98	3,551	16.22
2000	20,814	91.52	3,573	17.17
2001	20,444	97.81	3,573	17.48
2002	17,382	120.58	3,258	18.74

Note:

The annual required contributions are actuarially determined. The employer and state are required by statute to make contributions, all of which have been made.

(Unaudited)

NOTES TO SCHEDULE 1 AND SCHEDULE 2
AS OF AND FOR THE YEAR ENDED JUNE 30, 2002
(Unaudited)

Actuarial Methods and Assumptions

The actuarial accrued liability is determined as part of an annual actuarial valuation on July 1. Significant methods and assumptions are as follows:

- The most recent actuarial valuation date is July 1, 2002.
- Actuarial cost is determined using the Entry Age Normal Actuarial Cost Method.
- The amortization method assumes a level percentage of payroll each year is used to pay the unfunded actuarial accrued liability.
- The amortization period is determined each year by the legislatively-appointed actuary.
- The remaining amortization period at July 1, 2002, is 19 years.
- The actuarial value of assets is determined using market value, adjusted for amortization obligations receivable at the end of each fiscal year, less a percentage of the unrecognized asset return determined at the close of each of the four preceding fiscal years. Unrecognized asset return is the difference between actual net return on market value of assets and the asset return expected during that fiscal year (based on the assumed interest rate employed in the July 1 actuarial valuation of the fiscal year). Transition rules apply between July 1, 2000, and July 1, 2003, when the method will be fully implemented.
- Actuarial Assumptions:
    - Investment rate of return is 8.5 percent.
    - Inflation and projected salary increases are based on a ten-year select and ultimate rate table with rates ranging from 5.0 to 6.9 percent.
    - Two percent annual post-retirement adjustment.
    - Pre-retirement mortality assumptions are based on the 1983 Group Annuity Mortality Table with rates set back seven years for males and five years for females.

Actuarial Methods and Assumptions (Continued)

- Post-retirement mortality assumptions are based on the 1983 Group Annuity Mortality Table with rates set back three years for males and one year for females.

- Post-disability mortality assumptions are based on the 1977 Railroad Retirement Board Mortality Table for Disabled Annuitants.

Significant Plan Provision and Actuarial Methods and Assumption Changes

1997

- Coordinated Plan benefit formula increased by 0.2 percent for each year of service in both tiers.

- Change in methodology used to determine post-retirement benefit increases.

- Additional state and employer funding.

- Coordinated Plan member contribution rate increased from 4.5 to 5.5 percent.

- Normal retirement age for post July 1, 1989, hires capped at age 66.

- Salary increase assumption changed to age-based system ranging from 5.25 to 7.25 percent individual increases and five percent for total payroll growth.

2000

- Asset valuation method changed to employ a more effective asset smoothing technique which is market-value based and which eliminates artificial bias related to manager style (effective July 1, 2000).

2001

- The annual lump sum benefits payable to pre-1974 retirees will be paid as monthly installments (effective January 1, 2002).

Significant Plan Provision and Actuarial Methods and Assumption Changes (Continued)

2002

The following actuarial assumptions changed:

Assumptions	Prior	Revised
Salary increases	Merit table that ranges from 7.25% at age 20 down to 5.25% at age 70	Ten year select and ultimate table. During the select period, 0.3% x (10 - T) where T is completed years of service is added to the ultimate rate. Ultimate table ranges from 6.9% at age 20 down to 5.0% at age 60 and over.
Male Pre-Retirement Mortality	1983 GAM (Male - 5)	1983 GAM (Male - 7)
Female Pre-Retirement Mortality	1983 GAM (Female - 3)	1983 GAM (Female - 5)
Separation Decrement	Graded rates	Select and ultimate table. Ultimate rates are generally lower than prior rates.
Disability Decrement	Graded rates	Graded rates. Revised rates are lower than prior rates.
Form of Annuity Selected - Male	85% married 15% elect 50% J&S option 50% elect 100% J&S option	85% married 10% elect 50% J&S option 45% elect 100% J&S option
Form of Annuity Selected - Female	60% married 10% elect 50% J&S option 10% elect 100% J&S option	60% married 10% elect 50% J&S option 10% elect 100% J&S option
Combined Service Annuity Load Factor	None assumed	7.0% load on liabilities for active members and 30% load on liabilities for former members.

The following plan provisions changed:

- Effective July 1, 2002, 359 charter school teachers are no longer covered by this Fund. Active charter school teachers retain their rights to benefits earned in this Fund through June 30, 2002, as if they were former members with a termination of employment on June 30, 2002. Effective July 1, 2002, these 359 charter school members are transferred to the Minnesota Teachers' Retirement Association.

Significant Plan Provision and Actuarial Methods and Assumption Changes

2002 (Continued)

- An administrative expense assessment otherwise payable under law will not be assessed if the administrative expenses of the Fund do not exceed the July 1, 2001, administrative expense amount adjusted for inflation.

- While not a formal change in provisions, a change in the expected amount of state aid has occurred with the Fund. Since the Duluth Teachers' Retirement Fund accrued liability funding ratio exceeded the Minnesota Teachers' Retirement Fund accrued liability funding ratio as of July 1, 2001, the state aid normally provided to Duluth shall be re-allocated to the other first class city teachers' funds. This results in an increase in the amount of state aid for this Fund.

A MILLIMAN GLOBAL FIRM

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November 6, 2002

Legislative Commission on
Pensions and Retirement
55 State Office Building
St. Paul, Minnesota 55155

RE: St. Paul Teachers' Retirement Fund
July 1, 2002 Actuarial Valuation Report

Commission Members:

Pursuant the terms of our actuarial services contract, we have performed an actuarial valuation of the St. Paul Teachers' Retirement Fund as of July 1, 2002.

The results of our calculations are set forth in the following report, as are the actuarial assumptions upon which our calculations have been made. Although we have reviewed the data for reasonableness and consistency, we have relied on the basic employee data and asset figures as submitted by the St. Paul Teachers' Retirement Fund.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with the requirements of Section 356.215, Minnesota Statutes, and the requirements of the Standards of Actuarial Work, adopted by the Legislative Commission on Pensions and Retirement.

We, Thomas K. Custis and Lance M. Burma, are actuaries for Milliman USA. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Milliman USA

Thomas K. Custis

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

Lance M. Burma

Lance M. Burma, F.S.A., M.A.A.A.
Consulting Actuary

St. Paul Teachers' Retirement Fund

Report Highlights

(dollars in thousands)

	July 1, 2001 Valuation	July 1, 2002 Valuation
A. CONTRIBUTIONS % OF PAYROLL (Table 11)		
1. Statutory Contributions - Chapter 354A	17.07%	17.06%
2. Required Contributions - Chapter 356	15.81%	18.56%
3. Sufficiency / (Deficiency)	1.26%	(1.50%)
B. FUNDING RATIOS		
1. Accrued Benefit Funding Ratio		
a. Current Assets (Table 1)	$ 869,045	$ 899,572
b. Current Benefit Obligations (Table 8)	1,009,535	1,089,692
c. Funding Ratio	86.08%	82.55%
2. Accrued Liability Funding Ratio		
a. Current Assets (Table 1)	$ 869,045	$ 899,572
b. Actuarial Accrued Liability (Table 9)	1,060,931	1,141,300
c. Funding Ratio	81.91%	78.82%
3. Projected Benefit Funding Ratio (Table 8)		
a. Current and Expected Future Assets	$ 1,247,302	$ 1,288,741
b. Current and Expected Future Benefit Obligations	1,226,096	1,352,343
c. Funding Ratio	101.73%	95.30%
C. PLAN PARTICIPANTS		
1. Active Members		
a. Number (Table 3)	4,671	4,306
b. Projected Annual Earnings	$ 214,775	$ 214,594
c. Average Annual Earnings (Actual dollars)	$ 43,441	$ 46,785
d. Average Age	43.1	43.7
e. Average Service	10.5	11.1
f. Additional Members on Leave of Absence*	253	156
2. Others		
a. Service Retirements (Table 4)	1,807	1,884
b. Disability Retirements (Table 5)	23	24
c. Survivors (Table 6)	220	228
d. Deferred Retirements (Table 7)	324	815
e. Terminated Other Non-Vested (Table 7)	1,671	2,078
f. Total	4,045	5,029

* Valued as deferred retirements, liability included with actives.

St. Paul Teachers' Retirement Fund

Accounting Balance Sheet

(dollars in thousands)

July 1, 2002

		Market Value	Cost Value
A. ASSETS			
1. Cash, Equivalents, Short-Term Securities		$ 12,989	$ 12,989
2. Investments			
a. Fixed Income		191,859	162,319
b. Equity		567,037	517,320
c. Real Estate		-	-
d. Alternative		3,847	4,103
3. Equity in Minnesota Post-Retirement Investment Fund		-	-
4. Other Assets*		1,034	1,034
B. TOTAL ASSETS		$ 776,766	$ 697,765
C. AMOUNTS CURRENTLY PAYABLE		$ 680	$ 680
D. ASSETS AVAILABLE FOR BENEFITS			
1. Member Reserves		$ 112,239	$ 112,239
2. Employer Reserves		663,847	584,846
3. MPRIF Reserves		-	-
4. Non-MPRIF Reserves		-	-
5. Total Assets Available for Benefits		$ 776,086	$ 697,085
E. TOTAL AMOUNTS CURRENTLY PAYABLE AND ASSETS AVAILABLE FOR BENEFITS		$ 776,766	$ 697,765
F. DETERMINATION OF ACTUARIAL VALUE OF ASSETS			
1. Market Value of Assets Available for Benefits (D.5)		$ 776,086	
2. Unrecognized Asset Returns			
a. June 30, 2002	$ (96,072)		
b. June 30, 2001	(104,645)		
c. June 30, 2000	15,965		
d. June 30, 1999	97,722		
3. UAR Adjustment: .80 * 2(a) + .60 * 2(b) + .40 * 2(c) +.1 * 2(d)		(123,486)	
4. Actuarial Value of Assets (F.1 - F.3)		$ 899,572	

*See "Asset Information" in the Commentary Section of this report.

St. Paul Teachers' Retirement Fund

Change In Assets Available for Benefits

(dollars in thousands)

June 30, 2002

	Market Value	Cost Value
A. ASSETS AVAILABLE AT BEGINNING OF PERIOD	$ 824,225	$ 712,889
B. OPERATING REVENUES		
1. Member Contributions	$ 14,468	$ 14,468
2. Employer Contributions	20,958	20,958
3. Supplemental Contributions	3,258	3,258
4. Investment Income	8,843	8,843
5. MPRIF Income	-	-
6. Investment Expenses	(2,627)	(2,627)
7. Net Realized Gain / (Loss)	(796)	(796)
8. Other	-	-
9. Net Change in Unrealized Gain / (Loss)	(32,335)	-
10. Total Operating Revenue	$ 11,769	$ 44,104
C. OPERATING EXPENSES		
1. Service Retirements	$ 53,007	$ 53,007
2. Disability Benefits	766	766
3. Survivor Benefits	4,966	4,966
4. Refunds	717	717
5. Administrative Expenses	452	452
6. Total Operating Expenses	$ 59,908	$ 59,908
D. OTHER CHANGES IN RESERVES	$ -	$ -
E. ASSETS AVAILABLE AT END OF PERIOD	$ 776,086	$ 697,085

F. DETERMINATION OF CURRENT YEAR UNRECOGNIZED ASSET RETURN

1. Average Balance	
(a) Assets Available at Beginning of Period	$ 824,225
(b) Assets Available at End of Period	776,086
(c) Average Balance {[(a) + (b) - Net Investment Income] / 2}	$ 813,613
{Net Investment Income: B.4+B.5+B.6+B.7+B.8+B.9}	
2. Expected Return: .085 * F.1	69,157
3. Actual Return	(26,915)
4. Current Year UAR: F.3 - F.2	$ (96,072)

St. Paul Teachers' Retirement Fund

Actuarial Balance Sheet

(dollars in thousands)

July 1, 2002

A. CURRENT ASSETS (Table 1; Line F.6)					$	899,572
B. EXPECTED FUTURE ASSETS						
1. Present Value of Expected Future Statutory Supplemental Contributions					$	178,126
2. Present Value of Future Normal Costs						211,043
3. Total Expected Future Assets						389,169
C. TOTAL CURRENT AND EXPECTED FUTURE ASSETS					$	1,288,741
D. CURRENT BENEFIT OBLIGATIONS	Non-Vested		Vested		Total	
1. Benefit Recipients						
a. Retirement Annuities			$	597,078	$	597,078
b. Disability Benefits				7,163		7,163
c. Surviving Spouse and Child Benefits				45,650		45,650
2. Deferred Retirements				17,242		17,242
3. Former Members Without Vested Rights				4,454		4,454
4. Active Members						
a. Retirement Annuities *	$	2,482		393,375		395,857
b. Disability Benefits		6,442		-		6,442
c. Surviving Spouse and Child Benefits		3,865		-		3,865
d. Deferred Retirements		270		9,296		9,566
e. Refund Liability Due to Death or Withdrawal		-		2,375		2,375
5. Total Current Benefit Obligations	$	13,059	$	1,076,633	$	1,089,692
E. EXPECTED FUTURE BENEFIT OBLIGATIONS					$	262,651
F. TOTAL CURRENT AND EXPECTED FUTURE BENEFIT OBLIGATIONS					$	1,352,343
G. CURRENT UNFUNDED ACTUARIAL LIABILITY (D.5 - A)					$	190,120
H. CURRENT AND FUTURE UNFUNDED ACTUARIAL LIABILITY (F - C)					$	63,602

* Includes members on leave of absence.

St. Paul Teachers' Retirement Fund

Determination of Unfunded Actuarial Accrued Liability (UAAL) and Supplemental Contribution Rate

(dollars in thousands)

July 1, 2002

	Actuarial Present Value of Projected Benefits	Actuarial Present Value of Future Normal Costs	Actuarial Accrued Liability
A. DETERMINATION OF ACTUARIAL ACCRUED LIABILITY (AAL)			
1. Active Members			
a. Retirement Benefits *	$ 638,260	$ 180,916	$ 457,344
b. Disability Benefits	11,797	5,655	6,142
c. Surviving Spouse and Child Benefits	7,483	3,566	3,917
d. Deferred Retirements	18,390	13,958	4,432
e. Refund Liability Due to Death or Withdrawal	4,826	6,948	(2,122)
f. Total	$ 680,756	$ 211,043	$ 469,713
2. Deferred Retirements	$ 17,242		$ 17,242
3. Former Members Without Vested Rights	4,454		4,454
4. Annuitants in MPRIF	-		-
5. Annuitants Not in MPRIF	649,891		649,891
6. Total	$ 1,352,343	$ 211,043	$ 1,141,300

B. DETERMINATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	
1. Actuarial Accrued Liability (A.6)	$ 1,141,300
2. Current Assets (Table 1; Line F.6)	899,572
3. Unfunded Actuarial Accrued Liability (B.1 - B.2)	$ 241,728
C. DETERMINATION OF SUPPLEMENTAL CONTRIBUTION RATE	
1. Present Value of Future Payrolls Through the Amortization Date of June 30, 2021	2,951,894
2. Supplemental Contribution Rate (B.3 / C.1)	8.19%

* Includes members on leave of absence.

St. Paul Teachers' Retirement Fund

Changes in Unfunded Actuarial Accrued Liability (UAAL)

(dollars in thousands)

	June 30, 2002	
A. UAAL AT BEGINNING OF YEAR	$	191,886
B. CHANGE DUE TO INTEREST REQUIREMENTS AND CURRENT RATE OF FUNDING		
1. Normal Cost and Expenses	$	19,913
2. Contributions		(38,684)
3. Interest		16,359
4. Total	$	(2,412)
C. EXPECTED UAAL AT END OF YEAR (A. + B.4)	$	189,474
D. INCREASE / (DECREASE) DUE TO ACTUARIAL LOSSES / (GAINS) BECAUSE OF EXPERIENCE DEVIATIONS FROM EXPECTED		
1. Age and Service Retirements *	$	-
2. Disability Retirements *		-
3. Death-in-Service Benefits *		-
4. Withdrawal *		-
5. Salary Increases		(8,292)
6. Contribution Income *		-
7. Investment Income **		21,216
8. Mortality of Annuitants		(2,106)
9. Other Items		3,239
10. Total	$	14,057
E. UAAL AT END OF YEAR BEFORE PLAN AMENDMENTS AND CHANGES IN ACTUARIAL ASSUMPTIONS (C + D.10)	$	203,531
F. CHANGE IN UAAL DUE TO PLAN AMENDMENTS		(2,045)
G. CHANGE IN UAAL DUE TO CHANGES IN ACTUARIAL ASSUMPTIONS		40,242
H. UAAL AT END OF YEAR (E + F + G)	$	241,728

* Included in Item D.9.

** Includes a gross investment loss of $21,216, increased by $0 used to provide next year's cost of living adjustments to retirees.

St. Paul Teachers' Retirement Fund

Determination of Contribution Sufficiency

(dollars in thousands)

July 1, 2002

	Percent of Payroll		Dollar Amount
A. STATUTORY CONTRIBUTIONS - CHAPTER 354A			
1. Employee Contributions	5.92%	$	12,709
2. Employer Contributions	8.90%		19,093
3. Supplemental Contribution			
a. 1996 Legislation	0.86%		1,850
b. 1997 Legislation	1.38%		2,953
4. Administrative Expense Assessment	0.00%		-
5. Total	17.06%	$	36,605
B. REQUIRED CONTRIBUTIONS - CHAPTER 356			
1. Normal Cost			
a. Retirement Benefits	8.76%	$	18,790
b. Disability Benefits	0.27%		586
c. Surviving Spouse and Child Benefits	0.16%		337
d. Deferred Retirements	0.65%		1,401
e. Refund Liability Due to Death or Withdrawal	0.32%		690
f. Total	10.16%	$	21,804
2. Supplemental Contribution Amortization	8.19%		17,575
3. Allowance for Administrative Expenses	0.21%		451
4. Total	18.56%	$	39,830
C. CONTRIBUTION SUFFICIENCY / (DEFICIENCY) (A.5 - B.4)	(1.50%)		(3,225)
Projected Annual Payroll for Fiscal Year Beginning on the Valuation Date:		$	214,594

St. Paul Teachers' Retirement Fund

Summary of Actuarial Assumptions and Methods

(Please note that these are new assumptions effective July 1, 2002.)

Interest:	Pre-Retirement:	8.50% per annum
	Post-Retirement:	8.50% per annum

Salary Increases:

Reported salary for prior fiscal year, with new hires annualized, increased to current fiscal year and annually for each future year according to the ultimate rate table below. During a 10-year select period, 0.3% x (10-T) where T is completed years of service is added to the ultimate rate.

Mortality:

Pre-Retirement:

Male:	1983 Group Annuity Mortality Table male rates set back 7 years.
Female:	1983 Group Annuity Mortality Table female rates set back 5 years.

Post-Retirement:

Male:	1983 Group Annuity Mortality Table male rates set back 3 years.
Female:	1983 Group Annuity Mortality Table female rates set back 1 years.

Post-Disability:

Male:	1977 Railroad Retirement Board Mortality for Disabled Annuitants
Female:	1977 Railroad Retirement Board Mortality for Disabled Annuitants

Retirement Age:

Active Members:

Active Members are assumed to retire according to the graded rates shown in the rate table. Rates are applied beginning at the participant's first early retirement age.

Deferred Members:

Basic Members are assumed to retire at age 60. Coordinated Members are assumed to retire at age 63. If over the assumed retirement age, one year from valuation date.

Other Non-Vested Members:

Return of contributions is assumed to occur immediately.

Separation:	Select and ultimate rates are based on recent plan experience. Ultimate rates after the third year are shown in the rate table. Select rates are as follows: First Year 40% Second Year 10% Third Year 6%
Disability:	Graded rates shown in the rate table.
Allowance for Combined Service Annuity:	7.0% load on liabilities for active members and 30% load on liabilities for former Members.
Administrative Expenses:	Prior year administrative expenses (excluding investment expenses) expressed as a percentage of prior year payroll.
Return of Contributions:	All employees withdrawing after becoming eligible for a deferred benefit were assumed to take the larger of their contributions accumulated with interest or the value of their deferred benefit.
Family Composition:	85% of male Members and 60% of female Members are assumed to be married. Female is assumed to be four years younger than male. Married members are assumed to have two children.
Social Security:	N/A
Benefit Increases After Retirement:	2.0% per annum
Special Consideration:	Additional post retirement benefit increase is accounted for by increasing the reserve value for all service retirements, disability retirements and survivors eligible for the increase by an amount that equals the excess of the five year time weighted total rate of return over the assumed interest rate of 8.50% multiplied by the quantity of one minus the rate of contribution deficiency.
Optional Benefit Forms:	Married Members are assumed to elect the following forms of benefit: Males: 45% elect life annuity option 10% elect 50% J&S option 45% elect 100% J&S option Females: 80% elect life annuity option 10% elect 50% J&S option 10% elect 100% J&S option

Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method with normal costs expressed as a level percentage of earnings. Under this method Actuarial Gains (Losses) reduce (increase) the Unfunded Actuarial Accrued Liability.
Asset Valuation Method:	Market Value, adjusted for amortization obligations receivable at the end of each fiscal year, less of a percentage of the Unrecognized Asset Return determined at the close of each of the four preceding fiscal years. Unrecognized Asset Return is the difference between actual net return on Market Value of Assets and the asset return expected during that fiscal year (based on the assumed interest rate employed in the July 1 Actuarial Valuation of the fiscal year). Transition rules apply between July 1, 2000 and July 1, 2003, when the method is fully in effect.
Payment on the Unfunded Actuarial Accrued Liability:	The Unfunded Actuarial Accrued Liability is amortized as level percentage of payroll each year to the statutory amortization date assuming payroll increases of 5.00% per annum.
Missing Data:	The submitted participant data has been reviewed for reasonableness and constancy with data submitted for prior valuations. We have not audited this data, and the results of this valuation may change based on the accuracy of the underlying data. In cases where submitted data was missing or incomplete, the following assumptions were applied:

Date of Birth:	Average age of participant group based on prior years valuation report.
Date of Hire:	Current valuation date minus years of service.
Years of Service:	Years of service on last year's valuation plus one year.
Sex:	Male.
Deferred Benefit:	Calculated. Salary at termination is estimated based on termination date. Estimated salary is $54,804 for 2001/2002 terminations and is decreased by 6.5% for each year that actual termination precedes July 1, 2002.

Supplemental Contributions:

The St. Paul School District and the State of Minnesota are scheduled to make the following supplemental contributions to the plan:

1996 Legislation:

Supplemental contributions according to the following schedule (thousands of dollars):

Year	State	School
06/30/03+	1,050	800

1997 Legislation:

Annual supplemental contributions of $2,953,000 made on October 1.

St. Paul Teachers' Retirement Fund Association
Investment Manager Returns
For the Period Ended June 30, 2002

	Assets Under Management (Market Value)	Investment Performance
Domestic Equity	**$ 365,930,693**	**(11.96 %)**
Alliance Capital	26,309,109	(29.14)
Barclays Global Investors—S & P 500 Index	113,373,114	(18.02)
Barclays Global Investors—Russell 2000 Index	6,333,823	(8.49)
Barclays Global Investors—Extended Market Index	34,627,879	(12.07)
Barrow, Hanley, Mewhinney & Strauss, Inc.	65,854,906	(1.57)
The Boston Company Asset Management	27,447,438	(22.96)
Dimensional Fund Advisors, Inc.	38,129,547	10.46
Paladin Investment Associates	25,948,854	(5.31)
Wellington Management Company, LLP	27,906,023	(1.71)
International Equity	**$ 147,107,442**	**2.02 %**
Capital Guardian Trust, Co.	21,845,560	(6.35)
Capital International, Inc.	19,743,474	(5.65)
Morgan Stanley Asset Management	105,518,408	4.81
Fixed Income	**$ 238,733,756**	**8.37 %**
Barclays Global Investors—Government/Corp Index	104,383,018	8.45
Barclays Global Investors—US Debt Index	46,874,404	8.82
Voyageur Asset Management	87,476,333	8.04
Alternative	**$ 3,847,310**	**(17.03 %)**
Clifton Group	2,639,956	(18.15)
RWI Group	1,207,354	(18.60)
Short Term	**$ 12,513,749**	**2.66 %**
In-House Cash & Cash Equivalents	12,513,749	2.66
Total Fund	**$ 768,132,949**	**(3.65 %)**

*** note: values in (parenthesis) are negative.*

Active Fixed Income Accounts

As of June 30, 2002

		Voyageur Asset Management			
Name	***Rate***	***Maturity***	***Par***	***Cost***	***Market***
ABS DVI Receivables	7.220	11/13/2007	1,060,000	1,048,679	1,098,066
ACE INA Holdings	6.000	04/01/2007	760,000	759,878	785,513
Abbott Labs	5.625	07/01/2006	800,000	797,368	829,016
Alltel Corp	7.875	07/01/2032	630,000	627,379	616,096
Americredit Automobile	4.610	01/12/2009	1,100,000	1,099,809	1,117,227
AOL Time Warner	7.700	05/01/2032	760,000	753,920	674,196
CIT Group	7.750	04/02/2012	1,045,000	1,062,295	1,028,729
CitiGroup	6.625	06/15/2032	455,000	448,862	439,889
Connecticut Special	6.210	12/30/2011	1,000,000	999,780	1,057,084
Conseco Fncl Securitizations	7.870	02/15/2031	850,000	849,761	898,665
Contimortgate Home Equity	6.580	12/15/2018	1,000,000	1,012,969	1,028,905
Continental Airlines	7.707	10/02/2022	1,412,449	1,441,491	1,424,669
Daimler Chrysler North Am Hdlgs	7.750	05/27/2003	1,300,000	1,309,018	1,348,141
El Paso Corp	7.750	01/15/2032	400,000	398,744	370,938
FHLM 00469	6.500	12/01/2011	834,813	820,433	868,456
FHLM 00853	7.000	01/01/2028	787,650	803,021	817,920
FHLM 00541	7.000	06/01/2026	590,316	602,720	613,740
FHLM G10952	6.500	09/01/2014	630,529	620,718	654,565
FHLMC C00901	8.000	12/01/2029	1,247,132	1,263,055	1,325,464
FHLMC C41471	7.500	08/01/2030	868,346	855,549	911,216
FHLMC C01050	7.500	09/01/2030	927,821	918,994	973,627
FHLMC C50907	7.500	05/01/2031	656,312	670,704	688,714
FHLMC E83737	6.500	05/01/2016	1,130,457	1,142,172	1,171,787
FHLMC C01197	6.500	07/01/2031	2,448,507	2,412,651	2,498,236
FHLMC	5.750	01/15/2012	2,885,000	2,880,874	2,964,338
FHLMC	4.875	03/15/2007	1,095,000	1,074,512	1,119,295
FHLMC	5.125	10/15/2008	1,000,000	972,460	1,018,438
FNMA 501210	6.500	06/01/2029	635,455	607,087	648,958
FNMA	6.625	11/15/2030	375,000	433,763	395,977
FNMA 576329	8.000	04/01/2031	156,346	193,338	166,067
FNMA 580982	6.500	05/01/2031	3,216,727	3,214,141	3,279,035
FNMA 608780	6.000	10/01/2016	3,813,338	3,871,729	3,888,384
FNMA 575832	6.500	05/01/2031	450,266	448,073	458,987
FNMA 611467	6.500	11/01/2031	3,804,582	3,818,849	3,878,277
FNMA 625030	6.500	01/01/2032	2,594,999	2,634,330	2,645,264
FNMA 641093	5.500	05/01/2017	1,765,000	1,758,381	1,766,641
Ford Motor Credit	4.225	10/25/2004	850,000	850,000	851,700
GMAC COML MTG	6.411	05/15/2030	1,146,263	1,190,144	1,203,894
GMAC COML MTG	8.000	11/01/2031	900,000	942,057	920,475
GNMA #491145	6.500	12/15/2028	1,653,807	1,664,774	1,693,085
GNMA #485453	6.500	05/15/2031	1,206,982	1,199,043	1,231,121
GNMA #557300	6.500	05/15/2031	628,036	623,844	640,596
GNMA #781176	7.000	12/15/2028	1,903,484	1,949,732	1,978,424
GNMA #781231	7.000	12/15/2030	572,771	586,715	594,605
HQI Transelectric Chile	7.875	04/15/2011	955,000	944,213	988,731
Harrah's Oper Inc	7.500	01/15/2009	785,000	818,873	828,575
Household Finance	2.971	09/12/2003	1,000,000	1,000,000	1,005,360
ING Cap Funding	8.439	12/31/2010	915,000	968,914	1,020,216
LB-USB Commercial Mtg	6.226	03/15/2026	1,000,000	1,004,958	1,050,698
Marathon Oil	6.800	03/15/2032	1,345,000	1,339,486	1,299,929
Midwest Generation	8.560	01/02/2016	475,000	474,288	470,934
Mirant Americas Generation Inc	8.300	05/01/2011	500,000	524,445	400,000
NRG Northeast Generating Sr	8.065	12/15/2004	622,617	631,085	615,065
Nomura Asset Secs Corp	6.590	03/15/2030	1,250,000	1,333,594	1,343,613
Pemex Finance	9.030	02/15/2011	980,000	1,071,198	1,063,780
Quest Diagnostics	7.500	07/12/2011	400,000	427,916	434,656
RASC 1999-KS1	6.320	04/25/2030	1,771,159	1,824,906	1,854,829
Royal Bank Scotland Group	9.118	03/31/2010	1,000,000	1,159,030	1,176,100
Science Application Intl	6.250	07/01/2012	620,000	618,195	609,615
Scripps EW Co		07/01/2002	240,000	238,495	239,880
Sprint	6.875	11/15/2028	355,000	296,688	222,205
Texas Eastern Transmission		12/11/2012	410,000	409,725	408,811
Tyson Foods	8.250	10/01/2011	480,000	514,845	529,560
US Treasury Note	6.750	05/15/2005	795,000	855,562	867,792
US Treasury Bond	7.875	02/15/2021	2,800,000	3,480,677	3,525,375
US Treasury Bond	8.125	08/15/2019	685,000	876,952	877,442
US Treasury Note	6.250	02/15/2007	1,200,000	1,282,922	1,313,250
US Treasury Bond	5.375	02/15/2031	225,000	221,217	220,359
US Treasury Note	7.500	02/15/2005	750,000	822,568	830,391
US Treasury Note	4.375	05/15/2007	180,000	180,309	182,475
US Treasury	7.875	11/15/2004	3,810,000	4,197,251	4,221,956
Valero Asset Trust	6.750	12/15/2032	1,200,000	1,149,264	1,214,820
Verizon	6.125	03/01/2012	880,000	869,378	836,836
Viacom Inc	7.875	07/30/2030	450,000	476,893	488,660
Wellpoint Health Networks	6.375	01/15/2012	645,000	643,710	668,033
SUBTOTAL Voyageur Asset Management			$ 82,071,163	$ 84,291,372	$ 85,394,367
Cash & Cash Equivalents			2,081,966	2,081,966	2,081,966
TOTAL Voyageur Asset Management			**$ 84,153,129**	**$ 86,373,338**	**$ 87,476,333**

Active Domestic Equity Accounts

As of June 30, 2002

	Alliance Capital		
Name	***Shares***	***Cost***	***Market***
AOL Time Warner	26,200	$ 1,270,036	$ 385,402
American Intl Group	7,300	584,070	498,079
Amgen	3,700	203,211	154,956
Applied Materials	13,800	307,858	262,476
AT & T	16,000	203,621	171,200
AT & T Wireless	20,000	156,016	117,000
Bank of America	2,100	157,575	147,756
Baxter International	5,800	312,542	257,810
Cardinal Health	10,600	703,332	650,946
Cisco Systems	36,600	1,628,518	510,570
Citigroup	34,800	1,348,714	1,348,500
Clear Channel Communications	10,100	512,066	323,402
Comcast A	2,900	68,193	69,136
Concord EFS	6,900	226,238	207,966
Dell Computer	15,900	383,112	415,626
Disney, Walt Cos	14,200	352,350	268,380
DuPont E I	5,100	237,445	226,440
Federal Home Loan Mtg	12,700	721,260	777,240
Federal National Mtg Assn	7,100	505,152	523,625
Gannett	4,000	271,719	303,600
General Electric	27,900	1,252,484	810,495
General Motors	3,600	222,409	192,420
Goldman Sachs	7,600	664,064	557,460
Harley Davidson	5,500	272,422	281,985
Health Management	15,700	345,413	316,355
Home Depot	23,000	1,185,458	844,790
Intel	23,400	691,792	427,518
Johnson & Johnson	7,400	396,503	386,724
Kohls	22,500	1,320,017	1,576,800
Lowes Cos	4,500	198,961	204,300
MBNA	45,700	1,478,036	1,511,299
Maxim Integrated Products	5,100	280,048	195,483
Medtronic	10,400	499,651	445,640
Merrill Lynch & Co	7,200	407,706	291,600
Microsoft	22,200	1,408,543	1,214,340
3M	1,400	179,494	172,200
Morgan Stanley Dean Witter	6,700	333,068	288,636
Motorola	16,300	240,740	237,817
Nokia	34,400	1,022,159	498,112
Northrop Grumman	1,400	170,508	175,000
Peoplesoft	6,700	223,775	99,696
Pfizer	46,300	1,943,107	1,620,500
Proctor & Gamble	3,100	281,225	276,830
Sprint	18,100	170,851	80,907
Target	9,600	392,324	365,760
Tenet Healthcare	10,400	657,265	744,120
Texas Instruments	11,700	351,717	277,290
Travelers Property	7,000	135,426	123,900
Unitedhealth Group	11,100	685,042	1,016,205
United Technologies	2,400	165,251	162,960
Veritas	5,500	195,361	108,845
Viacom Inc	18,700	891,923	829,719
Vodafone Group Plc	17,200	511,133	234,780
Walgreens	20,900	785,877	807,367
Wal Mart Stores	10,200	528,218	561,102
Wells Fargo	6,200	294,559	310,372
Wyeth	6,500	385,740	332,800
SUBTOTAL Alliance Capital		$ 31,321,297	$ 26,202,237
Cash & Cash Equivalents		490,824	490,824
TOTAL Alliance Capital		**$ 31,812,121**	**$ 26,693,061**

	Barrow Hanley		
Name	***Shares***	***Cost***	***Market***
Allstate	53,500	$ 1,882,372	$ 1,978,430
American Electric Power	46,000	1,845,440	1,840,920
BP Amoco	39,800	2,046,803	2,009,502
Bank America Corp	18,000	961,568	1,266,480
Boeing	12,900	437,951	580,500
Bristol Myers Squibb	46,200	2,109,427	1,187,340
Burlington Northern Santa Fe	64,500	1,520,549	1,935,000
Cigna Corp	22,700	2,129,035	2,211,434
Citigroup	45,600	2,184,892	1,767,000
Conoco	32,100	847,663	892,380
Crescent Real Estate Equities	36,500	769,781	682,550
Emerson Electric	34,700	2,108,641	1,856,797
EnCana Corp	48,900	1,183,933	1,496,340
Entergy	48,700	1,823,716	2,066,828
Fleetboston Financial	58,000	2,095,413	1,876,300
Hartford Financial Services Grp	32,600	2,062,317	1,938,722
Heinz, H J Co	35,000	1,428,628	1,438,500
Honeywell	46,000	1,606,988	1,620,580
Illinois Tool Works	10,400	597,883	710,320
Imperial TOB Group	41,400	941,757	1,345,086
JP Morgan Chase	33,800	1,631,907	1,146,496
Lyondell Chemical	40,000	509,900	604,000
MGIC Invest	31,200	1,906,874	2,115,360
Northeast Utilities	96,600	1,855,588	1,817,046
Occidental Pete	76,700	1,640,888	2,300,233
PNC Financial Services	24,000	1,418,242	1,254,720
Phillip Morris	42,700	1,426,710	1,865,136
Phillips Pete	34,000	2,080,448	2,001,920
Reliant Energy	121,700	3,665,387	2,056,730
SBC Communications	33,000	1,550,374	1,006,500
SLM Corp	22,000	1,243,525	2,131,800
Schering Plough	56,600	1,993,742	1,392,360
Sears Roebuck	38,800	1,296,940	2,106,840
U S T Inc	55,000	1,316,752	1,870,000
Verizon Communications	14,500	685,608	582,175
Washington Mutual	56,000	1,617,070	2,078,160
Waste Management	76,500	1,558,757	1,992,825
Wendys International	66,300	1,338,490	2,640,729
XL Capital Ltd	11,700	927,647	990,990
SUBTOTAL Barrow Hanley		$ 60,249,605	$ 62,655,029
Cash & Cash Equivalents		3,259,293	3,259,293
TOTAL Barrow Hanley		**$ 63,508,898**	**$ 65,914,322**

In-House Cash & Cash Equivalents	
Name	***Market***
Cash & Cash Equivalents	$ 12,513,749
TOTAL In-House Cash & Cash Equivalents	**$ 12,513,749**

Active Domestic Equity Accounts

As of June 30, 2002

The Boston Company Asset Management			
Stocks	**Shares**	**Cost**	**Market**
3Com Corp	20,100	$ 123,090	$ 88,440
Acclaim Entertainment	78,400	387,322	276,752
AdvancePCs	4,500	115,078	107,730
Agrium	25,300	276,008	237,820
Air Gate	5,100	57,848	5,100
Alamosa Holdings	71,100	433,804	100,251
Allen Telecom	35,600	526,403	153,080
Alpharma	28,700	539,914	487,326
American Greetings	17,400	278,577	289,884
Ameritrade Holdings	22,600	167,565	103,508
Anadigics	19,400	201,207	159,856
Aquila	11,000	83,857	88,000
Arch Coal	8,800	181,789	199,848
Arris Group	34,800	247,183	155,904
Art Technology Group	56,900	174,112	57,469
Artesyn Tech	24,900	307,212	162,597
Atlas Air Worldwide Holdings	28,600	570,394	105,820
Avid Tech	35,900	357,808	332,434
Axcelis Technologies	33,700	469,104	380,810
B E Aerospace	25,500	413,234	336,090
Bausch & Lomb	22,600	879,740	765,010
Beverly Enterprises	31,700	243,766	241,237
Bio Technical General	18,600	87,397	111,786
CP Ships Limited	3,300	32,769	33,660
CSK Auto	4,600	55,200	64,124
CTS Corp	28,600	516,779	344,344
Calpine	76,800	921,817	539,904
Champion Enterprises	26,400	196,858	148,368
Collins & Aikman	8,600	86,000	78,260
Comverse Tech	28,100	370,542	260,206
Cooper Tire & Rubber	7,200	159,904	147,960
Credence Systems	4,500	89,023	79,965
Cytyc	23,800	216,328	181,356
Dana Corp	13,400	175,774	248,302
Delta & Pine	10,900	210,982	219,090
Diamondcluster Intl	42,300	439,616	252,954
Dupont Photomasks	6,900	265,596	228,804
Dycom Industries	11,300	187,508	132,097
E-Trade Group	63,600	507,683	347,256
Earthlink	41,400	386,070	274,482
Efunds Corp	18,600	246,291	176,495
Emmis Communications	2,300	43,415	48,737
FMC Corp	6,200	200,197	187,054
Finlay Enterprises	9,100	125,369	149,877
Fleming Cos	31,400	670,172	569,910
Flowserve	4,600	111,517	137,080
Footstar	800	19,838	19,576
Gemstar TV Guide	24,200	235,641	130,438
Genesis Microchip	27,600	531,912	230,184
Global Ind	25,200	179,987	176,148
Graftech Intl	36,200	448,782	445,260
Grant Prideco Inc	28,400	444,604	386,240
Homestore.com	5,400	12,945	7,776
Horizon Offshore	13,600	120,836	114,784
I2 Technology	49,200	298,974	72,816
IDX Systems	6,500	98,717	84,630
IMC Global	20,300	304,598	253,750
Infocus Corp	21,500	434,412	253,270
Intertape Polymer	14,900	131,658	172,989
Intervoice-Brite	32,100	290,783	51,681
Invitrogen	17,900	600,265	572,979
Iona Tech	43,200	668,129	228,925
Continued ...			

The Boston Company Asset Management, Continued			
Stocks	**Shares**	**Cost**	**Market**
Ivax	33,700	$ 385,995	$ 363,960
Key Energy Services	52,500	443,050	551,250
Kforce Com	20,900	202,387	124,355
Knight Trading Group	33,900	414,916	177,636
La Quinta	19,000	149,702	137,750
Legato Systems	48,700	367,702	175,320
Lightbridge	1,700	21,237	14,365
Loral Space & Communication	56,300	105,097	55,737
MCSI	24,800	447,693	281,232
Macromedia	16,500	244,374	146,355
Magellan Health Services	30,800	187,918	30,800
Manugistics Group	29,200	224,963	178,412
Massey Energy	31,300	603,703	397,510
Mastec Inc	48,500	567,233	356,960
Mattson Tech	47,100	422,724	217,602
Midway Games	45,000	491,855	382,500
MRO Software	14,000	172,461	159,320
Officemax	48,200	243,053	283,898
Parametric Tech	116,000	743,105	397,880
Parker Drilling	95,900	497,610	313,593
Patterson-Uti Energy	12,200	215,922	344,406
Perkinelmer	33,200	543,575	366,860
Petroleum Geo Services	54,300	455,338	195,480
Pixelworks	2,800	26,258	23,492
Polyone Corp	17,900	216,461	201,375
Pride Intl	400	6,205	6,264
Professional Detailing	19,400	470,784	300,506
Quintiles Transnational	17,300	287,569	216,077
Quovadx	16,200	137,092	101,736
RSA Sec Inc	30,200	214,068	145,262
Read-Rite	63,300	191,322	30,384
Readers Digest	16,500	349,151	309,045
Rehabcare Group	8,700	234,584	209,061
Rite Aid	139,600	397,445	328,060
Riverstone Networks	77,300	374,643	241,949
Service Corp Intl	95,600	489,464	461,748
Shire Pharmaceuticals	16,400	370,921	423,284
Smartforce Pub Ltd	30,300	190,888	103,020
Sonicblue	67,600	389,898	69,628
Spherion	21,200	228,358	252,280
Stolt-Nielsen	28,300	551,119	396,200
Sunoco	4,300	142,417	153,209
Symbol Technologies	11,300	114,148	96,050
Terex	15,000	291,525	337,350
Tesoro Petroleum	59,500	532,301	461,125
Tetra Tech	17,300	223,444	254,310
Tidewater	5,400	189,605	177,768
Trico Marine Services	47,500	512,822	322,525
Trimble Navigation Ltd	23,300	396,522	361,150
Trinity Industries	11,700	267,981	242,424
Triquint Semiconductor	44,800	518,779	287,168
United States Steel	15,000	283,297	298,350
Ventiv Health	31,600	142,484	89,112
Veritas DGC	18,400	285,487	231,840
Visteon	18,000	254,539	255,600
Watson Pharmaceuticals	3,400	93,286	85,918
WebMD Corp	94,100	662,064	529,783
Western Wireless	38,500	527,844	123,200
Wolverine Tube	12,500	170,657	94,375
York Intl	7,000	229,723	236,530
Young Broadcasting	5,300	122,985	94,234
SUBTOTAL The Boston Company		$ 37,399,656	$ 27,203,057
Cash & Cash Equivalents		347,384	347,384
TOTAL The Boston Company		**$ 37,747,040**	**$ 27,550,440**

Active Domestic Equity Accounts

As of June 30, 2002

Paladin Investment Associates			
Name	***Shares***	***Cost***	***Market***
Affiliated Computer Services	10,000	$ 481,766	$ 474,800
Alberto Culver	10,000	414,810	478,000
Alliant Techsystems	7,500	379,853	478,500
American Standard Cos	10,000	639,847	751,000
AmerisourceBergen Corp	5,000	337,750	380,000
Bank One	8,000	281,164	307,840
Baxter Intl	17,000	683,463	755,650
Bemis	10,000	557,713	475,000
Brinker Intl	9,000	312,847	285,750
Brunswick Corp	19,600	422,542	548,800
C H Robinson Worldwide	15,000	326,604	502,950
Danaher Corp	7,500	520,316	497,625
Darden Restaurants	9,000	156,893	222,300
Devry	17,000	458,970	388,280
Diebold	13,000	492,259	484,120
Donaldson Inc	14,000	422,780	490,560
Donnelley R R & Sons	15,000	425,924	413,250
Entegris	20,000	258,000	292,000
Exelon Corp	8,000	531,905	418,400
Exxon Mobil	13,000	530,516	531,960
Fastenal	10,000	378,260	385,100
Fiserve	14,000	529,223	513,940
G&K Services	9,000	357,891	308,160
Harley Davidson	7,000	314,869	358,890
Household Intl	11,000	473,963	546,700
Illinois Tool Works	8,500	518,491	580,550
Johnson & Johnson	11,000	547,138	574,860
Kimberly Clark	7,000	464,620	434,000
Kraft Foods	13,000	436,115	532,350
L-3 Communications Holdings	8,000	359,440	432,000
MGIC Investment	12,000	597,585	813,600
McDonalds	18,000	522,107	512,100
Medtronic	15,000	550,506	642,750
Patterson Dental	7,000	283,785	352,310
Pfizer	14,000	554,145	490,000
Phillips Petroleum	10,000	614,955	588,800
Sungard Data Systems	10,000	262,536	264,800
Supervalu	14,000	406,044	343,420
TCF Financial	14,000	583,275	687,400
Target	17,000	601,696	647,700
Union Pacific	11,000	595,156	696,080
Unitedhealth Group	3,500	248,528	320,425
Varian	12,000	393,592	395,400
Verizon	9,500	522,090	381,425
Walgreens	13,000	383,112	502,190
Wells Fargo	11,000	510,891	550,660
Wrigley Wm Jr Co	10,200	468,121	564,570
Xcel Energy	25,000	599,375	419,250
SUBTOTAL Paladin Investment Associates		$ 21,713,431	$ 23,016,215
Cash & Cash Equivalents		2,913,632	2,913,632
TOTAL Paladin Investment Associates		**$ 24,627,062**	**$ 25,929,847**

Wellington Management Company			
Name	***Shares***	***Cost***	***Market***
Affiliated Computer Services	4,300	$ 153,230	$ 204,164
Albany Molecular Research	22,500	518,497	475,650
Ambac Financial Group	9,000	487,033	604,800
Amerisourcebergen	4,600	270,401	349,600
Anthem	5,600	327,494	377,888
BJS Wholesale Club	13,100	553,173	504,350
Banknorth Group	21,800	551,325	567,236
Bemis	3,700	135,684	175,750
Bisys Group	11,200	377,992	372,960
Cabot Microelectronics	9,300	534,648	401,388
Cadence Design	28,000	570,866	451,360
Cambrex Corp	14,100	574,081	565,410
Caremark RX	17,800	354,751	293,700
CDW Computer	9,400	501,631	440,014
CEC Entertainment	13,700	561,918	565,810
Chesapeake Energy	56,800	378,793	408,960
Chicos FAS	5,100	195,743	185,232
CNF Inc	8,100	287,127	307,638
Columbia Sportswear	5,100	164,964	163,195
Comverse Tech	25,900	492,675	239,834
Constellation Brands	20,900	430,039	668,800
Core Laboratories	24,200	446,420	290,884
Countrywide Credit	10,300	494,666	496,975
D R Horton	21,950	384,763	571,359
DST Systems	6,600	278,926	301,686
Darden Restaurants	32,600	604,693	805,220
EGL Inc	29,500	557,112	500,320
Edwards Lifesciences	27,500	556,269	638,000
Fairchild Semiconductor	20,000	503,801	486,000
Family Dollar Stores	8,500	162,343	299,625
Fastenal	5,300	201,773	204,103
Gallagher Aruthur J & Co	12,300	437,012	426,195
Genzyme Corp	7,500	288,039	144,300
Health Management Assoc	12,800	213,057	257,920
Investment Tech Group	4,450	129,751	145,515
Jabil Circuit	13,400	315,943	282,874
King Pharmaceuticals	6,300	136,417	140,175
Laboratory Corp	14,700	569,565	671,055
Legg Mason	13,500	642,597	666,090
Lexmark Intl	3,700	180,603	201,280
Linens N Things	6,600	155,583	216,546
Liz Claiborne	21,400	510,582	680,520
M & T Bank Corp	6,200	421,072	531,712
Manhattan Assoc	17,000	499,504	546,720
Michaels Stores	8,100	312,374	315,900
Mohawk Industries	9,200	564,098	566,076
Pactive Corp	29,800	438,147	709,240
Pepsi Bottling Group	19,900	369,022	612,920
Pharmaceutical Prod Dev	14,700	374,890	387,198
Pinnacle West Cap	4,400	179,532	173,800
Respironics	8,600	264,180	292,830
Sanmina Corp	45,500	670,894	287,105
Schein Henry Corp	11,500	499,975	511,750
Sovereign Bancorp	46,500	553,092	695,175
SPX	4,300	514,005	505,250
Sungard Data Systems	14,300	267,837	378,664
Swift Energy	22,500	598,061	355,275
Symbol Technologies	26,200	395,932	222,700
Tekelec	31,700	536,583	254,551
Tetra Tech	26,100	475,269	383,670
TMP Worldwide	7,400	197,926	159,100
Triad Hosps	7,600	236,560	322,088
United Rentals	11,500	239,187	250,700
Veeco Instruments	22,300	735,699	515,353
Verity	46,100	679,777	511,249
Waters Corp	17,800	489,803	475,260
Watson Pharmaceuticals	16,400	472,633	414,428
Werner Enterprise	18,266	367,985	389,248
SUBTOTAL Wellington Management Compan		$ 27,546,016	$ 27,518,343
Cash & Cash Equivalents		113,613	113,613
TOTAL Wellington Management Company		**$ 27,659,629**	**$ 27,631,956**

Indexed Fixed Income Fund

As of June 30, 2002

Name		*Cost*		*Market*
Barclays Global Investors—Government/Corp Index	$	75,945,389	$	104,383,018
Barclays Global Investors—US Debt Index		42,827,534		46,874,404
TOTAL Indexed Fixed Income Fund	**$**	**118,772,923**	**$**	**151,257,422**

Indexed Equity

As of June 30, 2002

Name		*Cost*		*Market*
Barclays Global Investors-S & P 500 Index	$	80,661,371	$	113,373,114
Barclays Global Investors-Russell 2000 Index *		6,397,015		6,333,823
Barclays Global Investors-Extended Market Index		31,836,803		34,627,879
TOTAL Indexed Equity	**$**	**118,895,189**	**$**	**154,334,816**

International Equity

As of June 30, 2002

Name		*Cost*		*Market*
Capital Guardian Trust, Co.	$	21,788,876		21,845,560
Capital International, Inc.		25;228,222		19,743,474
Morgan Stanley Asset Management		99,521,366		105,518,408
TOTAL International Equity	**$**	**146,538,464**	**$**	**147,107,442**

Commingled Equity Fund

As of June 30, 2002

Name		*Cost*		*Market*
Dimensional Fund Advisors, Inc.	$	23,900,000	$	38,129,547
TOTAL International Equity Fund	**$**	**23,900,000**	**$**	**38,129,547**

Alternative Investment

As of June 30, 2002

Name		*Cost*		*Market*
Clifton Group	$	2,636,966	$	2,639,956
RWI Group		1,242,280		1,075,386
TOTAL International Equity Fund	**$**	**3,879,246**	**$**	**3,715,342**

Benefits Section

Pre-Retirement Topics

Allowable Service Credit

A full year's service credit equals 170 days worked. Partial years are calculated based on the ratio of days worked to 170 days. No more than one year of service credit is allowable during any fiscal year.

Definition of Salary

Minnesota Statutes Section 354A and the Association Articles and Bylaws define salary. Salary is the entire compensation upon which member contributions are required and made.

Refund of Contributions

In lieu of a monthly retirement benefit, a member who resigns from the place of their employment may apply for a refund of employee contributions, plus interest of 6% compounded annually. Coordinated Plan members have access to a refund of contributions at any age. Basic Plan members must be ineligible for a pension to receive a refund of contributions.

Repaying a Refund of Contributions

A member who received a refund may reinstate previous St. Paul service by repaying the amount refunded plus 8.5% interest compounded annually from the date the refund was taken. The repayment can only be made after the member has accumulated at least two years of allowable service since the last refund was taken.

Purchasing Service

Members may purchase service during a "window period" scheduled to expire on May 16, 2003 if they have the following eligible outside service: military service, out-of-state teaching service, maternity leave, maternity break in service, private or parochial school teaching service, Peace Corps service, VISTA service, and previously-uncredited charter school, part-time, or substitute teaching service. The cost to purchase service is actuarially calculated. Beginning January 1, 2002, active members will be allowed to use tax-sheltered money to purchase service credit in SPTRFA.

Beneficiary

A beneficiary is the person, persons or organization designated to receive a refund of employee contributions plus interest upon the death of the member if no survivor or family benefit is payable. If no valid beneficiary form is on file for a member, a refund of contributions plus interest, if applicable, will be paid to the member's estate.

Marriage Dissolution

Minnesota Statutes Section 518 covers marriage dissolutions and requires that SPTRFA receive a copy of the petition and summons, as well as a copy of the affidavit of service before information will be released. In the event that the court orders that future pension benefits be divided, a formula for splitting the benefit should be put into the dissolution decree. All inquires are kept confidential.

Retirement Topics

Basic and Coordinated Plans

"Basic Plan members," all of who were hired prior to July 1, 1978, do not contribute to Social Security. Basic Plan members are vested once they have five years of retirement service credit.

All members hired since July 1, 1978 contribute both to SPTRFA and Social Security and are known as "Coordinated Plan members." Coordinated Plan members are vested once they have three years of retirement service credit.

Steps to Retirement

When planning to retire, members should contact SPTRFA to set up an appointment to apply for pension benefits. All inquiries are kept confidential.

A member may apply for retirement benefits up to 90 days after the last date of employment provided that the member has not returned to employment. The retirement benefits would be retroactive to the first eligible retirement date after the termination of employment.

Deferred Pension

A deferred pension is available to members who terminate employment after they are vested. A deferred benefit may begin to be paid at age 55.

The benefit is computed by applying the normal retirement formula at the time of termination. It will be augmented by 3% each year until the member is age 55 and augmented by 5% each year thereafter. This augmentation continues until the member chooses to begin receiving his/her monthly benefit. If the member begins to receive a benefit before normal retirement age, applicable discounts will apply.

Combined Service

The Combined Service Law provides for the combination of a member's service in all public funds in Minnesota to determine benefits at the time of retirement, as long as the member has at least six months of retirement credit with each eligible retirement fund.

The total credited years of service in all funds will be considered when determining eligibility for benefits. Benefit payments will be made by each fund in which the member has credited service.

Disability Benefit

A disability benefit is payable to members who become totally and permanently disabled. Members must be vested to be eligible for a disability benefit. Members may not have more than 60 sick days remaining at the time of application for the benefit, and they must have used all sick days prior to beginning the benefit.

In the Coordinated Plan, the disability benefit is calculated as the unreduced pension benefit amount using the member's years of service and final average salary at the time of the disability, less any benefits received from Workers' Compensation. The member may also apply for a disability benefit from Social Security.

A Basic Plan member's disability benefit is calculated to be 75% of the member's earnings for the last full year of service, less any benefits received from Workers' Compensation or Social Security.

Basic Plan Retirement Options

Basic Plan members receive a formula benefit payable for life. An automatic survivor benefit is based on the ages of the member and spouse at the time of retirement. The survivor benefit does not cause a reduction in the member's benefit.

Coordinated Plan Retirement Options

At the time of retirement, Coordinated Plan members select one of the five optional annuity plans.

C-1	**No Refund**	Formula benefit payable for life to the member, with no refund payable to a beneficiary.
C-2	**Guaranteed Refund**	Formula benefit payable for life to the member that is reduced by use of actuarial tables to provide reduced benefit payments for life to the member and a guaranteed refund of unused member contributions to the beneficiary.
C-3	**15-Year Certain**	Formula benefit reduced by use of actuarial tables to provide reduced benefit payments for life to the member with the guarantee that payments will be made for at least 15 years. If the retiree dies before receiving payments for the guaranteed 15 years, the beneficiary will be paid the same monthly annuity for the remaining years of the guarantee.
C-4	**100% Joint & Survivor**	Formula benefit that is reduced by use of actuarial tables to provide reduced payments for life to the member and the same amount payable to the survivor for life with no refund.
C-5	**50% Joint & Survivor**	Formula benefit that is reduced by use of actuarial tables to provide reduced payments for life to the member and 50% of the reduced amount payable to the survivor for life with no refund.

If a Coordinated Member elects a joint and survivor option, and the spouse dies before the member, the member benefit will be increased to the C-1 amount. This is called the "pop-up" feature.

Post-Retirement Topics

Teaching After Retirement

Prior to age 65, if a retired member of SPTRFA is reemployed by ISD #625 or by a technical college located within the corporate limits of St. Paul, earnings are limited to the amount that causes a reduction in the primary Social Security benefit for that calendar year. If the retiree earns more than the allowable amount, the following year's pension will be reduced by one dollar for every three dollars the member earns over the limit. The amount of the reduction will be placed into a savings account for the retiree, earning 6% interest compounded annually. When the retiree has terminated service for one year or reaches age 65, whichever is later, the retiree will receive the amount in the savings account, including interest.

After age 65, retired members can be reemployed by ISD #625 or by a technical college located within the corporate limits of St. Paul without an earnings limitation.

Retired members can work for any other employer without losing pension benefits.

Period of Separation

A member of SPTRFA shall not be considered to be retired until there exists a complete and continuous separation from employment for a covered employer as a "Teacher" for a period of not less than 30 calendar days.

Post-Retirement Increase

The post-retirement increase is an annual guaranteed 2% compounding increase. An "excess investment earnings increase" will be paid in addition to the guaranteed 2% increase in years when SPTRFA's five year annualized rate of return exceeds 8.5%.

Members must be receiving a benefit for one full year at the end of SPTRFA's fiscal year (July 1-June 30) to qualify for the post retirement increase. Eligible members receive adjustments on January 1st of each year.

Pre-78 Supplemental Bonus Incorporated into Monthly Benefit in 2002

The annual supplemental bonus payment is no longer paid as an annual lump sum but is divided by 12 (months) and incorporated into the monthly payments of eligible members as of January 1, 2002.

Coordinated Plan - Summary of Tier Benefits

Vested members of the Coordinated Plan are eligible to receive a lifetime monthly pension based on the member's Final Average Salary (**FAS**), Years of Service (**YOS**) and Applicable Service Factor (**ASF**). Members first hired after June 30, 1989 are only eligible for Tier II benefits.

The following chart provides an overview of the Tier 1 and Tier 2 retirement benefits:

Benefit	Minimum Age	Minimum Service	Computation of Benefit
Tier 1			
Normal Unreduced Benefit	62	30	Formula = **FAS** x [**YOS** (10) x 1.2% **ASF** + **YOS** (in excess of 10) x 1.7% **ASF**]. The Rule of 90 will also produce an unreduced benefit in Tier 1.
Normal Reduced Benefit	Any Age	30	Formula reduced by discount of 0.25% for each month a member's age is under 62.
Tier 2			
Normal Unreduced Benefit	65 if first employed before July 1, 1989. 65-66 if first employed after June 30, 1989.	3	Formula = **FAS** x **YOS** x 1.7% **ASF**.
Normal Reduced Benefit	55	3	Formula reduced by the use of actuarial tables.

Basic Plan - Summary of Tier Benefits

Vested members of the Basic Plan are eligible to receive a lifetime monthly pension based on the member's Final Average Salary (**FAS**), Years of Service (**YOS**) and Applicable Service Factor (**ASF**).

The following chart provides an overview of the Tier 1 and Tier 2 retirement benefits:

Benefit	Minimum Age	Minimum Service	Computation of Benefit
Tier 1			
Normal Unreduced Benefit	60	25	Formula = **FAS** x **YOS** x 2.0% **ASF**. The Rule of 90 will also produce an unreduced benefit in Tier 1.
Normal Reduced Benefit	55	25	Formula reduced by discount of 0.25% for each month a member's age is under 60.
Tier 2			
Normal Unreduced Benefit	65	5	Formula = **FAS** x **YOS** x 2.5% **ASF**.
Normal Reduced Benefit	55	5	Formula reduced by the use of actuarial tables.

2003 Administrative Service Charge

As part of the 1993 increased funding package, SPTRFA members, both active and retired, pay an "administrative service charge" to be applied to the fund's administrative expenses.

This charge applies whenever the administrative expenses for the previous fiscal year exceed the comparable administrative expenses in the State of Minnesota Teachers Retirement Association (TRA).

This year, there is no administrative service charge to the active or retired members of SPTRFA because our administrative expenses for the fiscal year 2001-2002 are lower than the comparable expenses of TRA.

Retirement History Record

Fiscal Year Ending	Pensions Granted	Persons On Payroll	Benefits Paid ($)
June 1910	15	13	$ 4,860
June 1931	8	125	69,024
June 1932	8	130	72,961
June 1933	2	126	74,190
June 1934	6	127	74,120
June 1935	9	131	74,001
June 1936	14	135	75,864
June 1937	19	151	80,747
June 1938	17	160	89,709
June 1939	11	161	93,184
June 1939 to			
December 1939	0	158	23,870
December 1940	71	222	170,685
December 1941	35	246	210,257
December 1942	27	266	234,217
December 1943	38	286	253,031
December 1944	34	311	282,299
December 1945	56	350	308,113
December 1946	51	378	337,512
December 1947	28	387	360,571
December 1948	42	413	375,912
December 1949	42	441	419,618
December 1950	30	461	450,641
December 1951	27	476	472,670
December 1952	28	486	508,923
December 1953	32	487	525,959
December 1954	10	482	529,429
December 1955	38	509	666,994
December 1956	46	529	750,146
December 1957	59	560	840,883
December 1958	41	579	1,019,502
December 1959	30	585	1,084,506
December 1960	38	600	1,144,380
December 1961	39	611	1,230,715
December 1962	49	624	1,352,779
December 1963	42	647	1,467,461
December 1964	33	653	1,545,252
December 1965	40	668	1,631,554
December 1966	43	676	1,770,083
December 1967	36	682	1,862,249
December 1968	45	695	1,969,760
December 1969	53	726	2,319,186
December 1970	31	719	2,385,868
December 1971	47	731	2,522,350
December 1972	51	745	2,742,660
December 1973	36	744	3,039,253
December 1974	46	754	3,372,453

Fiscal Year Ending	Pensions Granted	Persons On Payroll	Benefits Paid ($)
December 1975	52	778	$ 3,765,322
December 1976	77	883	4,393,513
December 1977	63	919	5,050,507
December 1978	48	946	5,523,548
December 1979	40	946	6,240,309
December 1980	47	963	6,623,804
December 1981	47	981	7,139,037
December 1982	61	996	7,725,617
December 1983	72	1,042	8,555,099
December 1984	64	1,061	9,466,664
January 1985 to			
June 1985	59	1,103	5,324,727
June 1986	66	1,134	11,267,144
June 1987	117	1,191	12,478,180
June 1988	70	1,210	14,690,455
June 1989	67	1,236	15,506,957
June 1990	67	1,270	17,382,410
June 1991	80	1,309	18,811,677
June 1992	83	1,357	20,509,335
June 1993	120	1,426	22,763,806
June 1994	92	1,469	25,044,494
June 1995	113	1,539	26,792,534
June 1996	119	1,595	29,446,215
June 1997	179	1,720	32,056,967
June 1998	129	1,789	37,852,099
June 1999	114	1,861	41,724,751
June 2000	144	1,964	47,121,179
June 2001	130	2,050	53,851,893
June 2002	127	2,136	58,738,724