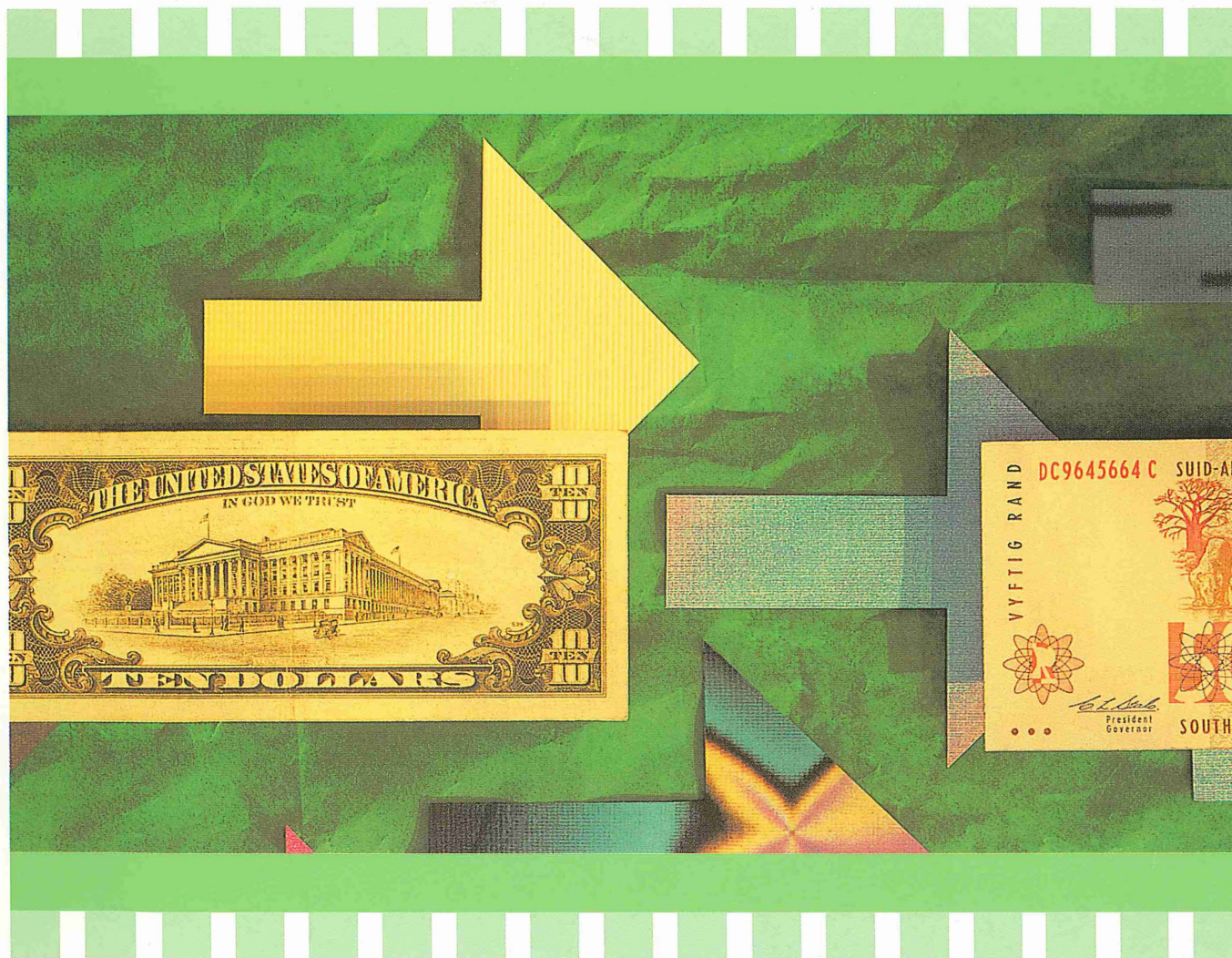


LEGISLATIVE REFERENCE LIBRARY



3 0307 00015 9668



Minnesota State Retirement System
A Pension Trust Fund of the State of Minnesota

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2000

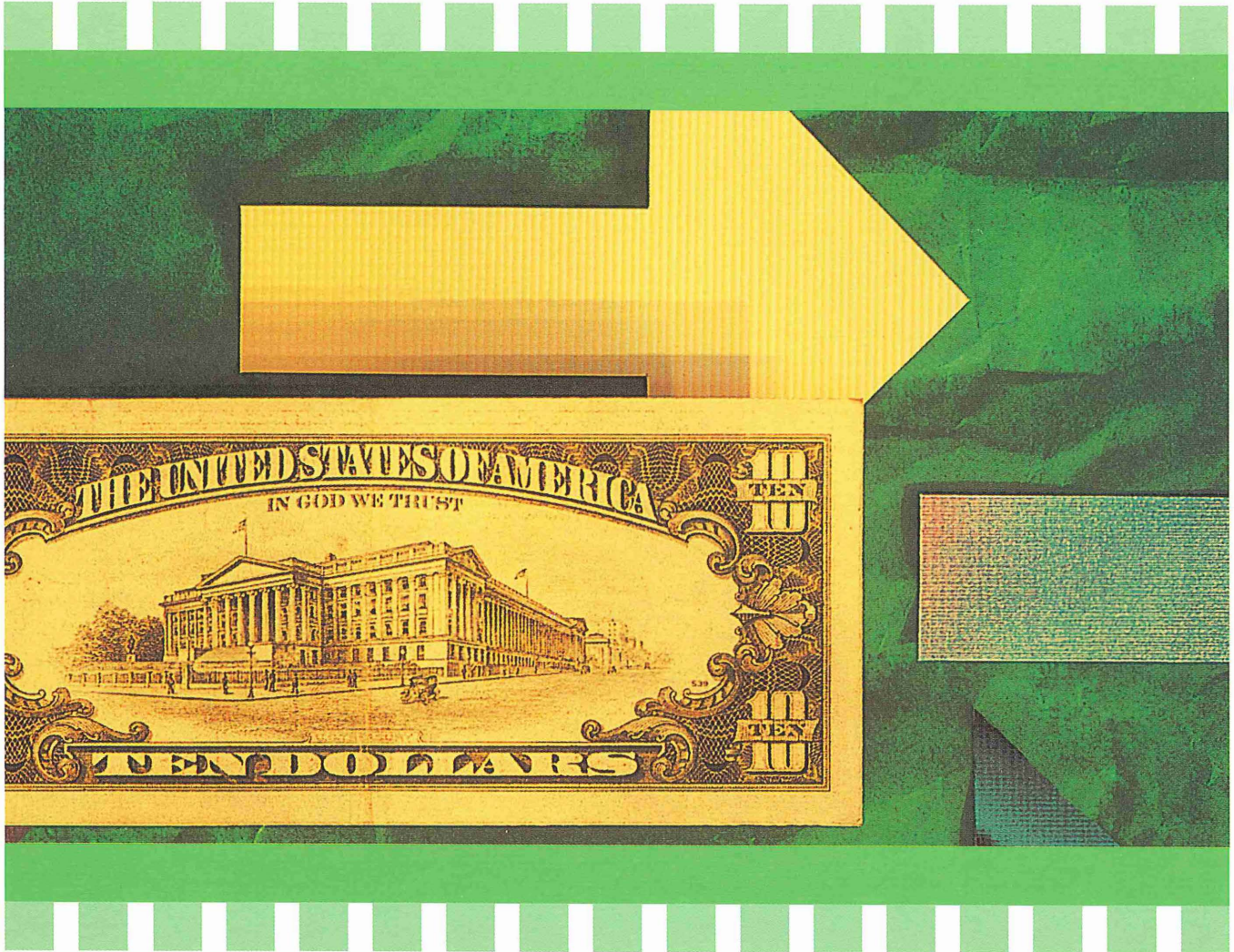
JK6160
.P4
M66cg
2000

RECEIVED

JAN 05 2001

LEGISLATIVE REFERENCE LIBRARY

STATE OFFICE BUILDING
David Bergstrom, Executive Director
ST. PAUL, MN 55155



Minnesota State Retirement System
A Pension Trust Fund of the State of Minnesota

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2000

Prepared by the MSRS Finance and Systems Divisions
Affinity Plus Building, Suite 300, 175 Lafayette Frontage Road, St. Paul, MN 55107-1425

Table of Contents

Introductory Section	1
Board Chairwoman's Report	2
Letter of Transmittal	3
Administrative Organization	8
Organization Chart	9
Summary of Retirement System Plans	10
Financial Section	15
Legislative Auditor's Opinion	16
Basic Financial Statement	
Statement of Plan Net Assets	18
Statement of Changes in Plan Net Assets	20
Notes to the Financial Statements	21
Required Supplemental Information	32
Notes to Required Supplementary Information	30
Schedule of Funding Progress	32
Schedule of Employer Contributions	34
Schedule of Administrative Expenses	36
Schedule of Changes in Plan Net Assets	37
Summary Schedule of Commissions and Payments to Consultants	44
Investment Section	45
Investment Report	46
Investment Results and Investment Allocation	48
Investment Results and Investment Performance	49
Largest Assets Held	50
Investment Summary at Market Value	51
Market Value of Assets	52
Schedule of Investment Expenses	53
Actuarial Section	55
Actuary's Certification Letter	56
Summary of Actuarial Assumptions and Methods	58
Required Reserves and Actual Rates as Compared to Recommended Rates	60
Schedule of Active Member Valuation Data	61
Schedule of Retirees and Beneficiaries	63
Solvency Test — Funding Ratio	65
Summary of Unfunded Accrued Liabilities (UAL)	67
Sample Assumed Annual Rates of Termination per 10,000 Members and Assumed Salary Increases	69
Statistical Section	71
Revenues by Sources	72
Expenses by Type	74
Active Employees' Average Age Tables	76
Employees Eligible to an Immediate Annuity	77
Refund Statistics	78
Schedule of Retired Members by Type of Benefit	79
Participating Employers	84

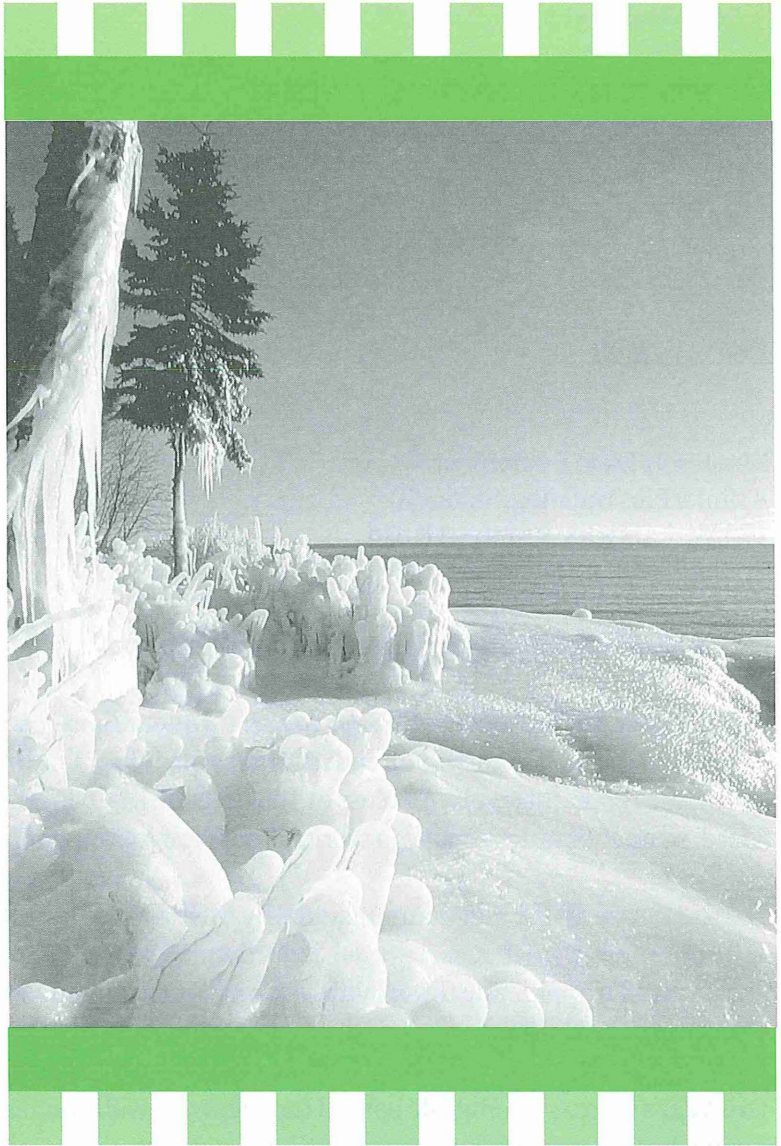


Photo Credit: © Minnesota Office of Tourism

Winter turns the North Shore of Lake Superior into a crystalline sculpture garden.

Board Chairwoman's Report

Dec. 31, 2000

Minnesota State Retirement System
Affinity Plus Building, Suite 300
175 W. Lafayette Frontage Road
St. Paul, MN 55107-1425

Dear Board Members, Benefit Recipients and Employers:

I am delighted to present the *Comprehensive Annual Financial Report* of the Minnesota State Retirement System for the fiscal year which ended on June 30, 2000. The three major retirement plans administered by MSRS are funded at levels in excess of 100 percent. Maintaining sound financial plans is the top priority for the board, so members never have to worry about their retirement future.

The total assets of the plans administered by MSRS grew by 785 million, bringing our total assets to almost \$10 billion. Much of the asset growth is attributable to the 9.6 percent investment return we realized during the fiscal year. To appreciate the growth of the system, you only need to look back 10 years, when in 1990 our assets were \$2.5 billion.

This year's increase to eligible benefit recipients, payable on Jan. 1, 2001, is 9.5342 percent. Benefit increases during the last 10 years have averaged 7.387 percent.

It was an exciting year for MSRS, starting on Jan. 1, 2000, when the computer system moved into the new century without a hitch. We continued to improve our service to our members by offering access to information through our web site, www.msrs.state.mn.us. As we move into a new year, we will continue to enhance our web site and provide personalized information to help members make informed retirement decisions.

The board and staff appreciate your support and look forward to meet future challenges and take advantage of the many opportunities to strengthen the Minnesota State Retirement System.

Sincerely,



Mary Benner, chairwoman
MSRS Board of Directors

Letter of Transmittal

Dec. 31, 2000

Board of Directors
Minnesota State Retirement System
Affinity Plus Building, Suite 300
175 W. Lafayette Frontage Road
St. Paul, MN 55107-1425

Dear Directors:

We are excited to present the Minnesota State Retirement System's *Comprehensive Annual Financial Report* for the fiscal year which ended on June 30, 2000. This fiscal year we provide retirement coverage for 52,300 active employees, 21,300 retirees and 11,700 deferred members, that is, members who no longer contribute, but are eligible for future monthly benefits.

The management of the MSRS take full responsibility for the financial data delivered in this report. The data contained in it is factual and constitutes a full disclosure of the financial status of the funds administered by MSRS.

MSRS is proud to provide business and value-added services to a myriad of employees. We deliver retirement, survivor and disability benefits to members covered in the following plans:

- General Employees'
- State Patrol
- Correctional
- Judges'
- Elected State Officers'
- Legislators'
- Military Affairs
- Transportation Pilots'
- Fire Marshals'
- Unclassified

Also, MSRS provides value-added services. These services include: retirement counseling, benefit-package seminars, newsletters and pamphlets, and an interactive web site. The newest service, the web site, was designed to allow members to check their own account balances and service credits, and to calculate buy back amounts and annuities.

MSRS manages the Minnesota State Deferred Compensation Plan. The plan is available to all state employees, and local government and school-district employees. The plan covers approximately 700 employers and 75,000 participants with assets over \$2 billion.

The *Comprehensive Annual Financial Report* is divided into five sections.

- Introductory Section — consists of administrative materials, such as an organizational chart, a summary of the retirement plans and a report from the board chairwoman.
- Financial Section — consists of the independent auditor's report, financial statements and footnotes for fiscal year 2000, and the required supplemental information.
- Investment Section — consists of the State Board of Investment's report, rates of return on investments held and various investment portfolio information.
- Actuarial Section — consists of summaries of the actuarial assumptions and methods, and other information prepared by an independent actuarial firm.
- Statistical Section — consists of tables detailing revenue sources, expense types, employee statistics and investment performance.

Major Initiatives

At the direction of the board, MSRS staff is pursuing legislative and administrative initiatives for the 2001 session. During the last session, MSRS worked to pass a bill that established a health care reimbursement plan. While this did not pass then, the Legislature charged the Department of Employee Relations to form a task force and have it study and identify strategies for providing retiree health care coverage. This was done. Executive Director David Bergstrom is a member of the task force. The report to the Legislature was presented on November 15, 2000.

MSRS continues to use available technology to streamline its administrative processes. All member files have been scanned into an electronic file system. A counselor can access a member's account information, while assisting the member on phone or in person. The electronic file system allows for nightly backups to ensure adequate record retention.

MSRS and the other public pension plans are supporting legislation to spread gains and losses experienced by the Post-Retirement Investment Fund. It proposes to spread the returns over a 10-year period rather than the five-year spread presently used. The legislation phases in the change, moving to a seven-year spread of assets, then a 10-year spread of assets. The legislation is drafted so that the seven-year spread will only be triggered if we experience a rate of return less than the required 8.5 percent. Financial analysts agree that a seven-year spread reduces the effect a volatile market could have on a public pension plan and its retirees. However, as long as the market remains robust, retirees will continue to enjoy the phenomenal benefit increases they have experienced over the past 15 years.

Financial Information

Accounting Systems and Reports

This report is prepared in accordance with the generally accepted accounting principles of the Governmental Accounting Standards Board. These financial statements comply with reporting requirements established under *Minnesota Statutes*, Section 356.20. Transactions of plans administered by MSRS are reported on the accrual basis of accounting. The Deferred Compensation Plan is reported on the modified accrual basis of accounting. Internal accounting controls ensure the reliability of all financial records and adequately safeguard assets.

Revenues (Additions)

MSRS' revenue is derived from three sources: 1) employee contributions; 2) employer contributions; and 3) largely from investment returns. Income for fiscal year 2000 totaled more than \$1 billion. This fiscal year's return on investment added up to \$800 million, which constituted 80 percent of our total revenue. Employee and employer contributions totaled \$183 million.

	(In Thousands) Dollars Received	Percent of Total Additions
Employee Contributions	\$87,837	8.8
Employer Contributions	95,646	9.5
Investment Income	800,730	79.7
Other	20,068	2.0
Total	\$1,004,281	100.0

Expenses (Deductions)

Expenses in fiscal year 2000 came to \$333 million, a \$9 million dollar increase over last year's expenses. Total revenues of more than \$1 billion exceeded expenses by \$671 million for the same period.

	(In Thousands) Dollars Paid Out	Percent of Total Expenses
Total Monthly Benefits	\$291,627	87.6
Refunds	20,755	6.2
Administrative Expenses	4,297	1.3
Other	16,177	4.9
Total	\$332,856	100.0

Funding Status

The chart below shows the assets, liabilities and funding ratio of each fund as of June 30, 2000.

Fund	Liabilities	(In Thousands) Actuarial Basis Assets	Funding Ratio
State Employees'	\$6,105,703	\$6,744,165	110.46%
State Patrol	\$458,384	\$528,573	115.31
Correctional Employees'	\$359,885	\$386,964	107.52
Judges'	\$153,660	\$111,113	72.31
Legislators'	\$69,364	\$37,265	53.72
Elective State Officers	\$3,535	\$199	5.63

More information regarding the funding of MSRS' plans can be found on pages 32 through 35.

The assumptions and actuarial details are in accordance with *Minnesota Statutes*, Section 356.215. The entry age normal method, with level contributions as a percent of payroll, is used as the actuarial funding method. The assets include one-fifth of the unrealized market gain or loss at fiscal year end, plus the same portion of unamortized gains from prior fiscal years.

Investment Activities

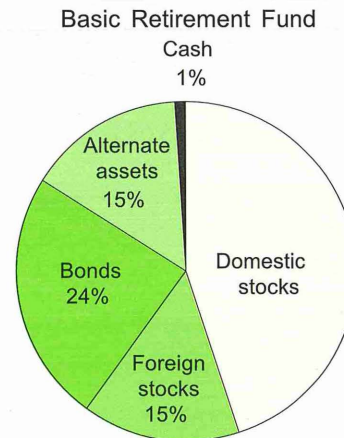
Assets of the MSRS funds are invested by the State Board of Investment. The board includes the governor, attorney general, secretary of state, state auditor and state treasurer. Members of the board are subject to the *Prudent Person Rule*, fiduciary standards detailed in *Minnesota Statutes*, Section 356A, and investment guidelines in *Minnesota Statutes*, Section 11A.

Basic Retirement Fund

The rate of return in the Basic Retirement Fund was 10.5 percent in the fiscal year ending in June 30, 2000.

The goal of the Basic Fund is to finance future retirement benefits. The actuarial assumed rate of return of 8.5 percent is set by law in *Minnesota Statutes* section 356.

The Basic Retirement Fund's asset allocation target is displayed at right.



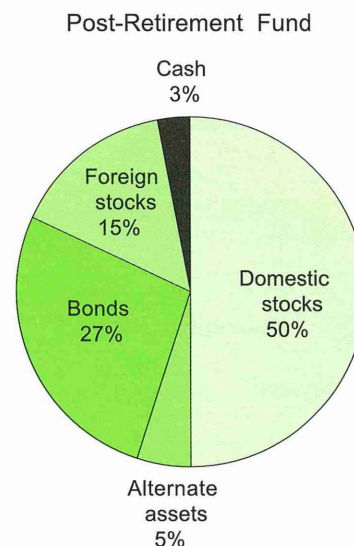
Post Retirement Investment Fund

The rate of return for the Post-Retirement Fund was 10.5 percent in fiscal year 2000. A 9.5342 percent increase will be paid to eligible retirees on Jan. 1, 2001.

When a member retires, funds sufficient to pay monthly benefits for his or her lifetime are transferred from the Basic Retirement Fund to the Post-Retirement Investment Fund. The assumed rate of return for the Post-Retirement Fund is 6 percent. The goal of the PRIF is to provide income to pay monthly benefits, plus a cost-of-living increase based on inflation, up to but not exceeding 2.5 percent. The inflation rate is determined by the *U.S. Consumer Price Index*.

If investment returns from the PRIF are higher than the 6 percent plus the cost-of-living increase, the additional investment return is spread over a five-year period to help fund additional increases. If the PRIF experiences an investment loss (earns less than 6% + inflation rate), the loss is spread out over a five-year period.

The Post-Retirement Fund's asset allocation target is displayed at the right.



Other

Economic Outlook

Even with volatile stock market and oil prices, the economy is expected to remain strong in 2001. The U.S. has not experienced a recession in nine years, and we are currently in the midst of the best period of long-term economic growth in U.S. history. Economists do caution that continued increases in oil prices will slow down economic growth in 2002 and 2003. Economic forecasters also indicate that as long as the inflation rate remains near 3 percent the U.S. economy should remain strong.

The Minnesota economy continues to outperform the national average. The unemployment rate remains well below the national average, and the tight labor market has resulted in significant increases in income. The Census Bureau reports that median household income in Minnesota in 1999 reached \$48,112, ranking us fifth nationally. Minnesota's per-capita income grew from 102 percent of the U.S. average to nearly 108 percent during the past 10 years. Even with a weakened agricultural sector, we rank high among the nation.

Review of Operations and Activities of Fiscal Year 2000

MSRS is managed by an 11-member board of directors. Mary Benner is the chairwoman, and Matt Hodapp is the vice chairman.

Independent Audit

The state legislative auditor conducted an independent audit of MSRS financial statements. The auditor's comments are on pages 16 and 17.

Professional Services

The Minnesota Attorney General's Office provides legal counsel for MSRS. The 2000 actuarial valuations were completed by Milliman & Robertson Inc. and reviewed by William M. Mercer Inc.

Acknowledgments

This report provides complete and reliable information to assist management decisions and set out legal and fiduciary compliance requirements. A summary of the *Comprehensive Annual Financial Report* will be published in the next issue of the MSRS newsletter.

We recognize and give special thanks to all the board of directors, MSRS staff and our other business associates. Without your hard work and commitment, MSRS would not experience the success it has enjoyed year after year.

Respectfully submitted,



Dave Bergstrom
Executive



Arvin Herman

Administrative Organization – June 30, 2000

MSRS Board of Directors

Mary Benner, chairwoman
Department of Labor and Industry
443 Lafayette Road, Third Floor, CSG
St. Paul, MN 55155
Telephone: (651) 282-6637
Elected: General/Unclassified Plan member

Mathew Hodapp, vice chairman
Minnesota State Patrol, District 2200
P. O. Box 4187
Mankato, MN 56002
Telephone: (507) 389-1172
Appointed: State Patrol Plan member

Duane L. Anderson
Pollution Control Agency
520 Lafayette Road N.
St. Paul, MN 55155
Telephone: (651) 297-1831
Appointed: General/Unclassified Plan member

Donald M. Buckner
1152 Stryker Ave.
W. St. Paul, MN 55118
Telephone: (651) 457-3853
Elected: retiree representative member

David Crockett
Moorhead State University
1104 Seventh Ave. S.
Moorhead, MN 56563
Telephone: (218) 236-2070
Elected: General/Unclassified Plan member

Carol Johnson
State Treasurer
303 Administration Building
St. Paul, MN 55155
Telephone: (651) 296-7091
Appointed: state official

David R. Kauppi *
Department of Revenue
600 N. Robert St.
St. Paul, MN 55146
Telephone: (651) 296-3734
Appointed: state employee

Richard J. Kolodziejski
Minnesota Correctional Facility, Shakopee
1010 W. Sixth Ave.
Shakopee, MN 55379
Telephone: (612) 496-4440
Elected: Correctional Plan member

Robert S. Rossman
Amalgamated Transit Union
312 Central Ave., Suite 438
Minneapolis, MN 55414
Telephone: (612) 379-2914
Appointed: Metro Transit designate

Mel Tan
1609 Selsmer Ave.
Cloquet, MN 55720
Telephone: (218) 897-7689
Appointed: public representative member

Roy Watson
PO Box 72
Rochester, MN 55903
Telephone: (507) 282-6180
Appointed: public representative member

Administrative Staff

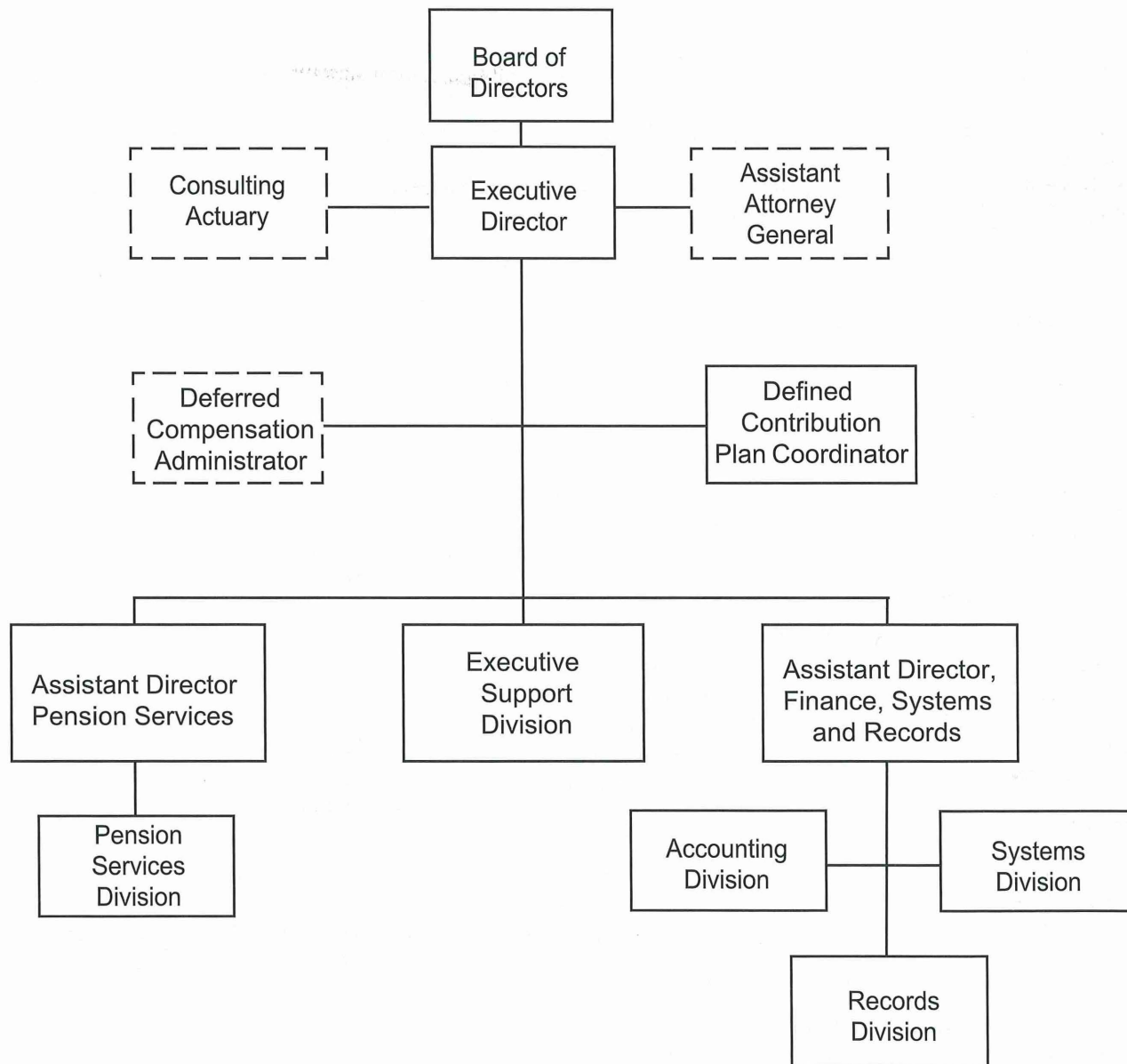
Executive Director: David Bergstrom
Assistant Directors: Arvin Herman
Ronald Schweitzer

Professional Consultants

Legislative Actuary: Milliman & Robertson Inc.
Consulting Actuary: William M. Mercer Inc.
Legal Counsel: Assistant Attorney General Jon Murphy
Assistant Attorney General Rory Foley
Medical Advisor: Minnesota Department of Health

* Member retired effective Aug. 1, 2000.
Replacement has not been appointed.

Organization Chart – June 30, 2000



Summary of Retirement Plans

Purpose

The Minnesota State Retirement System was established by the state legislature in 1929 to provide retirement benefits to state employees. MSRS administers seven defined benefit plans and one defined contribution plan for most state employees and other selected public employees.

Administration

MSRS administration is governed by an 11 member board of directors. The board includes four elected General Plan members, one elected State Patrol Plan member, one elected Correctional Plan member, one elected retired member, one designated Metropolitan Council Transit Operations representative, and three members appointed by the governor.

MSRS management is vested with the executive director who administers the plans in accordance with Minnesota law and board policies. Plan descriptions follow.

Defined Benefit Plans

1. General Employees' Plan

- A. Coverage: most state employees and selected metropolitan agency employees
Contributions: 4 percent, employee; 4 percent, employer
- B. Benefit formula
 - 1.2 percent of a five high year salary for first 10 years, then 1.7 percent each year beyond 10 years with subsidized early retirement adjustment
 - or 1.7 percent for all years of service with an actuarial equivalent, early retirement reduction
- C. Retirement age and service years
 - age 65 with one year of service, no reduction
 - age 62 with 30 years of service, no reduction
 - *Rule of 90*, no reduction
 - age 55 with three years of service, reduced from age 65
 - any age with 30 years of service, reduced from age 62
 - total and permanent disability with three years of service
- D. Surviving spouse benefit
 - if employee has at least 3 years of service at death, generally, the spouse is eligible for a 100 percent Joint and Survivor annuity or a refund
- E. Refunds
 - contributions with 6 percent interest
- F. Annuity and disability options
 - 100 percent, Joint and Survivor with bounce back
 - 50 percent, Joint and Survivor with bounce back
 - 15 Year Certain and Life Thereafter

2. Military Affairs, Transportation Pilots' and Fire Marshals' Plans (provisions differing from General Plan)

- A. Coverage: required retirement from federal military status at age 60, or 62 for transportation pilots, no such requirements for deputy fire marshals
Contributions: 5.6 percent, employee; 5.6 percent, employer, except for deputy fire marshals
6.78 percent employee; 8.20 percent employer for deputy fire marshals
- B. Retirement age and service years
- military affairs, age 60, with at least three years of service, no reduction
 - transportation pilots, age 62
 - fire marshals, age 55 with 2.0 percent accrual rate
- C. Disability
- eligible for disability if unable to perform duties with five years of service
 - General Plan formula, no reduction
 - pilots are entitled to 75 percent of salary for maximum of five years
 - deputy fire marshals receive minimum of 15 years of service, 20 years if duty related

3. State Patrol Retirement Plan

- A. Coverage: state troopers, conservation officers, crime bureau and gambling enforcement agents
Contributions: 8.4 percent, employee; 12.6 percent, employer
- B. Benefit formula
- 3 percent of successive, five high year salary for each year of service
- C. Retirement age and service years
- age 55 with three years of service, no reduction
 - age 50 with three years of service, reduction from age 55
- D. Disability
- eligible for disability if unable to perform duties with three years of service, and immediate coverage if disabled on the job
 - job related disability, benefit is equal to 60 percent of five high year average salary, plus 3 percent for each year beyond 20; minimum non-job related disability is 45 percent
- E. Survivor benefits
- member death in service: spouse gets 50 percent of final average salary; with 10 or more years of service spouse's entitlement changes to 100 percent Joint and Survivor annuity when the employee would have reached age 55
 - children get 10 percent of final average salary per child plus \$20 per month, prorated equally to the children until age 18, or 23 if a student, or until married; total benefit limited to 40 percent of final average salary
 - refund with 6 percent interest if no survivor benefit payable
- F. Refunds
- contributions with 6 percent interest
- G. Annuity and disability option
- 100 percent Joint and Survivor with bounce back
 - 50 percent Joint and Survivor with bounce back

4. Correctional Employees' Plan (provisions differing from General Plan)

- A. Coverage: employees who have direct contact with inmates at Minnesota correctional facilities
Contributions: 5.69 percent, employee; 7.98 percent, employer
- B. Benefit formula
 - 2.4 percent of five high year average salary for each year of service or an accelerated annuity to age 62 or 65, then an actuarially adjusted benefit thereafter
- C. Retirement age and service years
 - age 55 with three years of service
 - age 50 with three years of service, reduction from age 55
 - job related disability, benefit equals 50 percent of five high year average salary plus 2.4 percent for each year beyond 20; the minimum non-job related disability is 36 percent

5. Judges' Retirement Plan

- A. Coverage: district, appellate and supreme court judges
Contributions: 8.15 percent by those not covered by Social Security, 8.00 percent by those covered by Social Security; 20.5 percent, employer
- B. Benefit formula
 - 2.7 percent for each year of service prior to July 1, 1980, plus 3.2 percent of same average salary for service after June 30, 1980; formula applied to five high year average salary within last decade; the formula is capped at 76.8 percent
- C. Retirement age and service years
 - age 70 with one year of service, no reduction
 - age 65 with five years of service, no reduction
 - age 62 with five years of service, reduction from age 65
- D. Disability
 - eligible for disability if unable to perform duties
 - continuation of full salary for one year, then as computed under the formula with no reduction, and subject to minimum of 25 percent of five high year salary
- E. Survivor benefits
 - spouse eligible for 60 percent of normal annuity, subject to a minimum of 25 percent of final average salary
- F. Refunds
 - contributions with 5 percent interest
- G. Annuity and disability options
 - 100 percent Joint and Survivor with or without bounce back
 - 50 percent Joint and Survivor with or without bounce back
 - 15 Year Certain and Life Thereafter
 - 10 Year Certain and Life Thereafter

General Fund Plans

6. Legislators' Retirement Plan

- A. Coverage: legislators; newly elected legislators are covered by the Unclassified Plan as of Jan. 1, 1997
Contributions: 9 percent, employee; as needed from General Fund appropriation
- B. Benefit formula
 - 2.5 percent five high year average salary, plus a variable actuarial adjustment based on your retirement age
- C. Retirement age and service years
 - age 62 with six years of service, no reduction
 - age 55 with six years of service, reduction from age 62
- D. Survivor benefits
 - spouse gets 50 percent of benefit or 100 percent Joint and Survivor amount, if legislator is age 60 or more at death
 - first child gets 25 percent, next two children get 12.5 percent for a 100 percent maximum
- E. Refunds
 - contributions with 6 percent interest
- F. Annuity options
 - 100 percent Joint and Survivor with bounce back, discounted by value of automatic 50 percent spousal benefit applicable
 - 100 percent and 50 percent Joint and Survivor options for other than spouse

7. Elected State Officers' Plan

- A. Coverage: elected constitutional officers; newly elected constitutional officers are covered by the Unclassified Plan as of Jan. 1, 1999
Contributions: 9 percent, employee; as needed from General Fund appropriation
- B. Benefit formula
 - 2.5 percent of five high year average salary, plus a variable actuarial adjustment based on your retirement age
- C. Retirement age and service years
 - age 62 with eight years of service, no reduction
 - age 60 with eight years of service, reduction from age 62
- D. Survivor benefits
 - spouse gets 50 percent of benefit
 - first child gets 25 percent, next two children get 12.5 percent for a maximum of 100 percent
- E. Refunds
 - contributions with 6 percent interest

Defined Contribution Plan**1. Unclassified Employees' Plan**

- A. Coverage: specified employees in unclassified positions
Contributions: 4 percent, employee; 6 percent, employer
- B. Benefits
 - account balance or annuity benefit withdrawal based on age and 6 percent interest assumption
- C. Retirement age and service years
 - age 55 with any length of service
- D. Refunds
 - account value
- E. Annuity and Disability Option
 - 100 percent Joint and Survivor with bounce back
 - 50 percent Joint and Survivor with bounce back
 - 15 Year Certain and Life Thereafter

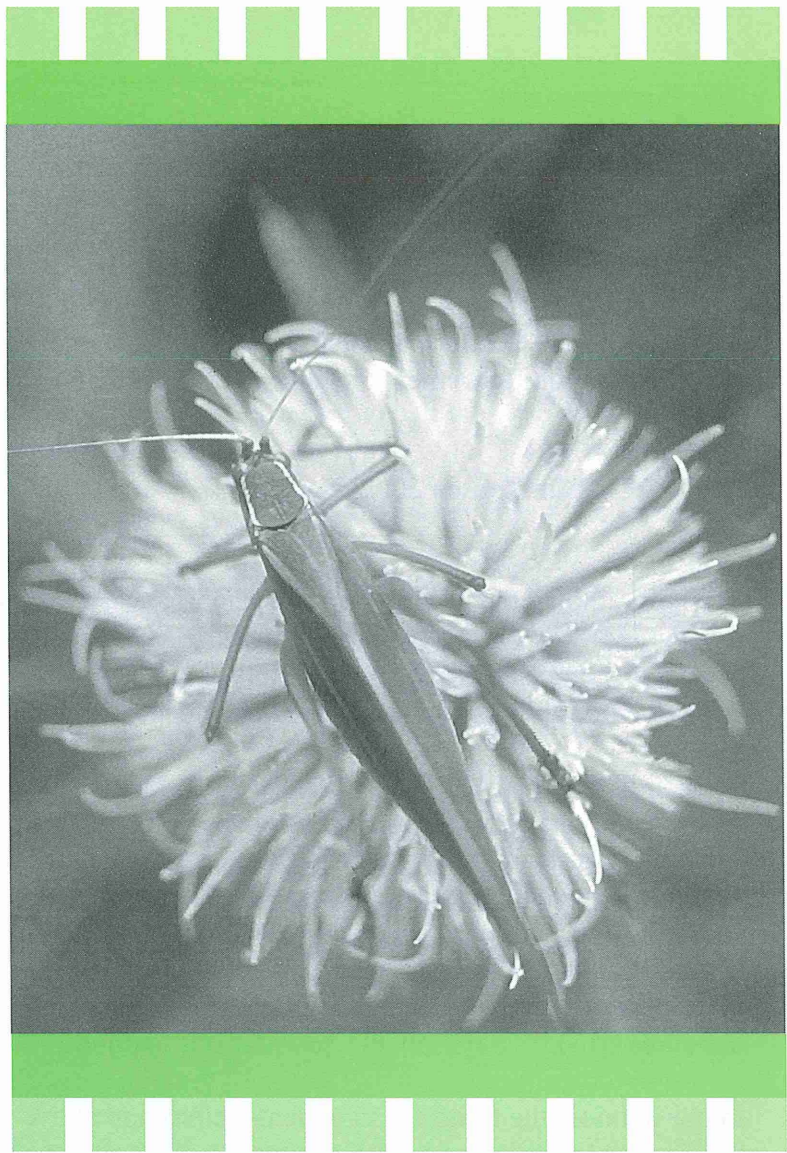


Photo Credit: © Minnesota Office of Tourism

The Shooting Star scenic byway is one of the state's 20 byways and is located in southern Minnesota. This byway is one of few locales that contains native prairie and oak savanna. This *strip prairie* is also home to other species, such as Indian grass, big bluestem, blue flag iris, blazing star, prairie coneflower, and the showy goldenrod.





OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA • James Nobles, Legislative Auditor

Independent Auditor's Opinion

Members of the Board of Trustees
Minnesota State Retirement System
and
Executive Director
Minnesota State Retirement System

We have audited the accompanying basic financial statements of the Minnesota State Retirement System (MSRS) for the year ended June 30, 2000, as listed in the Table of Contents. These financial statements are the responsibility of MSRS's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MSRS at June 30, 2000, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The required supplementary information on pages 32 to 35 is presented for purposes of additional analysis and is not a required part of the basic financial statements. We did not audit this information and do not express an opinion on it. The supplementary information is required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted mainly of inquiries of management regarding the methods of measurement and presentation for the Schedule of Funding Progress, Schedule of Employer Contributions, and Other Required Supplementary Information.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information on pages 37 to 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Members of the Board of Trustees
Minnesota State Retirement System
and
Executive Director
Minnesota State Retirement System
Page 2

The Introductory, Investment, Actuarial, and Statistical Sections listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2000, on our consideration of MSRS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



James R. Nobles
Legislative Auditor



Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

December 1, 2000

Statement of Plan Net Assets (as of June 30, 2000)

	State Employees	State Patrol	Correctional Employees
Assets:			
Cash and Short-Term Investments:			
- cash	\$ 5,717	\$11	\$25
- short term investment pools	58,682	3,957	9,888
	64,399	3,968	9,913
Receivables:			
- accounts receivable	4,749	341	481
- accrued interest	231	13	13
- due from other plans	567	0	0
- other	232	7	3
	5,779	361	497
Investment Pools (at fair value):			
- equity in Post-Retirement Fund	2,943,472	317,935	149,675
- fixed investment	1,135,624	69,571	67,524
- external domestic equity fund	1,593,251	97,606	94,734
- passive domestic equity	722,824	44,282	42,979
- Real Estate Fund	168,015	10,293	9,990
- Minnesota Resources Fund	42,117	2,580	2,504
- Minnesota venture capital	310,008	18,992	18,433
- global equity	673,212	41,243	40,029
- Supplemental Investment Fund (See note.)	0	0	0
	7,588,523	602,502	425,868
Securities' Lending Collateral	676,829	55,081	38,304
Fixed Assets, Net of Accumulated Depreciation	534	0	0
Nondedicated Member Deposits	0	0	0
Total Assets	\$8,336,064	\$ 661,912	\$474,582
Liabilities and Fund Balance:			
Liabilities			
- accounts payable	\$2,421	\$118	\$119
- accrued compensated absences	366	0	0
- securities' lending collateral	676,829	55,081	38,304
- deferred revenue	0	0	0
- due to MPRI Fund	98,448	5,226	225
- due to other plans	86	228	223
- bonds payable	5,944	0	0
Total liabilities	784,013	60,511	38,876
Net Assets Held in Trust for Pension Benefits:	\$7,552,051	\$601,401	\$435,706

A Schedule of Funding Progress and a Schedule of Employer Contributions for each of the defined benefit plans are on pages 32 and 34.

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

(In Thousands)

Defined Benefit Funds			Defined Contribution Fund	
Judges	Legislators	Elected State Officers	Unclassified Employees	Totals
\$0	\$0	\$0	\$53	\$5,806
6,777	0	0	2,245	81,549
6,777	0	0	2,298	87,355
0	0	0	243	5,814
1	0	0	0	258
0	0	0	188	755
6	0	0	12	260
7	0	0	443	7,087
97,974	37,087	0	0	3,546,143
6,310	0	0	0	1,279,029
8,853	0	0	0	1,794,444
4,016	0	0	0	814,101
934	0	0	0	189,232
234	0	0	0	47,435
1,723	0	0	0	349,156
3,741	0	0	0	758,225
0	0	0	277,959	277,959
123,785	37,087	0	277,959	9,055,724
11,717	3,578	0	20,180	805,689
0	0	0	0	534
0	7,076	201	0	7,277
\$142,286	\$47,741	\$201	\$300,880	\$9,963,666
\$13	\$3	\$1	\$447	\$3,122
0	0	0	0	366
11,717	3,578	0	20,180	805,689
10	0	0	0	10
987	711	0	0	105,597
31	1	181	755	
0	0	0	0	5,944
12,950	4,323	2	20,808	921,483
\$129,336	\$43,418	\$199	\$280,072	\$9,042,183

Statement of Changes in Plan Net Assets

Pension Trust Funds (Year ended June 30, 2000)

(In Thousands)

	Defined Benefit Funds					Defined Contribution Fund		Totals (Memorandum Only)
	State Employees'	State Patrol	Correctional Employees'	Judges'	Legislators'	Elective State Officers'	Unclassified Employees	
Additions:								
Contributions:								
- member contributions	\$70,378	\$4,044	\$6,526	\$2,107	\$523	\$0	\$4,259	\$87,837
- employer contributions	69,322	6,069	8,984	5,398	0	0	5,873	95,646
- General Fund contributions	0	0	0	1,900	3,192	306	0	5,398
Total contributions	139,700	10,113	15,510	9,405	3,715	306	10,132	188,881
Investment income:								
Investment income	676,726	53,332	40,183	10,191	2,940	0	21,034	804,406
Less investment expense:	6,204	383	369	35	0	0	0	6,991
Net investment income	670,522	52,949	39,814	10,156	2,940	0	21,034	797,415
Income from securities lending activities:								
- securities' lending income	40,767	3,295	2,310	693	210	0	1,241	48,516
- securities' lending expenses:								
-- borrower rebates	36,866	2,981	2,089	627	190	0	1,114	43,867
-- management fees	1,109	103	63	19	6	0	34	1,334
Total securities' lending expenses	37,975	3,084	2,152	646	196	0	1,148	45,201
Net income from securities' lending activities	2,792	211	158	47	14	0	93	3,315
Total net investment income	673,314	53,160	39,972	10,203	2,954	0	21,127	800,730
Other additions:								
- transfers from other plans	5,057	10	6,953	0	0	0	2,406	14,426
- other income	203	0	0	10	0	0	31	244
Total other additions	5,260	10	6,953	10	0	0	2,437	14,670
Total additions	818,274	63,283	62,435	19,618	6,669	306	33,696	1,004,281
Deductions:								
- annuity benefits	237,825	25,789	12,414	11,083	4,213	303	0	291,627
- refunds	11,227	90	753	122	108	0	8,455	20,755
- interest to MPRI Fund	1,132	252	281	31	52	0	0	1,748
- transfers to other plans	9,137	0	59	186	47	0	4,998	14,427
- administrative expenses	3,701	94	243	42	34	2	181	4,297
- other expenses	0	0	0	0	0	0	2	2
Total deductions	263,022	26,225	13,750	11,464	4,454	305	13,636	332,856
Net increase	555,252	37,058	48,685	8,154	2,215	1	20,060	671,425
Net Assets Held in Trust for Pension Benefits:								
Beginning of the Year	6,996,799	564,343	387,021	121,182	41,203	198	260,012	8,370,758
End of the Year	\$7,552,051	\$601,401	\$435,706	\$129,336	\$43,418	\$ 199	\$ 280,072	\$ 9,042,183

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

Notes to the Financial Statements

1. Description of the System

The Minnesota State Retirement System is the administrator of a multiple employer, cost sharing public employee retirement system. It consists of six defined benefit funds and one defined contribution fund. On June 30, 2000, the number of employers contributing to the various funds was:

-	state of Minnesota	1
-	University of Minnesota	1
-	counties	6
-	cities	4
-	school districts	4
-	other	15
		<u>31</u>

MSRS is a pension trust fund of the state of Minnesota and is included with other fiduciary funds in its comprehensive annual financial report. This report includes financial information for MSRS only.

2. Summary of Significant Accounting Policies

A. Basis of Accounting

The financial statements for the defined benefit fund and the defined contribution fund are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized in the period when they become due. Payment is mandated in statute. Similarly, benefits and refunds are recognized when due and payable as specified by statute.

B. Investment Policies

Pursuant to *Minnesota Statutes*, the assets of MSRS funds are pooled with those of other funds and invested by the State Board of Investment. Investments primarily include obligations and stocks of the United States and Canadian governments, their agencies, registered corporations and short-term obligations of specifically high quality. Various alternative investments, including international securities, are limited by statute to 35 percent of the fund pool.

C. Investment Valuations

Investments are reported at fair value. Fair value is the proportionate share of the aggregate market value of the investment portfolio of the pool in which the funds participate. Market value is the last reported sales price for securities traded on national or international exchanges. If a security is not actively traded, then the market value is its estimated fair value. Short-term securities are reported at cost, which approximates fair value.

D. Fixed Assets

Fixed assets are office equipment and fixtures, land, building construction-in-progress and unamortized bond issuance charges. They were capitalized at historical cost when acquired and depreciated/amortized using the straight-line method over estimated useful lives ranging from three to 20 years. Balances at June 30, 2000, were:

		(In Thousands)	
	Cost	Accumulated Depreciated Amortization	Undepreciated/ Unamortized Balance
- office equipment and fixtures	\$376	\$285	91
- land	5,583	N/A	5,583
- building construction-in-progress	201	0	201
- deferred bond issuance charge	63	0	63
Totals	<u>\$6,223</u>	<u>285</u>	<u>5,938</u>

E. Accrued Compensated Absences

MSRS employees accrue vacation, sick and compensatory leave in accordance with various collective bargaining agreements. The obligation for future payment of this balance, \$363,000, at June 30, 2000, has been accrued to the extent that the right to payment is either vested or expected to be vested.

F. Nondedicated Member Deposits

Member contributions to the Legislators' and Elective State Officers' Funds are deposited into the general operating revenues of the state. In the event of plan termination, the state Department of Finance and the legislative auditor believe that Minnesota's General Fund is obligated to repay member contributions. Because this contingency is considered unlikely, these amounts have not been appropriated in the state's General Fund. These balances at June 30, 2000, were:

	(In Thousands)
- Legislators' Retirement Fund	\$ 7,076
- Elective State Officers' Fund	<u>200</u>
	\$ 7,276

G. Reserve Accounts

- Employee reserve

For the defined benefit funds, the employee reserve is credited with the cumulative employee contributions. Upon retirement, these contributions are combined with the necessary state reserve moneys and transferred to the Minnesota Post-Retirement Investment Fund to provide the resources for future annuity benefits. Employees who terminate their employment prior to retirement can choose to receive a refund of their contributions plus interest or a deferred annuity.

For the defined contribution fund (Unclassified Employees' Retirement Fund), the employee reserve includes all assets of the fund which are not reserved for the payment of administrative expenses.

(In Thousands)

State Employees' Retirement Fund	\$ 722,922
State Patrol Retirement Fund	36,373
Correctional Employees' Retirement Fund	43,786
Judges' Retirement Fund	13,740
Legislators' Retirement Fund	7,037
Elective State Officers' Retirement Fund	194
Unclassified Employees' Retirement Fund	<u>279,162</u>
	\$1,103,214

- Benefit reserve

For all funds except the Unclassified Employees' Retirement Fund, the benefit reserve is credited with all investment earnings and employer contributions. For the Unclassified Employees' Retirement Fund, they include the remaining balance of fees collected to pay administrative expenses. These balances, at June 30, 2000, were:

State Employees' Retirement Fund	\$3,885,158
State Patrol Retirement Fund	247,092
Correctional Employees' Retirement Fund	235,874
Judges' Retirement Fund	35,981
Legislators' Retirement Fund	(2,775)
Elective State Officers' Retirement Fund	5
Unclassified Employees' Retirement Fund	<u>900</u>
	\$4,402,235

- Minnesota Post-Retirement Investment Fund reserve

The MPRI Fund reserve equals the corresponding assets invested in it. The proceeds of the MPRI Fund are used to pay the monthly pension benefits of eligible retirees. This account is adjusted annually to fund the actuarial value of benefits remaining. The Elective State Officers and the Unclassified Employees' Funds do not participate in this reserve.

State Employees' Retirement Fund	\$ 2,944,151
State Patrol Retirement Fund	317,936
Correctional Employees' Retirement Fund	156,046
Judges' Retirement Fund	79,615
Legislators' Retirement Fund	<u>39,156</u>
	\$3,536,904

H. Actuarial assumptions

Actuarial valuations and experience studies are performed annually at fiscal year end. For this report that was June 30, 2000. The entry age method — a projected benefit cost method — is used to value the funds with contributions being made as a level percent of covered salary. Assumed salary scales for the State Employees' Retirement Fund are increased in annual increments ranging from 6.75 percent at age 20 to 5.00 percent at age 70. Other funds assume similar increases ranging from 7.75 percent to 5.25 percent. The assumed rate of investment return (interest assumption) is 8.5 percent. The designated period for amortizing any unfunded liabilities is 30 years. These financial statements and the supplemental schedules which follow were prepared using these assumptions.

- I. Change in reporting entity
Effective July 1, 1999, the Minnesota Deferred Compensation Plan (MNDCP) was transferred to a third-party administrator, the Great-West Life & Annuity Insurance Co. Record keeping, cash management, accounting, data processing services and all other daily operations, previously provided by each of three deferred compensation plan providers, were combined and are now provided by Great-West. MSRS oversees its performance according to contract terms. As of June 30, 2000, MNDCP had a total membership of 73,162 and total assets of \$2,343,461,628.16.

3. Cash and Investments

- A. Cash
MSRS cash is deposited into the state's treasury accounts. On June 30, 2000, and throughout the year, these accounts were secured by pledged collateral and deposit insurance to the extent required by *Minnesota Statutes*.
- B. Credit risk
Investments are classified according to their risk level. The three categories are:
- insured and registered investments or those whose securities are held by the state or its agent in the state's name.
 - uninsured or unregistered investments whose securities are held by a counterparty's trust department or agent in the state's name.
 - uninsured or unregistered investments whose securities are held by a counterparty's trust department or agent, in other than the state's name

All MSRS investments are held in State Board of Investment administered pools, open-end mutual funds or guaranteed investment contracts. None of these are considered securities for risk assessment purposes.

- C. Investment Valuation
The combined funds' proportionate share in the cost and market values of the State Board of Investment's pools at June 30, 2000, were:

Investment Pools	Cost	Market Value
Fixed Income	1,298,564	1,279,029
External Domestic Equity	1,708,973	1,794,444
Passive Domestic Equity	506,822	814,101
Real Estate	155,493	189,232
Minnesota Resources	52,912	47,435
Minnesota Venture Capital	330,986	349,156
Global Equity	711,952	758,225
Post-Retirement Fund	2,964,061	3,546,143
Supplemental Investment Fund	94,106	277,959
Total	\$7,823,869	\$9,055,724

D. Securities Lending

The amounts shown on the financial statement are MSRS' proportionate share of securities loaned, collateral pledged and loan income resulting from the lending activity of investment managers retained by the State Board of Investment.

4. Interfund Receivables and Payables

As of June 30, 2000, interfund receivables and payables were:

	(In Thousands)	
Defined Benefit Retirement Funds	Interfund Receivables	Interfund Payables
State Employees'	\$567	\$5
State Patrol		86
Correctional Employees'		228
Judges'		223
Legislators'		31
Elective State Officers'		1
Defined Contribution Retirement Fund		
Unclassified Employees'	188	181
Totals	\$755	\$755

5. Leases

The office facilities are leased by an agreement through Sept. 30, 2001. Annual rental obligations by fiscal year are:

2001	\$243,348
2002	\$ 62,236

The three Minnesota statewide retirement systems — MSRS, Public Employees' Retirement Association and Teachers' Retirement Association, have entered into an agreement to construct a building for their joint occupancy. The Retirement Systems of Minnesota building is under construction and is scheduled for completion on Aug. 31, 2001.

6. Actuarial Asset Valuations

Effective June 30, 2000, *Minnesota Statutes* provide that one-fifth of the fiscal yearend's unrealized market gain (loss) be added to (deducted from) the current yearend's and each ensuing fiscal yearend's cost-based net assets, in order to determine the "actuarial basis" net assets. A transition rule similarly amortizes two-thirds of the 1999 fiscal yearend unrealized market gain against the five years that follow. For balance sheet purposes and pursuant to the Governmental Accounting Standards Board's statement No. 25, assets are presented at fair market value. The unfunded liability determined using both methods, as of June 30, 2000, were:

Retirement Fund	(In Thousands)	
	Actuarial Basis	Market Basis
State Employees'	\$ (638,462)	\$(965,224)
State Patrol	(70,189)	(90,134)
Correctional Employees'	(27,079)	(50,548)
Judges'	42,547	112,686
Legislators'	32,099	32,099
Elective State Officers'	3,336	3,336
	<u>\$ (657,748)</u>	<u>\$(957,785)</u>

7. Defined Contribution Fund Disclosures

MSRS administers one defined contribution plan, the Unclassified Retirement Fund. This fund is comprised of the Unclassified Employees' Retirement Plan, a multiple-employer defined contribution plan. Membership is limited to certain, specified employees of the state of Minnesota and various other statutorily designated entities. Membership statistics as of June 30, 2000, were:

-	Active members	1,679
-	Inactive members	<u>1,486</u>
	Total	3,165
-	Annualized payroll (June 30, 2000)	\$106,475,000
-	Participating employers	12
-	Contribution rates	
--	Employee	4%
--	Employer	6%

Minnesota Statutes, Section 352D.01.12 authorized creation of this plan. It is considered a *money purchase* plan, i.e., members vest only to the extent of the value of their accounts (employee contributions plus employer contributions plus [minus] investment gains [losses], less administrative expenses). Retirement and disability benefits are available through conversion, at the member's option, to the General Employees' Plan provided he or she had prior service in that plan or at least 10 years of service. This reversion option is actuarially valued as a contingent liability for the State Employees' Retirement Fund in the amount of \$10 million.

8. Optional Retirement Annuities

In the defined benefit funds, two Joint-and-Survivor options are available: a 50 percent or a 100 percent option. Annuities take the form of Joint-and-Survivor options with the right of reversion to the Single-Life amount, if the beneficiary dies before the member. A 15 Year Period Certain and Life Thereafter annuity is available. For the Judges' Plan a 10 Year Period Certain and Life Thereafter annuity is provided. The Legislators' and Elected State Officers' Plans provide, automatically, a 50 percent benefit continuance to a surviving spouse. Also, legislators can choose 100 percent survivor coverage with an actuarially reduced benefit.

9. Descriptions of Individual Defined Benefit Funds

A. State Employees' Retirement Fund

The State Employees' Retirement Fund includes the General Employees' Plan, a multiple employer, cost sharing plan, and the Military Affairs Plan, the Transportation Pilots' Plan and the Fire Marshals' Plan, single-employer plans. Only certain employees of the Departments of Military Affairs, Transportation and Public Safety are eligible to be members, respectively, of the Military Affairs Plan, Transportation Pilots' Plan and Fire Marshals' Plan; but all state employees who are not members of another plan are covered by the General Employees' Plan. Membership statistics, as of June 30, 2000, follow:

Members receiving benefits:

- retirees	17,343
- beneficiaries	1,953

Terminated members:

- vested, not receiving benefits	11,125
- nonvested	7,772

Active members:

- vested	34,861
- nonvested	<u>13,059</u>

Totals	86,113
--------	--------

Annualized payroll (June 30, 2000):	\$1,900,124,000
-------------------------------------	-----------------

Participating employers	29
-------------------------	----

Minnesota Statutes, Section 352.04 requires that eligible employees contribute 4 percent of their total compensation. The employer contributes 4 percent. Retirement benefits can be computed by two methods: the step formula and the level formula. Step formula benefits are 1.2 percent of the high five year average salary for each of the first 10 years, plus 1.7 percent for each year thereafter. Also, it includes full benefits under the *Rule of 90*. In contrast, the level formula does not include the Rule of 90, benefits are 1.7 percent of the high five year average salary for all years of service, and full benefits are available at normal retirement age.

B. State Patrol Retirement Fund

The State Patrol Retirement Fund includes only the State Patrol Retirement Plan, a single employer plan. Membership is limited to those state employees who are state troopers, conservation officers, crime-bureau officers or gambling-enforcement agents. Membership statistics, as of June 30, 2000, follow:

Members receiving benefits:

- retirees	553
- beneficiaries	157

Terminated members:

- vested, not receiving benefits	24
- nonvested	10

Active members:

- vested	646
- nonvested	184

Totals	1,574
--------	-------

Annualized payroll (June 30, 2000):	\$51,980,000
-------------------------------------	--------------

Minnesota Statutes, Section 352B.02 requires that eligible employees contribute 8.4 percent of their total compensation, The employer contributes 12.60 percent. Members become eligible for normal retirement benefits at age 55 with a minimum of three years of service. The benefit is 3 percent of the high five year average salary for each year of service.

C. Correctional Employees' Retirement Fund

The Correctional Employees' Retirement Fund includes only the Correctional Plan, a single employer plan. Membership is limited to those state employees who have direct responsibility for inmates at Minnesota correctional facilities. Membership statistics, as of June 30, 2000, follow:

Members receiving benefits:

- retirees	691
- beneficiaries	56

Terminated members:

- vested, not receiving benefits	419
- nonvested	163

Active members:

- vested	2,134
- nonvested	964

Totals	4,427
--------	-------

Annualized payroll (June 30, 2000):	\$127,557,000
-------------------------------------	---------------

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 5.69 percent of their total compensation. The employer contributes 7.98 percent. Members become eligible for normal retirement benefits at age 55 with a minimum of three years of service. The benefit is 2.4 percent per year of service credit multiplied by the high five year average monthly salary. The monthly benefit can be received either as level lifelong payments or accelerated payments until age 62 or 65. If the payment is accelerated, upon attaining the reversion age, the benefit is adjusted actuarially for the larger payment provided.

D. Judges' Retirement Fund

The Judges' Retirement Fund includes only the Judges' Retirement Plan, a single employer plan. Active membership is limited to Minnesota district, appellate and supreme court judges. Also, retirees include municipal and county court judges. Membership statistics, as of June 30, 2000, follow:

Members receiving benefits:

- retirees	157
- beneficiaries	82

Terminated members:

- vested, not receiving benefits	9
- nonvested	2

Active Members:

- vested	170
- nonvested	<u>112</u>

Totals	532
--------	-----

Annualized payroll (June 30, 2000):	\$28,186,000
-------------------------------------	--------------

Minnesota Statutes, Section 490.123 requires that eligible employees contribute 8 percent of the total compensation. The employer contributes 20.5 percent. Members become eligible for retirement benefits at age 65 with five years of service, age 62 with five years of service and a reduced benefit, or age 70, which is mandatory retirement, with one year of service. The benefit is 2.7 percent for each year of service prior to July 1, 1980, plus 3.2 percent of the same average salary for service after June 30, 1980. The formula is applied to the high five year average salary.

E. General Fund Plans

The General Fund Plans include the Legislators' Retirement Plan and the Elective State Officers' Plan. Each is a single employer plan. Members of the Minnesota House of Representatives and Senate are included in the Legislators' Retirement Plan; the Elective State Officers' Plan includes only the elected constitutional officers. Both are closed to new members. Persons elected for the first time to take office on Jan. 1, 1999, are members of the Unclassified Plan; those who took office prior to Jan. 1, 1999, were given the option of selecting membership in the plan they preferred. Membership statistics, as of June 30, 2000, follow:

	Legislators'	Elective State Officers'
Members receiving benefits:		
- retirees	210	8
- beneficiaries	70	5
Terminated members:		
- vested, not receiving benefits	90	4
- nonvested	3	0
Active members:		
- vested	127	0
- nonvested	46	0
	—	—
Totals	546	17

Annualized payroll (June 30, 2000):	\$6,043,000	NA *
-------------------------------------	-------------	------

Minnesota Statutes, Sections 3A.03 and 352C.09 require that legislators contribute 9 percent of their salary including certain per diem payments, and elective officers contribute 9 percent of their salary. Both plans are funded by annual appropriations from the state's General Fund.

Legislators are eligible for full retirement benefits upon reaching age 62 with six years of service or for a reduced benefit at age 60 with the same service. The benefit is 2.5 percent per year of service multiplied by the high five-year average covered compensation, but is not to exceed their final annual compensation. Except for a minimum eight-year service requirement, the Elective State Officers' Plan has the same benefit eligibility.

10. Required Supplemental Information

A *Schedule of Funding Progress* and a *Schedule of Employer Contributions* for each of the defined benefit plans are presented in the pages which follow these notes.

* The remaining members have either retired or elected coverage under the Unclassified Plan. Since this plan is now closed, there will no longer be an active payroll.

11. Long-Term Debt

MSRS has entered into a co-tenancy agreement with the Teachers' Retirement Association and the Public Employees' Retirement Association for the purpose of construction and ownership of an administrative building. Each agency owns an undivided portion of the asset total equal to their relative number of employees at the time agreement was approved. For MSRS, that was 20.4 percent of the total. In order to finance building construction on June 1, 2000, the state Department of Finance issued \$29 million in 30-year bonds. The bonds are secured by the value of the land purchased and the building constructed. The bonds are to be repaid from the revenues of the three retirement systems. The table shows the debt service amounts for which MSRS is responsible. In the event of default, MSRS would be contingently liable for the entire remaining outstanding balance.

Debt Repayment Schedule

Payment Date	Rate	Principal	Interest	Total Principal and Interest
12/01/2000	5.375 %	\$ 0.00	\$152,045.48	\$152,045.48
6/01/2001	5.375		169,988.74	169,988.74
12/01/2001	5.375		169,988.74	169,988.74
6/01/2002	5.375	86,700.00	169,988.74	256,688.74
12/01/2002	5.375		167,658.68	167,658.68
6/01/2003	5.375	91,800.00	167,658.68	259,458.68
12/01/2003	5.375		165,191.55	165,191.55
6/01/2004	5.375	96,900.00	165,191.55	262,091.55
12/01/2004	5.375		162,587.36	162,587.36
6/01/2005	5.375	102,000.00	162,587.36	264,587.36
12/01/2005	5.375		159,846.11	159,846.11
6/01/2006	5.375	107,100.00	159,846.11	266,946.11
12/01/2006	5.375		156,967.80	156,967.80
6/01/2007	5.375	112,200.00	156,967.80	269,167.80
12/01/2007	5.375		153,952.43	153,952.43
6/01/2008	5.375	117,300.00	153,952.43	271,252.43
12/01/2008	5.375		150,799.99	150,799.99
6/01/2009	5.375	122,400.00	150,799.99	273,199.99
12/01/2009	5.375		147,510.49	147,510.49
6/01/2010	5.375	127,500.00	147,510.49	275,010.49
12/01/2010	5.40		144,083.93	144,083.93
6/01/2011	5.40	137,700.00	144,083.93	281,783.93
12/01/2011	5.45		140,366.03	140,366.03
6/01/2012	5.45	142,800.00	140,366.03	283,166.03
12/01/2012	5.50		136,474.73	136,474.73
6/01/2013	5.50	153,000.00	136,474.73	289,474.73
12/01/2013	5.55		132,267.23	132,267.23
6/01/2014	5.55	158,100.00	132,267.23	290,367.23
12/01/2014	5.60		127,879.95	127,879.95
6/01/2015	5.60	168,300.00	127,879.95	296,179.95
12/01/2015	5.65		123,167.55	123,167.55
6/01/2016	5.65	178,500.00	123,167.55	301,667.55
12/01/2016	5.70		118,124.93	118,124.93
6/01/2017	5.70	188,700.00	118,124.93	306,824.93
12/01/2017	5.75		112,746.98	112,746.98
6/01/2018	5.75	198,900.00	112,746.98	311,646.98
12/01/2018	5.75		107,028.60	107,028.60
6/01/2019	5.75	214,200.00	107,028.60	321,228.60
12/01/2019	5.80		100,870.35	100,870.35
6/01/2020	5.80	224,400.00	100,870.35	325,270.35
12/01/2020	5.875		94,362.75	94,362.75
6/01/2021	5.875	239,700.00	94,362.75	334,062.75
12/01/2021	5.875		87,321.56	87,321.56
6/01/2022	5.875	255,000.00	87,321.56	342,321.56
12/01/2022	5.875		79,830.94	79,830.94
6/01/2023	5.875	270,300.00	79,830.94	350,130.94
12/01/2023	5.875		71,890.88	71,890.88
6/01/2024	5.875	285,600.00	71,890.88	357,490.88
12/01/2024	5.875		63,501.38	63,501.38
6/01/2025	5.875	306,000.00	63,501.38	369,501.38
12/01/2025	5.875		54,512.63	54,512.63
6/01/2026	5.875	321,300.00	54,512.63	375,812.63
12/01/2026	5.875		45,074.44	45,074.44
6/01/2027	5.875	341,700.00	45,074.44	386,774.44
12/01/2027	6.00		35,037.00	35,037.00
6/01/2028	6.00	367,200.00	35,037.00	402,237.00
12/01/2028	6.00		24,021.00	24,021.00
6/01/2029	6.00	387,600.00	24,021.00	411,621.00
12/01/2029	6.00		12,393.00	12,393.00
6/01/2030	6.00	413,100.00	12,393.00	425,493.00
		\$ 5,916,000.00	\$6,812,952.24	\$ 12,728,952.24

Required Supplemental Information

Schedule of Funding Progress

Year Ended June 30,	Actuarial Value Assets (A)	Actuarial Accrued Liability (AAL) (B)	(In Thousands) Unaudited		Actual Covered Payroll (Previous FY) (C)	UAAL as Percent of Covered Payroll (B-A)/(C)
			Unfunded AAL (UAAL) (B-A)	Funded Ratio (A)/(B)		
State Employees' Retirement Fund:						
1991	\$2,304,311	\$2,883,603	\$579,292	79.91%	\$1,370,964	42.25%
1992	2,613,472	3,125,299	511,827	83.62	1,409,108	36.32
1993	2,905,578	3,563,492	657,914	81.54	1,482,005	44.39
1994	3,158,068	3,876,584	718,516	81.47	1,536,978	46.75
1995	3,462,098	3,795,926	333,828	91.21	1,514,177	22.05
1996	3,975,832	4,087,273	111,441	97.27	1,560,369	7.14
1997	4,664,519	4,519,542	(144,977)	103.21	1,568,747	-9.24
1998	5,390,526	5,005,165	(385,361)	107.70	1,557,880	-24.74
1999	5,968,692	5,464,207	(504,485)	109.23	1,649,469	-30.58
2000	6,744,165	6,105,703	(638,462)	110.46	1,733,054	-36.84

State Patrol Retirement Fund:

1991	200,068	224,033	23,965	89.30	32,365	74.05
1992	222,314	233,656	11,342	95.15	32,882	34.49
1993	244,352	258,202	13,850	94.64	35,765	38.73
1994	262,570	275,377	12,807	95.35	35,341	36.24
1995	284,918	283,078	(1,840)	100.65	37,518	-4.90
1996	323,868	303,941	(19,927)	106.56	41,476	-48.04
1997	375,650	332,427	(43,223)	113.00	41,996	-102.92
1998	430,011	371,369	(58,642)	115.79	43,456	-134.95
1999	472,687	406,215	(66,472)	116.36	45,333	-146.63
2000	528,573	458,384	(70,189)	115.31	48,167	-145.72

Correctional Employees' Retirement Fund:

1991	105,925	112,171	6,246	94.43	43,429	14.38
1992	121,051	123,515	2,464	98.01	47,592	5.18
1993	135,939	134,280	(1,659)	101.24	52,122	-3.18
1994	148,163	152,702	4,539	97.03	54,673	8.30
1995	165,457	153,491	(11,966)	107.78	66,939	-17.83
1996	193,833	170,959	(22,874)	113.38	72,959	-31.35
1997	241,916	212,638	(29,278)	113.77	112,408	-26.05
1998	295,291	261,869	(33,422)	112.76	105,796	-31.59
1999	335,408	307,408	(28,000)	109.11	106,131	-26.38
2000	386,964	359,885	(27,079)	107.52	112,587	-24.05

Required Supplemental Information

Schedule of Funding Progress

Year Ended June 30,	Actuarial Value Assets (A)	Actuarial Accrued Liability (AAL) (B)	(In Thousands) (Unaudited)		Actual Covered Payroll (Previous FY) (C)	UAAL as Percent of Covered Payroll (B-A)/(C)
			Unfunded AAL (UAAL) (B-A)	Funded Ratio (A)/(B)		
Judges' Retirement Fund:						
1991	\$33,559	\$ 78,429	\$44,870	42.79%	\$18,410	243.73%
1992	37,768	83,969	46,201	44.98	22,765	202.95
1993	44,156	90,509	46,353	48.79	22,084	209.89
1994	50,428	98,313	47,885	51.29	22,264	215.08
1995	56,813	102,238	45,425	55.57	22,877	198.56
1996	64,851	108,150	43,299	59.96	22,421	193.12
1997	74,681	117,714	43,033	63.44	22,909	187.84
1998	86,578	130,727	44,149	66.23	24,965	176.84
1999	97,692	139,587	41,895	69.99	32,940	127.19
2000	111,113	153,660	42,547	72.31	26,315	161.68

Legislators' Retirement Fund:

1991	14,694	30,403	15,709	48.33	7,078	221.94
1992	15,160	33,224	18,064	45.63	6,556	275.53
1993	17,169	36,801	19,632	46.65	7,322	268.12
1994	18,738	45,448	26,710	41.23	6,589	405.37
1995	21,213	50,255	29,042	42.21	7,056	411.59
1996	22,532	54,225	31,693	41.55	6,267	505.71
1997	25,678	60,055	34,377	42.76	7,767	442.60
1998	31,212	62,928	31,716	49.60	6,802	466.27
1999	33,474	66,418	32,944	50.40	7,490	439.84
2000	37,265	69,364	32,099	53.72	5,808	552.67

Elective State Officers' Retirement Fund: *

1991	308	2,249	1,941	13.69	422	459.95
1992	334	2,380	2,046	14.03	378	541.27
1993	322	2,689	2,367	11.97	500	473.40
1994	361	2,848	2,487	12.68	411	605.11
1995	378	2,948	2,570	12.82	422	609.00
1996	412	2,983	2,571	13.81	456	563.82
1997	456	3,214	2,758	14.19	467	590.58
1998	500	3,369	2,869	14.84	461	622.34
1999	198	3,373	3,175	5.87	291	1,091.0
2000	199	3,535	3,336	5.63	0	N/A

* This is a closed plan. There are no active, contributing members.

Required Supplemental Information

Schedule of Employer Contributions

(In Thousands)
(Unaudited)

Year Ended June 30,	Actuarially Required Contribution Rate (A)	Actual Covered Payroll (B)	Actual Member Contribution (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution*	Percent Contributed
State Employees' Retirement Fund:						
1991	8.17%	\$1,370,964	\$56,895	\$55,113	\$57,986	105.21%
1992	7.86	1,409,108	58,478	52,278	59,244	113.32
1993	8.27	1,482,005	59,132	63,430	58,982	92.99
1994	8.93	1,536,978	62,555	74,697	60,741	81.32
1995	9.15	1,514,177	61,627	76,920	63,161	82.11
1996	8.05	1,560,369	63,507	62,103	65,557	105.56
1997	7.21	1,568,747	63,848	49,259	66,568	135.14
1998	7.13	1,557,880	62,901	48,176	62,315	129.35
1999	6.48	1,649,469	66,823	40,063	65,979	164.69
2000	6.12	1,733,054	70,378	35,685	69,322	194.26

State Patrol Retirement Fund:

1991	22.15	32,965	2,751	4,418	4,825	109.21
1992	22.58	32,882	2,795	4,630	4,893	105.68
1993	22.27	35,765	3,040	4,925	5,288	107.37
1994	21.94	35,341	3,004	4,750	5,159	108.61
1995	21.79	37,518	3,189	4,986	5,583	111.97
1996	21.34	41,476	3,484	5,367	5,742	106.99
1997	21.33	41,996	3,746	5,212	6,151	118.02
1998	15.67	43,456	3,634	3,176	5,475	172.39
1999	14.14	45,333	3,850	2,560	5,712	223.13
2000	15.17	48,167	4,044	3,263	6,069	185.99

Correctional Employees' Retirement Fund:

1991	10.73	43,429	2,128	2,532	2,731	107.86
1992	10.82	47,952	2,332	2,817	2,955	104.90
1993	11.41	52,122	2,554	3,393	3,217	94.81
1994	10.97	54,673	2,679	3,319	3,355	101.08
1995	11.30	66,939	3,280	4,284	4,195	97.92
1996	11.11	72,959	3,575	4,531	4,559	100.62
1997	11.21	112,408	5,508	7,093	9,129	128.70
1998	12.49	105,796	5,954	7,260	8,146	112.20
1999	12.99	106,131	6,378	7,408	8,172	110.31
2000	13.66	112,587	6,526	8,853	8,984	101.48

* This includes contributions from other sources, if applicable.

Required Supplemental Information

Schedule of Employer Contributions

(In Thousands)
(Unaudited)

Year Ended June 30,	Actuarially Required Contribution Rate (A)	Actual Covered Payroll (B)	Actual Member Contribution (C)	Annual Required Contribution [(A) x (B)] - (C)	Actual Employer Contribution*	Percent Contributed
Judges' Retirement Fund:						
1991	23.59%	\$18,410	\$ 799	\$3,544	\$ 0	0.00%
1992	25.10	22,765	988	4,726	4,722	99.92
1993	26.59	22,084	1,409	4,463	4,845	108.56
1994	26.29	22,264	1,416	4,437	4,912	110.71
1995	28.27	22,877	1,455	5,012	5,162	102.99
1996	27.32	22,421	1,426	4,699	4,972	105.81
1997	27.01	22,909	1,457	4,731	6,632	140.18
1998	27.60	24,965	1,570	5,320	7,129	134.00
1999	27.32	32,940	2,069	6,930	7,051	101.75
2000	26.75	26,315	2,107	4,932	7,298	147.97
Legislators' Retirement Fund:						
1991	32.62	7,078	637	1,672	1,889	112.98
1992	27.67	6,556	590	1,224	601	49.10
1993	30.49	7,322	659	1,573	2,284	145.20
1994	31.12	6,589	593	1,457	1,618	111.05
1995	38.34	7,056	635	2,070	2,938	141.93
1996	41.54	6,267	564	2,039	1,511	74.10
1997	43.96	7,767	699	2,715	3,176	116.98
1998	48.03	6,802	612	2,655	5,199	195.82
1999	47.19	7,490	674	2,861	2,091	73.09
2000	52.72	5,808	523	2,539	3,192	125.72
Elective State Officers' Retirement Fund:						
1991	34.84	422	38	109	40	36.70
1992	33.28	378	34	92	111	120.65
1993	36.23	500	45	136	88	64.71
1994	38.64	411	37	122	164	134.43
1995	42.00	422	38	139	165	118.71
1996	43.58	456	41	158	151	95.57
1997	43.49	467	42	161	167	103.73
1998	51.07	461	42	193	175	90.67
1999	51.66	291	26	124	40	32.26
2000	321 **	-	-	-	306	N/A

* This includes contributions from other sources, if applicable.

** This plan no longer has active contributing members, therefore, there is no payroll to amortize the required liabilities. This is the required contribution expressed in thousands of dollars.

Schedule of Administrative Expenses (Year ended June 30, 2000)

(In Thousands)

Staff salaries	\$2,472
Social Security	89
Retirement	158
Insurance	224
Other personal services	3
Total	<u>\$2,946</u>
Professional services:	
- actuarial	\$ 140
- data processing	200
- disability examinations	24
- legal counsel	23
- other professional services	5
Total	<u>\$ 392</u>
Communication:	
- printing	\$ 129
- telephone	25
- postage	223
- travel	21
- subscriptions, memberships and training	17
Total	<u>\$ 415</u>
Rentals:	
- office space	<u>\$ 221</u>
Miscellaneous:	
- supplies	\$ 97
- repairs and maintenance agreements	23
- department head and board member expense	9
- statewide indirect cost	83
- depreciation	34
- interest expense	9
- state sales taxes	14
- local sales taxes	1
- other services	53
Total	<u>\$ 323</u>
Total Operating Expenses	<u><u>\$4,297</u></u>
Expenses distributed by fund:	
- State Employees'	\$3,701
- State Patrol	94
- Correctional Employees'	243
- Judges'	42
- Legislators'	34
- Elective State Officers'	2
- Unclassified Employees'	181
Total distribution	<u><u>\$4,297</u></u>

Schedule of Changes in Plan Net Assets

State Employees' Retirement Fund (Year ended June 30, 2000)

	(In Thousands)			
	Member	Post-Retirement Investment Fund	Benefit	Totals
Additions:				
Contributions:				
- member	\$69,344	\$ 0	\$1,034	\$70,378
- employer	0	0	69,322	69,322
Total	69,344	0	70,356	139,700
Investment Income:				
- investment income	0	224,441	452,285	676,726
- less investment expense:	0	0	6,204	6,204
Net Investment Income	0	224,441	446,081	670,522
Income from Securities' Lending Activities:				
- securities' lending income	0	16,402	24,365	40,767
- securities' lending expenses:				
- borrower rebates	0	14,854	22,011	36,866
- management fees	0	436	674	1,109
Total Securities' Lending Expenses	0	15,290	22,685	37,975
Net Income from Securities' Lending Activities	0	1,112	1,680	2,792
Total Net Investment Income	0	225,553	447,761	673,314
Other Additions:				
- transfers from other plans	737	0	4,320	5,057
- other income	0	0	203	203
Total Other Additions	737	0	4,523	5,260
Total Additions	70,081	225,553	522,640	818,274
Deductions:				
- annuity benefits	0	237,188	637	237,825
- refunds	7,958	0	3,269	11,227
- interest to MPRI Fund	0	0	1,132	1,132
- administrative expenses	0	0	3,701	3,701
Deductions	7,958	237,188	8,739	253,885
Other Deductions:				
- transfers to other plans	1,323	0	7,814	9,137
Total Deductions	9,281	237,188	16,553	263,022
Other Changes in Reserves:				
- retirements	(26,360)	201,917	(175,557)	0
- mortality gains (losses)	0	10,660	(10,660)	0
- actuarial assumption change	0	87,788	(87,788)	0
- other	(28)	0	28	0
Total Other Changes	(26,388)	300,365	(273,977)	0
Net Increase	34,412	288,730	232,110	555,252
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	\$688,510	\$2,655,421	\$3,653,048	\$6,996,799
End of the Year	\$722,922	\$2,944,151	\$3,885,158	\$7,552,051

Schedule of Changes in Plan Net Assets

State Patrol Retirement Fund (Year ended June 30, 2000)

(In Thousands)

	Member	Post-Retirement Investment Fund	Benefit	Totals
Additions:				
Contributions:				
- member	\$4,044	\$ 0	\$0	\$4,044
- employer	0	0	6,069	6,069
Total	<u>4,044</u>	<u>0</u>	<u>6,069</u>	<u>10,113</u>
Investment Income:				
- investment income	0	25,300	28,032	53,332
- less investment expense:	0	0	383	383
Net Investment Income	<u>0</u>	<u>25,300</u>	<u>27,649</u>	<u>52,949</u>
Income from Securities' Lending Activities:				
- securities' lending income	0	1,803	1,492	3,295
- securities' lending expenses:				
- borrower rebates	0	1,633	1,348	2,981
- management fees	0	62	41	103
Total Securities' Lending Expenses	<u>0</u>	<u>1,695</u>	<u>1,389</u>	<u>3,084</u>
Net Income from Securities' Lending Activities	<u>0</u>	<u>108</u>	<u>103</u>	<u>211</u>
Total Net Investment Income	<u>0</u>	<u>25,408</u>	<u>27,752</u>	<u>53,160</u>
Other Additions:				
- transfers from other plans	5	0	5	10
Total Additions	<u>4,049</u>	<u>25,408</u>	<u>33,826</u>	<u>63,283</u>
Deductions:				
- annuity benefits	0	25,609	180	25,789
- refunds	70	0	20	90
- interest to MPRI Fund	0	0	252	252
- administrative expenses	0	0	94	94
Total Deductions	<u>70</u>	<u>25,609</u>	<u>546</u>	<u>26,225</u>
Other Changes in Reserves:				
- retirements	(3,005)	22,612	(19,607)	0
- mortality gains (losses)	0	5,226	(5,226)	0
- other	(6)	0	6	0
Total Other Charges	<u>(3,011)</u>	<u>27,838</u>	<u>(24,827)</u>	<u>0</u>
Net Increase	<u>968</u>	<u>27,637</u>	<u>8,453</u>	<u>37,058</u>
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	<u>\$35,405</u>	<u>\$290,299</u>	<u>\$238,639</u>	<u>\$564,343</u>
End of the Year	<u>\$36,373</u>	<u>\$317,936</u>	<u>\$247,092</u>	<u>\$601,401</u>

Schedule of Changes in Plan Net Assets

Correctional Retirement Fund (Year ended June 30, 2000)

(In Thousands)

	Member	Post-Retirement Investment Fund	Benefit	Totals
Additions:				
Contributions:				
- member	\$6,405	\$ 0	\$121	\$6,526
- employer	0	0	8,984	8,984
Total	<u>6,405</u>	<u>0</u>	<u>9,105</u>	<u>15,510</u>
Investment Income:				
- investment income	0	13,001	27,182	40,183
- less investment expense:	0	0	369	369
Net Investment Income	<u>0</u>	<u>13,001</u>	<u>26,813</u>	<u>39,814</u>
Income from Securities' Lending Activities:				
- securities' lending income	0	861	1,449	2,310
- securities' lending expenses:				
- borrower rebates	0	780	1,309	2,089
- management fees	0	23	40	63
Total Securities' Lending Expenses	<u>0</u>	<u>803</u>	<u>1,349</u>	<u>2,152</u>
Net Income from Securities' Lending Activities	<u>0</u>	<u>58</u>	<u>100</u>	<u>158</u>
Total Net Investment Income	<u>0</u>	<u>13,059</u>	<u>26,913</u>	<u>39,972</u>
Other Additions:				
- transfers from other plans	761	0	6,192	6,953
Total Additions	<u>7,166</u>	<u>13,059</u>	<u>42,210</u>	<u>62,435</u>
Deductions:				
- annuity benefits	0	12,414	0	12,414
- refunds	617	0	136	753
- interest to MPRI Fund	0	0	281	281
- administrative expenses	0	0	243	243
Deductions	<u>617</u>	<u>12,414</u>	<u>660</u>	<u>13,691</u>
Other Deductions:				
- transfers to other plans	22	0	37	59
Total Deductions	<u>639</u>	<u>12,414</u>	<u>697</u>	<u>13,750</u>
Other Changes in Reserves:				
- retirements	(2,331)	21,442	(19,111)	0
- mortality gains (losses)	0	225	(225)	0
- other	(2)	0	2	0
Total Other Changes	<u>(2,333)</u>	<u>21,667</u>	<u>(19,334)</u>	<u>0</u>
Net Increase	<u>4,194</u>	<u>22,312</u>	<u>22,179</u>	<u>48,685</u>
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	<u>\$39,592</u>	<u>\$133,734</u>	<u>\$213,695</u>	<u>\$387,021</u>
End of the Year	<u>\$43,786</u>	<u>\$156,046</u>	<u>\$235,874</u>	<u>\$435,706</u>

Schedule of Changes in Plan Net Assets

Judges' Retirement Fund (Year ended June 30, 2000)

(In Thousands)

	Member	Post-Retirement Investment Fund	Benefit	Totals
Additions:				
Contributions:				
- member	\$2,107	\$0	\$0	\$2,107
- employer	0	0	5,398	5,398
- General Fund contributions	0	0	1,900	1,900
Total	<u>2,107</u>	<u>0</u>	<u>7,298</u>	<u>9,405</u>
Investment Income:				
- investment income	0	7,357	2,834	10,191
- less investment expense:	0	0	35	35
Net Investment Income	<u>0</u>	<u>7,357</u>	<u>2,799</u>	<u>10,156</u>
Income from Securities' Lending Activities:				
- securities' lending income	0	557	136	693
- securities' lending expenses:				
- borrower rebates	0	505	122	627
- management fees	0	15	4	19
Total Securities' Lending Expenses	<u>0</u>	<u>520</u>	<u>126</u>	<u>646</u>
Net Income from Securities' Lending Activities	<u>0</u>	<u>37</u>	<u>10</u>	<u>47</u>
Total Net Investment Income	<u>0</u>	<u>7,394</u>	<u>2,809</u>	<u>10,203</u>
Other Additions:				
- other income	0	0	10	10
Total Additions	<u>2,107</u>	<u>7,394</u>	<u>10,117</u>	<u>19,618</u>
Deductions:				
- annuity benefits	0	9,182	1,901	11,083
- refunds	0	0	122	122
- interest to MPRI Fund	0	0	31	31
- administrative expenses	0	0	42	42
Deductions	<u>0</u>	<u>9,182</u>	<u>2,096</u>	<u>11,278</u>
Other Deductions:				
- transfers to other plans	186	0	0	186
Total Deductions	<u>186</u>	<u>9,182</u>	<u>2,096</u>	<u>11,464</u>
Other Changes in Reserves:				
- retirements	(571)	4,340	(3,769)	0
- mortality gains (losses)	0	987	(987)	0
Total Other Changes	<u>(571)</u>	<u>5,327</u>	<u>(4,756)</u>	<u>0</u>
Net Increase	<u>1,350</u>	<u>3,539</u>	<u>3,265</u>	<u>8,154</u>
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	<u>\$12,390</u>	<u>\$76,076</u>	<u>\$32,716</u>	<u>\$121,182</u>
End of the Year	<u>\$13,740</u>	<u>\$79,615</u>	<u>\$35,981</u>	<u>\$129,336</u>

Schedule of Changes in Plan Net Assets

Legislators' Retirement Fund (Year ended June 30, 2000)

(In Thousands)

	Member	Post-Retirement Investment Fund	Benefit	Totals
Additions:				
Contributions:				
- member	\$488	\$ 0	\$35	\$523
- General Fund contributions	0	0	3,192	3,192
Total	<u>488</u>	<u>0</u>	<u>3,227</u>	<u>3,715</u>
Investment Income:				
- investment income	0	2,940	0	2,940
- less investment expense:	0	0	0	0
Net Investment Income	<u>0</u>	<u>2,940</u>	<u>0</u>	<u>2,940</u>
Income from Securities' Lending Activities:				
- securities' lending income	0	210	0	210
- securities' lending expenses:				
- borrower rebates	0	190	0	190
- management fees	0	6	0	6
Total Securities' Lending Expenses	<u>0</u>	<u>196</u>	<u>0</u>	<u>196</u>
Net Income from Securities' Lending Activities	<u>0</u>	<u>14</u>	<u>0</u>	<u>14</u>
Total Net Investment Income	<u>0</u>	<u>2,954</u>	<u>0</u>	<u>2,954</u>
Total Additions	<u>488</u>	<u>2,954</u>	<u>3,227</u>	<u>6,669</u>
Deductions:				
- annuity benefits	0	3,660	553	4,213
- refunds	57	0	51	108
- interest to MPRI Fund	0	0	52	52
- administrative expenses	0	0	34	34
Deductions	<u>57</u>	<u>3,660</u>	<u>690</u>	<u>4,407</u>
Other Deductions:				
- transfers to other plans	18	0	29	47
Total Deductions	<u>75</u>	<u>3,660</u>	<u>719</u>	<u>4,454</u>
Other Changes in Reserves:				
- retirements	(332)	2,618	(2,286)	0
- mortality gains (losses)	0	2,778	(2,778)	0
Total Other Changes	<u>(332)</u>	<u>5,396</u>	<u>(5,064)</u>	<u>0</u>
Net Increase	81	4,690	(2,556)	2,215
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	<u>\$6,956</u>	<u>\$34,466</u>	<u>\$ (219)</u>	<u>\$41,203</u>
End of the Year	<u>\$7,037</u>	<u>\$39,156</u>	<u>\$(2,775)</u>	<u>\$43,418</u>

Schedule of Changes in Plan Net Assets

Elected State Officers' Retirement Fund (Year ended June 30, 2000)

	(In Thousands)			
Additions:	Member	Post-Retirement Investment Fund	Benefit	Totals
Contributions:				
- General Fund	0	0	306	306
Total	0	0	306	306
Total Additions	0	0	306	306
Deductions:				
- annuity benefits	0	0	303	303
- administrative expenses	0	0	2	2
Total Deductions	0	0	305	305
Net Increase	0	0	1	1
Net Assets Held in Trust for Pension Benefits				
Beginning of the Year	\$194	\$0	\$4	\$198
End of the Year	\$194	\$0	\$5	\$199

Schedule of Changes in Plan Net Assets

Unclassified Employees' Retirement Fund (Year ended June 30, 2000)

(In Thousands)

	Member	Benefit	Totals
Additions:			
Contributions:			
- member	4,259	0	4,259
- employer	5,873	0	5,873
Total	<u>10,132</u>	<u>0</u>	<u>10,132</u>
Investment Income:			
- investment income	20,830	204	21,034
- less investment expense:	<u>0</u>	<u>0</u>	<u>0</u>
Net Investment Income	<u>20,830</u>	<u>204</u>	<u>21,034</u>
Income from Securities' Lending Activities:			
- securities' lending income	<u>1,241</u>	<u>0</u>	<u>1,241</u>
- securities' lending expenses:			
- borrower rebates	1,114	0	1,114
- management fees	<u>34</u>	<u>0</u>	<u>34</u>
Total Securities' Lending Expenses	<u>1,148</u>	<u>0</u>	<u>1,148</u>
Net Income from Securities' Lending Activities	<u>93</u>	<u>0</u>	<u>93</u>
Total Net Investment Income	<u>20,923</u>	<u>204</u>	<u>21,127</u>
Other Additions:			
- transfers from other plans	2,406	0	2,406
- other income	<u>0</u>	<u>31</u>	<u>31</u>
Total Other Additions	<u>2,406</u>	<u>31</u>	<u>2,437</u>
Total Additions	<u>33,461</u>	<u>235</u>	<u>33,696</u>
Deductions:			
- refunds	8,455	0	8,455
- administrative expenses	<u>0</u>	<u>181</u>	<u>181</u>
- other expenses	<u>0</u>	<u>2</u>	<u>2</u>
Deductions	<u>8,455</u>	<u>183</u>	<u>8,637</u>
Other Deductions:			
- transfers to other plans	4,998	0	4,998
Total Deductions	<u>13,453</u>	<u>183</u>	<u>13,636</u>
Other Changes in Reserves:			
- other	<u>(6)</u>	<u>6</u>	<u>0</u>
Net Increase	20,002	58	20,060
Net Assets Held in Trust for Pension Benefits			
Beginning of the Year	<u>\$259,170</u>	<u>\$842</u>	<u>260,012</u>
End of the Year	<u>\$279,172</u>	<u>\$900</u>	<u>280,072</u>

Summary Schedule of Commissions and Payments to Consultants

(In Thousands)

Individual or Firm Name	Services Received	Fees Paid
William Mercer Inc.	Consulting Actuary	\$ 84,906
State of Minnesota:		
- Department of Health	Medical advisor	\$ 23,832
- Office of the Attorney General	Legal	23,076
- Legislative Commission on Pensions and Retirement	Consulting Actuary	54,836

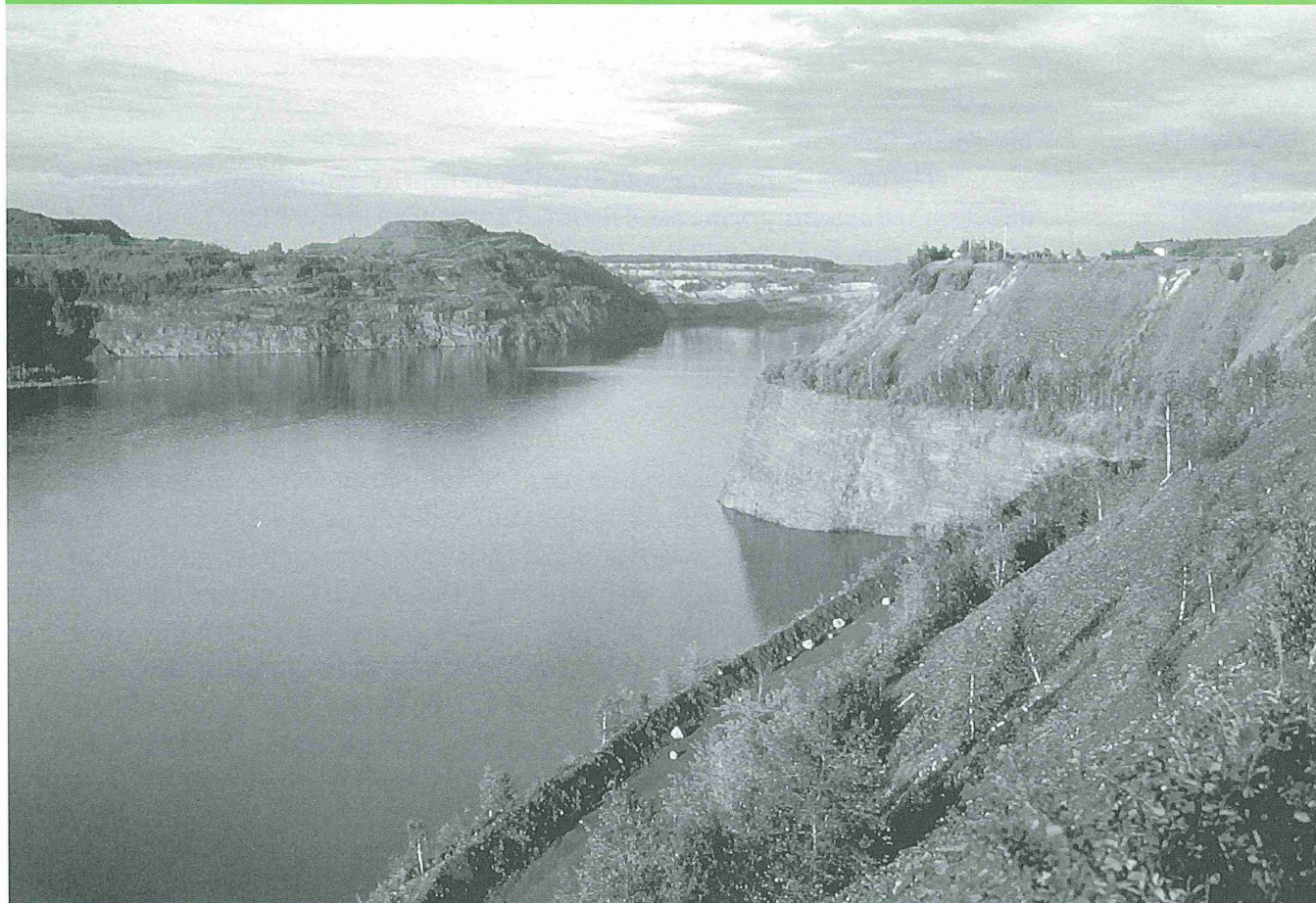


Photo Credit: © Minnesota Office of Tourism

Hull Rust is the world's largest open pit, iron-ore mine. It's located in Hibbing, and still in partial operation. Minnesota's Iron Range gained fame because of its rich supply of iron ore.

Investment Report

MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Jesse Ventura

State Auditor
Judi Dutcher

State Treasurer
Carol C. Johnson

Secretary of State
Mary Kiffmeyer

Attorney General
Mike Hatch

Executive Director:

Howard J. Bicker

Investment Authority

The assets of the Minnesota State Retirement System are invested under the direction and authority of the State Board of Investment in accordance with *Minnesota Statutes*, Chapters 11A and 356A. The SBI includes Minnesota's governor, auditor, treasurer, secretary of state and attorney general. The Legislature has established a 17-member Investment Advisory Council to advise the SBI and its staff on investment-related matters. MSRS' executive director is a member of the Council.

Investment Policy

Investment policy stipulates that the SBI will operate within standard investment practices of the prudent person. The SBI will exercise the judgment and care — under prevailing circumstances — which persons of prudence, discretion and intelligence exercise in the management of their own affairs. This work is not for speculation, but for investment, considering the probable safety of their capital, as well as the probable income to be derived from this activity. The SBI is authorized to own government obligations, corporate obligations, various short-term obligations, corporate stocks, venture capital interests, mutual funds, resource investments and real estate interests subject to specific boundaries. Particularly, pension-fund assets are to be invested for the exclusive benefit of the fund members.

Investment Objectives

Pension-fund assets are managed and accounted for separately in the SBI's Basic Fund and the Post-Retirement Investment Fund. The SBI reviews the performance of all the assets in each fund and as two combined funds.

MSRS' pension contributions, which come from its employed members, are invested in the SBI's Basic Fund. Likewise, active members from seven other statewide retirement funds put their pension contributions into the SBI's Basic Fund. MSRS does not own any underlying assets, but instead owns a share of the moneys in the pooled Basic Fund. Because these assets normally accumulate in the Basic Fund for 30 to 40 years, SBI's objective is to take advantage of the long investment time horizon offered by equities and alternative assets. The board does this to meet its actuarial return target of 8.5 percent per year and to ensure that sufficient funds are available to finance promised benefits at the time of retirement.

When a member retires, MSRS transfers assets on behalf of the member to the Minnesota Post Retirement Investment Fund (MPRIF). The assets of the MPRIF — which include the eight plans that participate in the Basic Fund and the Legislative and Survivors' Retirement Fund — finance monthly annuity payments paid to retirees. Moneys in the MPRIF are generally invested a bit more conservatively, but still heavily in equities, to take advantage of the 15-year to 20-year time horizon associated with the length of time a typical retiree can be expected to draw benefits. The actuarial return target for the MPRIF is 6 percent.



46

Capitol Professional
Office Building
Suite 200
590 Park Street
St. Paul, MN 55103
(651) 296-3328
FAX (651) 296-9572
E-mail:

minn.sbi@state.mn.us
www.sbi.state.mn.us

An Equal Opportunity
Employer

State Board of Investment
Page Two

Combined Funds

The combined funds, while not existing under statute, represent the assets of the active and retired public employees who participate in the defined benefit plans of MSRS, the Public Employees' Retirement System, and the Teachers' Retirement Association. The SBI looks at the combined funds for comparison purposes only, since most public pension plans do not separate the assets of their active employees and retirees. The long-term objectives of the combined funds are to:

- provide returns that are 3 to 5 percentage points greater than inflation over the latest 10-year period;
- outperform a composite market index weighted in a manner that reflects the actual asset mix of the combined funds over the latest 5-year period; and
- provide returns that are ranked in the top half of a universe of public and corporate plans over the latest 5-year period.

As of June 30, 2000, the combined funds returned 10.5 percentage points above the *Consumer Price Index* over the last 10 years, outperformed the *Composite Index* by 0.5 percentage points over the past five years, and ranked above — in the 30th percentile — the median fund in the *Trust Universe Comparison Service*.

Investment Presentation

Data reported in the investment section of this comprehensive annual financial report is presented in conformance with the presentation standards of the Association for Investment Management and Research. Investment returns were prepared using a time-weighted rate of return methodology in accordance with those standards.

Respectfully submitted,



Howard Bicker
Executive Director
State Board of Investment

Investment Results

Investment Returns by Sector

Performance of Asset Pools (net of fees)

Rates of Return (annualized)

		FY2000	Three Year	Five-Year
-	Domestic Stock	8.2%	18.6%	22.2%
--	Wilshire 5000	8.6	18.7	22.2
-	Bond	4.7	6.1	6.6
--	Lehman Aggregate	4.6	6.0	6.3
-	International Stock	16.9	8.9	12.3
--	Composite Index	16.4	8.4	10.3
-	Real Estate (Basic Funds only)	9.2	18.0	12.9
-	Private Equity (Basic Funds only)	43.1	28.7	30.9
-	Resource (Basic Funds only)	27.8	6.4	12.3

Investment Allocation (at June 30, 2000) *

Asset allocation will have a dominant effect on returns. The State Board of Investment has given attention to the selection of the appropriate long-term asset allocation policy for the Basic and the Post-Retirement Investment funds.

Investment Type	Basic Fund		MPRI Fund	
	Actual Asset Mix	Long-Term Policy Target	Actual Asset Mix	Long-Term Policy Target
- Domestic	49.4%	45.0%	50.8%	50.0%
- International	14.3	15.0	14.1	15.0
- Bond	24.0	24.0	30.6	27.0
- Alternative Assets **	11.3	15.0	1.9	5.0
- Cash	1.0	1.0	2.6	3.0
Total	100.0%	100.0%	100.0%	100.0%

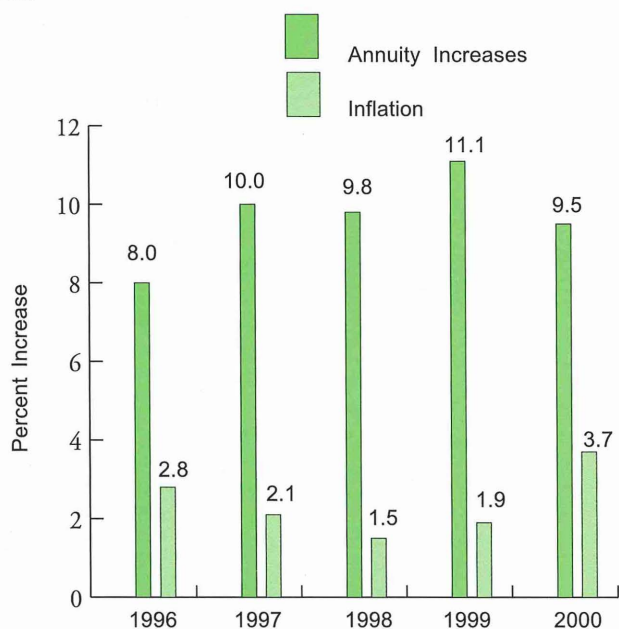
* Source: Minnesota State Board of Investment, fiscal year 2000 annual report.

** Alternative assets are real estate, venture capital and resource funds.

Investment Results

Annuity Increases vs. Inflation

Increases awarded to MSRS retirees under the Post-Retirement Investment Fund have outpaced inflation during the last five years. Increases and inflation are measured as of June 30, 2000. Increases are effective Jun. 1 of the calendar year.



Investment Performance

Funds	Rates of Return (annualized)		
	FY2000	Three Year	Five-Year
Basic (active accounts)	10.5%	14.6%	16.8%
- Basic Composite Market Index	10.6	14.4	16.5
Post-Retirement Investment (retiree accounts)	8.6	13.3	15.5
- MPRIF Composite Market Index	8.7	13.1	14.9
Combined (both)*	9.6	13.9	16.2
- Combined Composite Market Index	9.7	13.8	15.7

* Percentages are net of all management fees. Amounts include both funds.

Note: All composite indices are composed of the following market indicators and are weighted according to asset allocation.

Domestic stocks	Wilshire 5000
International stocks	EAFE
Domestic bonds	Lehman Aggregate
Alternative assets	Wilshire Real Estate Index, venture capital funds, resource funds,
Unallocated cash	91-day treasury bills

Largest Assets Held (as of June 30, 2000)

Composite Holdings of 10 Largest Equities (by market value)

Security	Percent of Portfolio
- Microsoft Corp.	1.75%
- General Electric Co.	1.62
- Cisco Systems Inc.	1.49
- Intel Corp.	1.19
- Wal Mart Stores Inc.	1.12
- Merck & Co.	0.88
- Citigroup Inc.	0.86
- IBM	0.77
- Lucent Technologies Inc.	0.64
- Exxon Corp.	0.58

Composite Holdings of 10 Largest Bonds (by market value)

Security	Coupon Rate	Maturity Date	Rating	Percent of Portfolio
- FNMA	6.00%	07/01/2029	AAA	0.35%
- FNMA	8.50	02/15/2020	AAA	0.34
- FNMA	8.00	12/31/2029	AAA	0.31
- FHLMC	6.50	12/31/2029	AAA	0.30
- FHLMC	7.00	12/31/2029	AAA	0.28
- United States Treasury Notes	6.50	12/15/2029	AAA	0.26
- United States Treasury Notes	3.63	04/15/2028	AAA	0.25
- FHLMC	8.00	12/31/2029	AAA	0.23
- United States Treasury Notes	3.88	04/15/2029	AAA	0.23
- United States Treasury Notes	7.50	12/31/2029	AAA	0.22

MSRS' assets are mixed in various investment accounts administered by the State Board of Investment. MSRS owns an undivided interest proportionate to the amount provided for investment in each of the pools. The percentages shown above are the portion of each of the total pools comprised by portfolio holdings. Information on SBI's investment activity and a listing of specific investments held by various investment pools is available from the Minnesota State Board of Investment.

Investment Summary at Market Value (as of June 30, 2000)

		(In Thousands)	
	Market Value June 30, 1999	Market Value June 30, 2000	Percent of Portfolio
State Employees' Retirement Fund:			
Pooled accounts			
- external domestic equity	\$ 1,594,876	\$ 1,593,251	34%
- passive domestic equity	757,360	722,824	16
- global equity	639,137	673,212	15
- fixed income	906,888	1,135,624	24
- real estate	151,196	168,015	3
- resources	30,990	42,117	1
- venture capital	199,764	310,008	7
Total pooled assets	\$ 4,280,221	\$ 4,645,051	100%
State Patrol Retirement Fund:			
Pooled accounts			
- external domestic equity	\$ 100,609	\$ 97,606	34
- passive domestic equity	47,776	44,282	16
- global equity	40,317	41,243	15
- fixed income	57,209	69,571	24
- real estate	9,537	10,293	3
- resources	1,955	2,580	1
- venture capital	12,602	18,992	7
Total pooled assets	270,005	284,567	100%
Correctional Employees' Retirement Fund:			
Pooled accounts			
- external domestic equity	\$ 94,147	\$ 94,734	34
- passive domestic equity	44,708	42,979	16
- global equity	37,729	40,029	15
- fixed income	53,534	67,524	24
- real estate	8,926	9,990	3
- resources	1,829	2,504	1
- venture capital	11,799	18,433	7
Total pooled assets	\$ 252,672	\$ 237,493	100%
Judges' Retirement Fund:			
Pooled accounts			
- external domestic equity	\$ 8,698	\$ 8,853	34
- passive domestic equity	4,130	4,016	16
- global equity	3,486	3,741	15
- fixed income	4,946	6,310	24
- real estate	824	934	3
- resources	169	234	1
- venture capital	1,090	1,723	7
Total pooled assets	\$ 23,343	\$ 25,811	100%

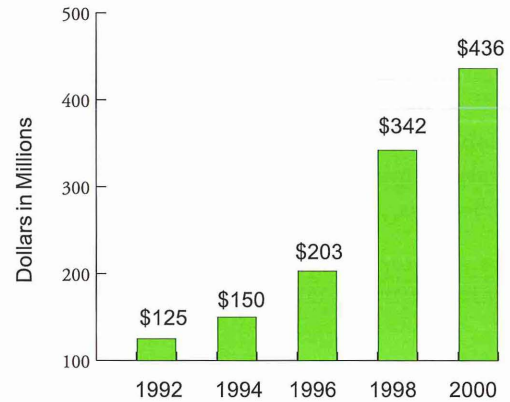
Market Value of Assets

Market Value of Particular MSRS Four Largest Funds

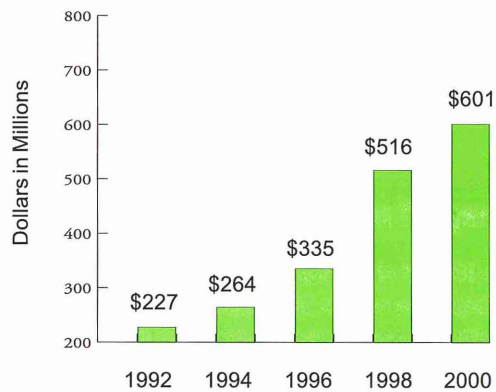
State Employees' Retirement Fund



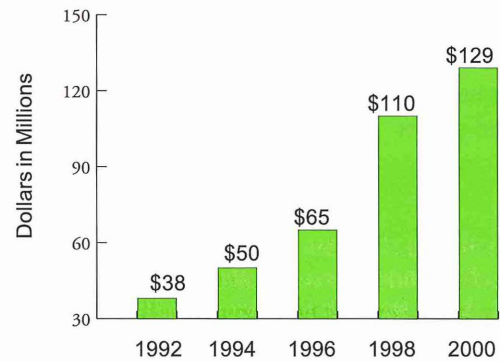
Correctional Employees' Retirement Fund



State Patrol Retirement Fund



Judges' Retirement Fund



Schedule of Investment Expenses (as of June 30, 2000)

(In Thousands)

	State Employees	State Patrol	Correctional Employees	Judges	Totals (Memorandum Only)
Outside Money Managers, Equities	5,023	310	298	28	5,659
Outside Money Managers, Bonds	934	58	56	5	1,053
Minnesota State Board of Investment	186	11	11	1	209
Financial Control Systems	27	2	2	0	31
Richards & Tierney	27	2	2	1	32
Pension Consulting	7	0	0	0	7
	<u>6,204</u>	<u>383</u>	<u>369</u>	<u>35</u>	<u>6,991</u>

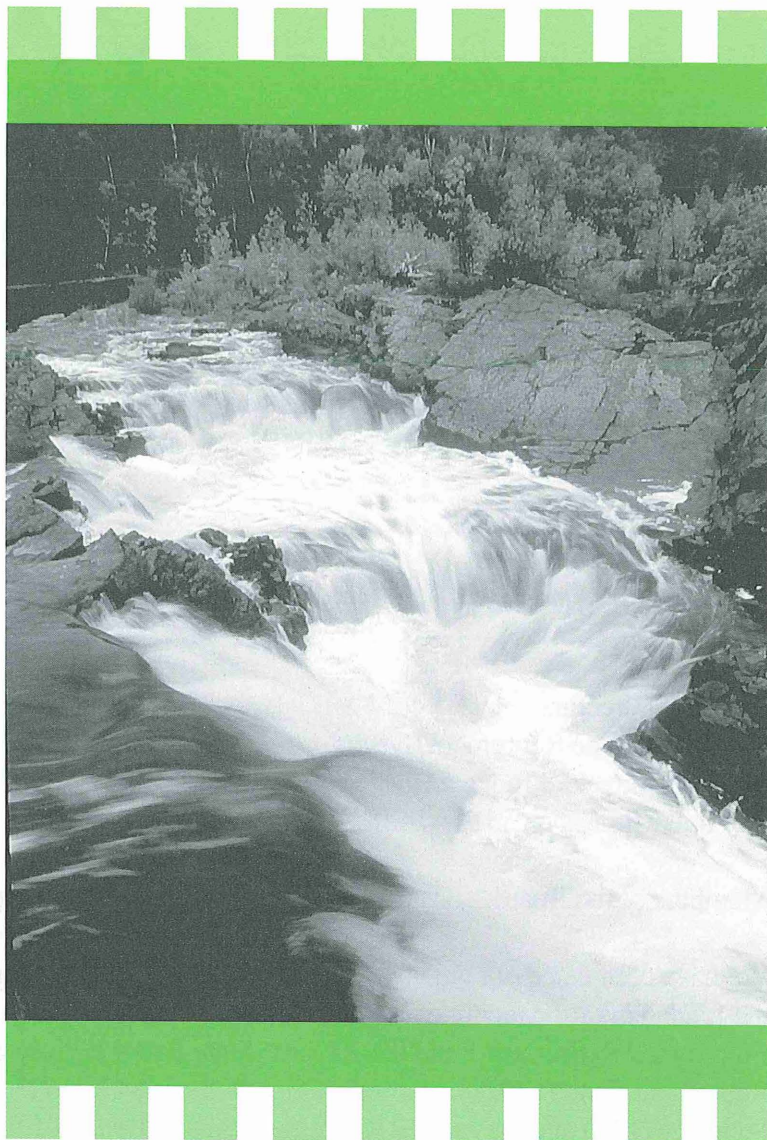
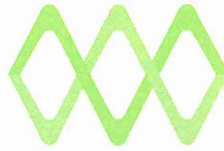


Photo Credit: © Minnesota Office of Tourism

Rushing Rapids Parkway is another of Minnesota's scenic byways. Located in Jay Cooke State Park in the northeast, the rapids thunder through a rocky gorge over slabs of ancient rock.



MILLIMAN & ROBERTSON, INC.

Actuaries & Consultants

Internationally WOODROW MILLIMAN

Suite 400, 15800 Bluemound Road, Brookfield, Wisconsin 53005-6069

Telephone: 262/784-2250

Fax: 262/784-7287

Actuary's Certification Letter

Dec. 1, 2000

Board of Directors
Minnesota State Retirement System
175 W. Lafayette Frontage Road
St. Paul, Minnesota 55107-1425

Members of the Board:

We have completed our annual actuarial valuation of the Minnesota State Retirement System to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the State Employees' Retirement Fund (SERF), the State Patrol Retirement Fund (SPRF), the Correctional Employees' Retirement Fund (CERF), the Legislators' Retirement Fund (LRF), the Elective State Officers' Retirement Fund (ESORF) and the Judges' Retirement Fund (JRF) as of July 1, 2000.

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

The results of the valuation indicate that the SERF, SPRF, CERF and JRF are either ahead of or on schedule to meet the required dates for full funding. The valuation of the LRF resulted in a deficiency in the current funding level of 46.88 percent. The ESORF no longer has any active participants. The level dollar deficiency for the ESORF, based on full funding by 2020, is \$340,000. It should be noted that with respect to the LRF and ESORF, the employer is required to fund the portion of the benefit liabilities, which are not funded by the member's accumulated contribution at the time of benefit commencement.

The actuarial valuation was based upon applicable statutory provisions and the *Standards of Actuarial Work* in effect on July 1, 2000. In the aggregate, the basic financial membership data provided to us by the association office appears reasonable in comparison to last year. We have relied upon the data as submitted in performing the actuarial valuation. It is our understanding that the data has subsequently been audited with no significant changes made.

Board of Directors

Dec. 1, 2000

Page Two

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

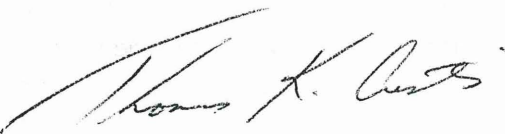
The following table shows the date for full funding for each of the plans and the funding percentage for the 2000 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

Fund	Funding Date	Funded Percentage
SERF	2030	110%
SPRF	2030	115
CERF	2030	108
LRF	N/A	54
ESORF	N/A	6
JRF	2020	72

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

Respectfully submitted,

MILLIMAN & ROBERTSON, INC.



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

TKC/bh

Summary of Actuarial Assumptions and Methods

Actuarial cost method

The entry age normal actuarial cost method, based on earnings and the date the employee entered the plan, is applied to all plan benefits. Under this method, actuarial gains or losses increase or decrease the unfunded actuarial accrued liability.

Assumptions:

- Retirement State Employees' Plan⁽¹⁰⁾ — Graded rates from age 55 with 25 percent of those eligible for Rule of 90 retiring each year; Correctional Plan⁽⁶⁾ — age 58; State Patrol Plan⁽⁶⁾ — age 58; Judges' Plan⁽⁶⁾ — age 68; Elective State Officers⁽⁶⁾ and Legislators' Plans⁽⁶⁾ — age 62.

- Mortality The 1983 Group Annuity Mortality Tables⁽⁹⁾ are used for all funds. These tables are set back or set forward (expressed in years) to match fund experience as follows:

Fund	Pre-Retirement		Post-Retirement *	
	Male	Female	Male	Female
State Employees'	-5	-2	-1	-1
State Patrol	-1	0	+2	+2
Correctional Employees'	-1	0	+2	+2
Judges'	-4	-2	0	0
Legislators'	-4	-2	0	0
Elective State Officers'	-4	-2	0	0

- Separation Graded rates are based on actual experience.⁽⁸⁾
- Expense Prior year expenses are expressed as a percentage of prior year payroll.⁽⁸⁾
- Interest 8.5 percent ⁽⁹⁾
- Salary increases
 - A. State Employees' Plan ⁽¹⁰⁾ - 10-year select and ultimate table. During the select period, .2 percent x (10-T) where T is completed years of service is added to the ultimate rate. An ultimate table ranges from 6.75 percent at age 20 down to 5.00 percent at age 70.
 - B. State Patrol and Correctional Employees' Plans - Experience adjusted rates from 7.75 percent at age 20 declining to 5.25 percent at age 55 and thereafter.
 - C. Judges', Legislators' and Elective State Officers' Plans - 5 percent annually.

* Post-retirement tables are statutorily gender neutral.

- Contribution refund Employees who withdraw are assumed to take the larger of a refund or a deferred benefit. ⁽⁴⁾
- Social Security The Correctional Plan ⁽³⁾ is based on the present law and a 6.0 percent retroactive salary scale and only state service earnings history. Future Social Security benefits replace the same proportion of salary as present. Other plans are unaffected.
- Asset valuation Market value, less a percentage of the unrecognized asset return, are determined at the close of each of the four preceding fiscal years. The unrecognized asset return is the difference between the actual net return on market value of assets and the asset return expected during the fiscal year based of the assumed interest rate, 8.5 percent. ⁽¹⁰⁾

Effective dates assumptions adopted:

- | | |
|-------------------|--------------------|
| (1) June 30, 1972 | (6) June 30, 1984 |
| (2) June 30, 1973 | (7) June 30, 1989 |
| (3) June 30, 1974 | (8) June 30, 1994 |
| (4) June 30, 1979 | (9) June 30, 1997 |
| (5) June 30, 1980 | (10) June 30, 2000 |

Required Reserves (as of July 1, 2000)

(In Thousands)

	State Employees' Fund	State Patrol Fund	Correctional Employees' Fund	Judges' Fund	Legislators' Fund	State Elective Officers' Fund *
Active members:						
- retirement annuities	\$ 2,952,786	\$ 174,372	\$ 199,052	\$54,253	\$17,610	\$0
- disability benefits	122,848	9,499	10,779	2,471	0	0
- survivor benefits	70,824	4,211	3,811	1,957	174	0
- deferred retirements	146,931	1,198	12,028	0	1,428	0
- refunds	(72,056)	(564)	(5,290)	219	(355)	0
Totals	\$ 3,221,333	\$ 188,716	\$ 220,380	\$ 58,900	\$ 18,857	\$ 0
Deferred retirements	413,051	3,316	14,914	679	8,843	572
Former members not vested	6,406	29	190	18	41	0
Annuitants in MPRIF	2,462,349	265,053	124,401	81,323	30,934	0
Annuitants not in MPRIF	2,564	1,270	0	12,740	10,689	2,963
Total required reserves	<u>\$ 6,105,703</u>	<u>\$ 458,384</u>	<u>\$ 359,885</u>	<u>\$ 153,660</u>	<u>\$ 69,364</u>	<u>\$3,535</u>

Actual Rates as Compared to Recommended Rates

60

	Actual Contribution Rates			Recommended Rate	Sufficiency (Deficiency)
	Employee	Employee	Total		
State Employees' Fund	4.00%	4.00%	8.00%	7.12%	0.88%
State Patrol Fund	8.40	12.60	21.00	15.48	5.52
Correctional Employees' Fund	5.69	7.98	13.67	13.72	(0.05)
Judges' Fund	8.00	20.50	28.50	27.03	1.47
Legislators' Plan	9.00	0.00	9.00	55.88	(46.88)
Elective State Officers' Plan *	0.00	0.00	0.00	0.00	(0.00)

* This is a closed plan. There are no active members. The remaining obligations will be paid from state General Fund appropriations.

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Average Annual Pay	Percent Increase In Average Pay
State Employees' Retirement Fund:				
06-30-90	49,576	1,515,248,502	30,564	4.86
06-30-91	49,718	1,612,238,000	32,428	6.10
06-30-92	49,214	1,658,792,000	33,706	3.94
06-30-93	48,830	1,694,520,000	34,702	2.96
06-30-94	49,365	1,789,033,000	36,241	4.43
06-30-95	49,705	1,611,687,000	32,425	-10.53
06-30-96	49,914	1,643,419,000	32,925	1.52
06-30-97	46,289	1,612,662,000	34,839	5.81
06-30-98	46,299	1,664,588,000	35,953	3.20
06-30-99	47,168	1,757,716,000	37,265	3.65
06-30-00	47,920	1,900,124,000	39,652	5.39
State Patrol Retirement Fund:				
06-30-90	788	34,423,288	43,684	2.54
06-30-91	809	37,777,000	46,696	6.89
06-30-92	795	37,113,000	46,683	-0.03
06-30-93	781	40,654,000	52,054	11.50
06-30-94	788	41,462,000	52,617	1.08
06-30-95	803	39,838,000	49,611	-5.71
06-30-96	777	40,399,000	51,994	4.80
06-30-97	795	43,084,000	54,194	10.00
06-30-98	806	45,217,000	56,100	3.52
06-30-99	825	47,034,000	57,011	1.62
06-30-00	830	51,980,000	62,626	9.85
Correctional Employees' Retirement Fund:				
06-30-90	1,416	47,075,739	33,245	4.31
06-30-91	1,463	50,821,000	34,738	4.49
06-30-92	1,573	56,044,000	35,629	2.57
06-30-93	1,618	60,330,000	37,287	4.65
06-30-94	1,761	70,562,000	40,069	7.46
06-30-95	2,117	71,022,000	33,548	-16.27
06-30-96	2,264	78,030,000	34,444	2.74
06-30-97	2,600	91,847,000	35,326	2.56
06-30-98	2,817	106,178,000	37,692	6.70
06-30-99	2,882	112,202,000	38,932	3.29
06-30-00	3,098	127,557,000	41,174	5.76

Schedule of Active Member Valuation Data

Valuation Date	Number	Annual Payroll	Average Annual Pay	Percent Increase In Average Pay
Judges' Retirement Fund:				
06-30-90	262	20,191,649	77,064	5.58
06-30-91	271	21,570,000	79,594	3.28
06-30-92	271	22,181,000	81,849	2.83
06-30-93	267	22,469,000	84,154	2.82
06-30-94	265	22,302,000	84,158	0.01
06-30-95	271	23,429,000	86,454	2.73
06-30-96	280	24,287,000	86,739	33
06-30-97	279	24,420,000	87,527	.91
06-30-98	278	25,890,000	93,129	6.40
06-30-99	282	27,080,000	96,028	3.11
06-30-00	282	28,186,000	99,950	4.08
Legislators' Retirement Fund:				
06-30-90	201	6,430,000	31,990	5.17
06-30-91	201	7,554,000	37,582	17.48
06-30-92	200	6,753,000	33,765	-10.16
06-30-93	200	6,891,000	34,455	2.04
06-30-94	201	6,916,000	34,408	-0.14
06-30-95	198	7,193,000	36,328	5.58
06-30-96	201	7,423,000	36,930	1.66
06-30-97	201	7,626,000	37,940	2.73
06-30-98	199	7,289,000	36,628	-3.46
06-30-99	180	6,571,000	36,506	-.03
06-30-00	173	6,043,000	34,931	-4.31
Elective State Officers' Retirement Fund:				
06-30-90	6	428,000	71,333	5.42
06-30-91	6	440,000	73,333	2.80
06-30-92	6	451,000	75,167	2.50
06-30-93	6	462,000	77,000	2.44
06-30-94	6	462,000	77,000	0.00
06-30-95	6	452,000	75,333	-2.16
06-30-96	6	475,000	79,167	5.09
06-30-97	6	483,000	80,500	1.68
06-30-98	6	500,000	83,333	3.52
06-30-99 *	0	0	0	N/A
06-30-00 *	0	0	0	N/A

* No active members are in this fund.

Schedule of Retirees and Beneficiaries (Fiscal year end totals)

Year Ended	Number Added	Number Removed	Annual Number	Benefits	Percent Increase In Annual Benefits	Average Annual Benefit
State Employees' Retirement Fund:						
06-30-90	940	634	13,385	76,040,000	9.25	\$5,681
06-30-91	1,200	578	14,007	85,977,000	13.07	6,138
06-30-92	1,198	604	14,601	95,010,000	10.51	6,507
06-30-93	1,032	566	15,067	104,362,000	9.84	6,927
06-30-94	1,506	642	15,931	116,072,000	11.22	7,286
06-30-95	913	703	16,141	126,831,000	9.27	7,858
06-30-96	1,160	629	16,672	136,521,000	7.64	8,189
06-30-97	1,187	662	17,197	150,676,000	10.37	8,762
06-30-98	1,316	683	17,830	182,562,000	21.16	10,239
06-30-99	1,410	752	18,488	207,962,000	13.91	11,248
06-30-00	1,467	654	19,301	237,825,000	14.36	12,322
State Patrol Retirement Fund:						
06-30-90	32	22	465	7,846,000	9.17	16,873
06-30-91	36	14	487	8,720,000	11.14	17,906
06-30-92	27	17	497	9,603,000	10.13	19,322
06-30-93	31	17	511	10,253,000	6.77	20,065
06-30-94	27	9	529	11,271,000	9.93	21,306
06-30-95	20	9	540	12,092,000	7.28	22,393
06-30-96	36	16	560	13,279,000	9.82	23,712
06-30-97	28	18	570	14,642,000	10.26	25,688
06-30-98	62	12	620	18,353,000	25.34	29,602
06-30-99	68	16	672	22,226,000	21.10	33,074
06-30-00	55	17	710	25,789,000	16.03	36,323
Correctional Employees' Retirement Fund:						
06-30-90	26	19	364	3,188,000	7.56	8,758
06-30-91	30	11	383	3,493,000	9.57	9,120
06-30-92	23	12	394	3,773,000	8.02	9,576
06-30-93	23	8	409	4,150,000	9.99	10,147
06-30-94	30	8	431	4,557,000	9.81	10,573
06-30-95	34	16	449	4,971,000	9.08	11,071
06-30-96	34	10	473	5,460,000	9.84	11,543
06-30-97	62	16	519	6,267,000	14.78	12,075
06-30-98	86	14	591	8,226,000	31.26	13,919
06-30-99	78	17	652	10,190,000	23.88	15,629
06-30-00	118	23	747	12,414,000	21.83	16,618

Schedule of Retirees and Beneficiaries (Fiscal year end totals)

Year Ended	Number Added	Number Removed	Annual Number	Benefits	Percent Increase In Annual Benefits	Average Annual Benefit
Judges' Retirement Fund:						
06-30-90	22	10	178	3,846,000	11.45	21,607
06-30-91	11	7	182	4,183,000	8.76	22,984
06-30-92	11	7	186	4,592,000	9.78	24,688
06-30-93	19	5	200	5,144,000	12.02	25,720
06-30-94	19	12	207	5,773,000	12.22	27,889
06-30-95	16	8	215	6,233,000	7.97	28,991
06-30-96	10	9	216	6,760,000	8.45	31,296
06-30-97	19	8	227	7,560,000	11.83	33,304
06-30-98	21	11	237	9,082,000	20.13	38,321
06-30-99	12	11	238	9,996,000	10.06	42,000
06-30-00	14	13	239	11,083,000	10.87	46,372
Legislators' Retirement Fund:						
06-30-90	6	4	163	1,262,000	4.21	7,742
06-30-91	26	12	177	1,362,000	7.92	7,695
06-30-92	15	14	178	1,500,000	10.13	8,427
06-30-93	26	4	200	1,697,000	13.13	8,485
06-30-94	13	8	205	1,887,000	11.20	9,205
06-30-95	20	9	216	2,052,000	8.74	9,500
06-30-96	19	7	228	2,318,000	12.97	10,167
06-30-97	25	6	247	2,639,000	13.85	10,684
06-30-98	23	8	262	3,276,000	24.14	12,504
06-30-99	10	5	267	3,740,000	14.16	14,007
06-30-00	22	9	280	4,213,000	12.65	15,046
Elective State Officers' Retirement Fund:						
06-30-90	0	0	8	110,000	4.76	13,750
06-30-91	2	3	7	119,000	8.18	17,000
06-30-92	1	0	8	117,000	-1.68	14,625
06-30-93	2	0	10	143,000	22.22	14,300
06-30-94	1	0	11	161,000	12.59	14,636
06-30-95	0	0	11	164,000	1.86	14,909
06-30-96	2	1	12	155,000	-5.49	12,917
06-30-97	0	1	11	160,000	3.23	14,545
06-30-98	2	2	11	171,000	6.88	15,545
06-30-99	3	1	13	213,000	24.56	16,385
06-30-00	0	0	13	303,000	29.70	23,308

Solvency Test – Funding Ratio

(In Thousands)

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered by Reported Assets			Funding Ratio
	Aggregate	Accrued	Liabilities	(1)	(2)	(3)		
	State Employees' Retirement Fund:							
06-30-90	\$355,216	\$ 773,505	\$1,579,247	\$2,108,210	100%	100%	62.0%	77.8%
06-30-91	391,070	884,089	1,608,444	2,304,312	100	100	64.0	79.9
06-30-92	427,320	987,191	1,710,788	2,613,472	100	100	70.0	83.6
06-30-93	466,594	1,068,200	2,028,690	2,905,578	100	100	67.6	81.5
06-30-94	500,436	1,269,882	2,106,266	3,158,068	100	100	65.9	81.5
06-30-95	546,329	1,317,617	1,931,980	3,462,098	100	100	82.7	91.2
06-30-96	586,315	1,436,918	2,064,040	3,975,832	100	100	94.6	97.3
06-30-97	621,933	1,586,977	2,310,632	4,664,519	100	100	106.3	103.2
06-30-98	653,884	1,815,870	2,735,211	5,390,526	100	100	106.8	107.7
06-30-99	688,560	2,057,419	3,008,936	5,968,692	100	100	107.1	103.7
06-30-00	722,921	2,462,329	3,468,708	6,744,165	100	100	102.6	101.4

State Patrol Retirement Fund:

06-30-90	21,276	93,794	92,273	185,699	100	100	76.5	89.6
06-30-91	22,980	101,632	99,421	200,068	100	100	75.9	89.3
06-30-92	24,742	108,590	100,324	222,314	100	100	88.7	95.1
06-30-93	27,006	115,357	115,839	244,352	100	100	88.0	94.6
06-30-94	28,908	122,508	123,961	262,570	100	100	89.7	95.3
06-30-95	31,160	129,038	122,880	284,918	100	100	101.5	100.6
06-30-96	32,981	143,050	127,910	323,868	100	100	115.6	106.6
06-30-97	35,356	152,929	144,142	375,650	100	100	130.0	113.0
06-30-98	35,702	186,345	149,322	430,011	100	100	139.3	115.8
06-30-99	35,405	226,199	197,816	472,687	100	100	106.7	102.9
06-30-00	36,373	265,053	221,978	528,573	100	100	102.3	101.0

Correctional Employees' Retirement Fund:

06-30-90	13,452	31,241	57,524	96,945	100	100	90.8	94.8
06-30-91	14,975	33,768	63,428	105,926	100	100	90.2	94.4
06-30-92	16,729	36,728	70,058	121,051	100	100	96.5	98.0
06-30-93	18,537	40,027	75,716	135,939	100	100	102.2	101.2
06-30-94	20,451	44,186	88,065	148,163	100	100	94.8	97.0
06-30-95	22,825	48,776	81,890	165,427	100	100	114.6	107.8
06-30-96	25,440	54,942	90,577	193,833	100	100	125.3	113.4
06-30-97	30,347	63,680	118,611	241,916	100	100	124.7	113.8
06-30-98	34,827	79,770	147,272	295,291	100	100	122.7	112.8
06-30-99	39,503	99,324	185,111	335,408	100	100	106.2	103.5
06-30-00	43,787	124,401	220,349	386,964	100	100	99.3	99.8

Solvency Test – Funding Ratio

(In Thousands)

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	(4) Reported Assets	Portion Covered by Reported Assets			Funding Ratio
	Aggregate	Accrued	Liabilities		(1)	(2)	(3)	
Judges' Retirement Fund:								
06-30-90	\$4,683	36,120	\$28,593	\$28,116	\$100	\$64.9	\$0	40.5%
06-30-91	5,125	38,105	33,368	33,559	100	74.6	0	43.8
06-30-92	5,711	42,769	35,489	37,768	100	84.9	0	45.0
06-30-93	6,558	48,706	35,245	44,156	100	77.2	0	48.8
06-30-94	7,460	53,203	37,650	50,428	100	80.8	0	51.3
06-30-95	8,369	57,245	36,624	56,813	100	84.6	0	55.6
06-30-96	9,535	60,477	38,138	64,851	100	91.5	0	60.0
06-30-97	10,070	69,908	37,736	74,680	100	92.4	0	63.4
06-30-98	10,865	79,076	40,786	86,578	100	95.7	0	73.9
06-30-99	12,390	85,400	41,797	97,692	100	99.9	0	69.9
06-30-00	13,740	81,323	58,597	111,113	100	100.0	27.4	72.3

Legislators' Retirement Fund:

06-30-90	4,117	12,661	14,544	12,748	100	68.2	0	40.7
06-30-91	4,462	11,999	13,942	14,694	100	85.2	0	48.3
06-30-92	4,975	12,556	15,693	15,160	100	81.1	0	45.6
06-30-93	5,123	15,153	16,525	17,168	100	79.5	0	46.7
06-30-94	5,620	19,092	20,736	18,738	100	68.7	0	41.2
06-30-95	5,833	21,539	22,883	21,213	100	71.4	0	42.2
06-30-96	6,205	23,843	24,177	22,532	100	62.9	0	41.6
06-30-97	6,378	29,423	24,254	25,678	100	65.6	0	42.8
06-30-98	6,655	33,435	22,838	31,212	100	73.4	0	49.6
06-30-99	6,956	36,231	23,231	33,474	100	73.2	0	50.4
06-30-00	7,042	41,593	26,091	37,265	100	72.7	0	53.7

Elective State Officers' Retirement Fund:

06-30-90	349	709	1,213	351	100.0	0	0	15.5
06-30-91	306	952	991	308	100.0	0	0	13.7
06-30-92	334	982	1,064	334	100.0	0	0	14.0
06-30-93	322	1,373	994	332	100.0	0	0	12.0
06-30-94	359	1,212	1,277	361	100.0	0	0	12.7
06-30-95	379	1,384	1,185	378	99.7	0	0	12.8
06-30-96	414	1,312	1,257	412	99.5	0	0	13.8
06-30-97	455	1,368	1,391	456	99.8	0	0	14.2
06-30-98	497	1,374	1,498	500	99.4	0	0	14.8
06-30-99	194	2,836	343	198	98.0	0	0	6.2
06-30-00	194	2,963	378	199	97.5	0	0	5.6

Summary of Unfunded Accrued Liability (UAL)

(In Thousands)

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	Unfunded Accrued Liability	Member Payroll	UAL as a Percent Payroll
State Employees Retirement Fund:					
06-30-90	\$2,707,968	\$2,108,210	\$599,758	\$1,513,522	39.6%
06-30-91	2,883,603	2,304,312	579,291	1,612,238	35.9
06-30-92	3,125,299	2,613,472	511,827	1,658,792	30.9
06-30-93	3,563,492	2,905,578	657,914	1,694,520	38.8
06-30-94	3,876,584	3,158,068	718,516	1,789,033	40.2
06-30-95	3,795,926	3,462,098	333,828	1,611,687	20.7
06-30-96	4,087,273	3,975,832	111,441	1,643,419	6.8
06-30-97	4,519,542	4,664,519	(144,977)	1,612,662	9.0
06-30-98	5,005,165	5,390,526	(385,361)	1,664,588	23.2
06-30-99	5,464,207	5,968,692	(504,489)	1,757,716	28.7
06-30-00	6,105,703	6,744,165	(638,462)	1,900,124	33.6

State Patrol Retirement Fund:

06-30-90	207,343	185,699	21,644	34,423	62.9
06-30-91	224,033	200,068	23,965	37,777	63.4
06-30-92	233,656	222,314	11,342	37,113	30.6
06-30-93	258,202	244,352	13,850	40,654	34.1
06-30-94	275,377	262,570	12,807	41,462	30.9
06-30-95	283,078	284,918	(1,840)	39,838	4.6
06-30-96	303,941	323,868	(19,927)	40,399	49.3
06-30-97	332,427	375,650	(43,223)	43,084	100.3
06-30-98	371,369	430,011	(58,642)	45,217	129.7
06-30-99	406,215	472,687	(66,472)	47,034	141.3
06-30-00	458,384	528,573	(70,189)	51,980	135.0

Correctional Employees' Retirement Fund:

06-30-90	102,217	96,945	5,272	47,075	11.2
06-30-91	112,171	105,926	6,245	50,821	12.3
06-30-92	123,515	121,051	2,404	56,044	4.4
06-30-93	134,280	135,939	(1,658)	60,330	3.4
06-30-94	152,702	148,163	4,539	70,562	6.4
06-30-95	153,491	165,427	(11,436)	71,022	16.8
06-30-96	170,959	193,833	(22,874)	78,030	29.3
06-30-97	212,638	241,916	(29,278)	91,847	31.9
06-30-98	261,869	295,291	(33,422)	106,178	31.5
06-30-99	307,408	335,408	(28,000)	112,202	25.0
06-30-00	359,885	386,964	(27,079)	127,557	21.2

Summary of Unfunded Accrued Liability (UAL)

(In Thousands)

Valuation Date	Aggregate Accrued Liabilities	Reported Assets	Unfunded Accrued Liability	Member Payroll	UAL as a Percent Payroll
Judges' Retirement Fund:					
06-30-90	\$69,396	\$28,116	\$41,280	\$20,662	199.8%
06-30-91	76,598	33,559	43,039	21,570	199.5
06-30-92	83,969	37,768	46,201	22,181	208.3
06-30-93	90,509	44,156	46,353	22,469	206.3
06-30-94	98,313	50,428	47,885	22,302	214.7
06-30-95	102,238	56,813	45,425	23,429	193.9
06-30-96	108,150	64,851	43,299	24,287	178.3
06-30-97	117,714	74,680	43,034	24,420	176.2
06-30-98	130,727	86,578	44,149	25,890	170.5
06-30-99	139,587	97,692	41,895	27,080	154.7
06-30-00	153,660	111,113	42,547	28,186	151.0
Legislators' Retirement Fund:					
06-30-90	31,322	12,748	18,574	5,465	339.9
06-30-91	30,403	14,694	15,709	6,589	238.4
06-30-92	33,224	15,160	18,064	6,753	267.5
06-30-93	36,801	17,168	19,633	6,891	284.9
06-30-94	45,448	18,738	26,710	6,916	386.2
06-30-95	50,255	21,213	29,042	7,193	403.8
06-30-96	54,225	22,532	31,693	7,423	427.0
06-30-97	60,055	25,678	34,377	7,626	450.8
06-30-98	62,928	31,212	31,716	7,289	435.1
06-30-99	66,418	33,474	32,944	6,571	501.4
06-30-00	69,364	37,265	32,099	6,043	531.2
Elective State Officers' Fund: *					
06-30-90	2,271	351	1,920	428	448.6
06-30-91	2,249	308	1,941	440	441.1
06-30-92	2,380	334	2,046	451	453.7
06-30-93	2,689	322	2,367	462	512.3
06-30-94	2,848	361	2,467	462	534.0
06-30-95	2,948	378	2,570	452	571.1
06-30-96	2,983	412	2,571	475	541.3
06-30-97	3,214	456	2,758	483	571.0
06-30-98	3,369	500	2,869	500	573.8
06-30-99	3,373	198	3,175	0	N/A
06-30-00	3,535	199	3,336	0	N/A

* No active members are in this fund.

Sample Assumed Annual Rates of Termination per 10,000 Members and Assumed Salary Increases

Age	Death		Withdrawal		Disability		Retirement *		Salary Increases
	Male	Female	Male	Female	Male	Female	Male	Female	
State Employees' Retirement Fund:									
20	3	2	560	632	0	0	0	0	6.75 %
25	4	2	410	552	0	1	0	0	6.50
30	5	3	320	472	1	2	0	0	6.25
35	6	4	270	392	5	4	0	0	6.00
40	9	6	220	330	7	12	0	0	5.75
45	12	8	182	304	9	23	0	0	5.50
50	22	14	158	294	19	33	0	0	5.25
55	39	21	138	254	35	41	2,000	200	5.00
60	61	34	0	0	57	56	2,500	800	5.00
65	92	58	0	0	0	0	5,000	5,000	5.00
70	156	97	0	0	0	0	3,500	3,500	5.00

State Patrol Retirement Fund:

20	4	2	220	220	4	4	0	0	7.75 %
25	4	3	170	170	6	6	0	0	7.00
30	6	3	120	120	8	8	0	0	7.00
35	8	5	70	70	11	11	0	0	7.00
40	11	7	60	60	18	18	0	0	6.50
45	19	10	60	60	29	29	0	0	5.75
50	35	16	0	0	50	50	200	200	5.50
55	57	25	0	0	88	88	6,000	6,000	5.25
60	84	42	0	0	141	141	2,000	2,000	5.25
65	129	71	0	0	0	0	10,000	10,000	5.25
70	248	124	0	0	0	0	0	0	5.25

Correctional Employees' Retirement Fund:

20	4	2	2,400	1,600	4	4	0	0	7.75%
25	4	3	1,470	1,420	6	6	0	0	7.00
30	6	3	910	1,350	8	8	0	0	7.00
35	8	5	600	1,290	11	11	0	0	7.00
40	11	7	440	1,040	18	18	0	0	6.50
45	19	10	340	640	29	29	0	0	5.75
50	35	16	240	470	50	50	200	200	5.50
55	57	25	140	330	141	141	6,000	6,000	5.25
60	84	42	0	0	0	0	2,000	2,000	5.25
65	129	71	0	0	0	0	10,000	10,000	5.25
70	248	124	0	0	0	0	0	0	5.25

* For the State Patrol and the Correctional Employees' Retirement funds, the retirement rates for male and female are 10,000 at age 58.

Sample Assumed Annual Rates of Termination per 10,000 Members and Assumed Salary Increases

Age	Death		Withdrawal		Disability		Retirement *		Salary Increases
	Male	Female	Male	Female	Male	Female	Male	Female	
Judges' Retirement Fund:									
20	3	2	0	0	0	0	0	0	5.00%
25	4	2	0	0	0	0	0	0	5.00
30	5	3	0	0	2	0	0	0	5.00
35	6	4	0	0	2	1	0	0	5.00
40	9	6	0	0	2	2	0	0	5.00
45	14	8	0	0	3	5	0	0	5.00
50	25	14	0	0	14	10	0	0	5.00
55	43	21	0	0	34	24	0	0	5.00
60	66	34	0	0	76	62	0	0	5.00
65	101	58	0	0	0	0	2,000	2,000	5.00
70	176	97	0	0	0	0	3,000	3,000	5.00

Legislators' Retirement Fund: (termination rates by years of service) **

Year	House	Senate	Salary Increases
1	0%	0	5.00%
2	30	0	5.00
3	0	0	5.00
4	20	25	5.00
5	0	0	5.00
6	10	0	5.00
7	0	0	5.00
8	5	10	5.00

Elective State Officers' Retirement Fund: (termination rates by years of service) ***

Year	Rate	Salary Increases
1	0%	5.00%
2	0	5.00
3	0	5.00
4	50	5.00
5	0	5.00
6	0	5.00
7	0	5.00
8	50	5.00

* For the Judges' Retirement Fund, the retirement rates for male and female are 10,000 at age 68. By statute all judges must retire by the age of 70.

** For the Legislators' Retirement Fund, the retirement rate is 100 percent at age 62.

*** For the Elective Officers' Retirement Fund, the retirement rate is 100 percent at age 62.

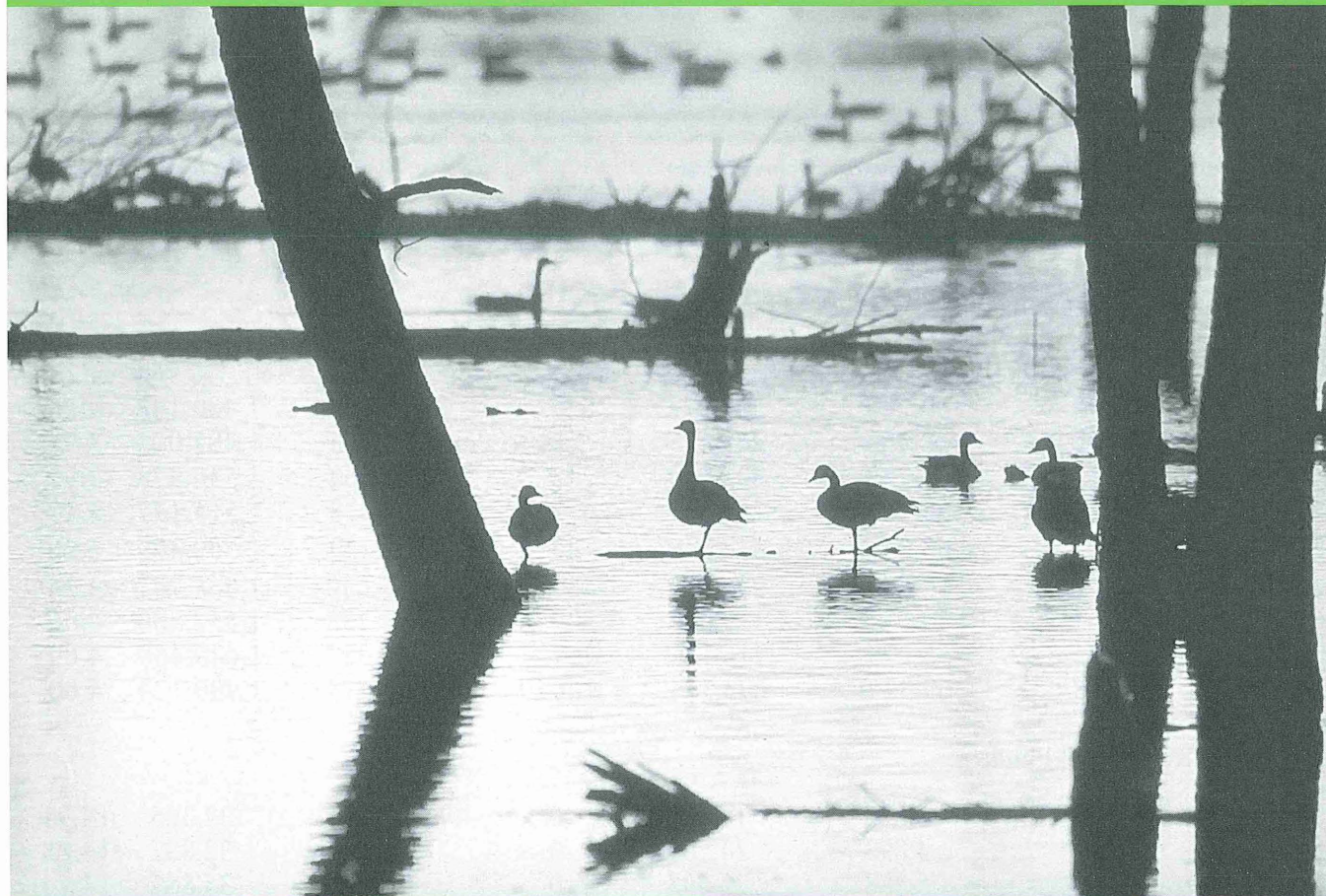


Photo Credit: © Minnesota Office of Tourism

Minnesota River flows between ribbons of oak, elm, maple and cottonwood trees in the southwest. It wanders past rich farmland and through towns steeped in Minnesota history.

Revenues by Sources

(In Thousands)
Unaudited

Year Ended June 30,	Employee Contributions	Employer Contributions	Investment Income	Other	Total	Covered Payroll	Percentage Employer Contributions
------------------------	---------------------------	---------------------------	----------------------	-------	-------	--------------------	---

State Employees' Retirement Fund:

1991	\$56,895	\$57,986	\$182,747	\$ 4	\$297,632	\$1,370,964	4.23%
1992	58,478	59,244	297,879	8	415,609	1,409,108	4.20
1993	59,130	58,980	269,405	3	387,518	1,482,005	3.98
1994	62,555	60,742	305,850	13	429,160	1,536,978	3.95
1995	61,627	63,161	269,588	2	394,378	1,514,177	4.17
1996	63,507	65,556	517,346	40	646,449	1,560,369	4.20
1997	63,848	66,568	936,759	2,455	1,069,630	1,568,747	4.24
1998	62,901	62,315	1,110,022	3,500	1,238,738	1,557,880	4.00
1999	66,823	65,979	716,178	5,407	854,387	1,649,469	4.00
2000	70,378	69,322	673,314	5,260	818,274	1,900,124	4.00

State Patrol Retirement Fund:

1991	2,751	4,825	16,013	0	23,589	32,365	14.91
1992	2,795	4,893	24,569	0	32,257	32,882	14.88
1993	3,040	5,288	22,595	0	30,923	35,865	14.74
1994	3,004	5,160	25,102	0	33,266	35,341	14.60
1995	3,189	5,583	22,815	0	31,587	37,518	14.88
1996	3,484	5,742	42,458	0	51,684	41,476	13.84
1997	3,746	6,151	75,700	0	85,597	41,996	14.65
1998	3,634	5,475	90,117	0	99,226	43,546	12.60
1999	3,850	5,712	60,922	17	70,501	45,333	12.60
2000	4,044	6,069	53,160	10	63,283	51,980	12.60

Correctional Employees' Retirement Fund:

1991	2,128	2,731	8,035	0	12,894	43,429	6.29
1992	2,332	2,955	14,121	0	19,408	47,592	6.21
1993	2,554	3,217	12,680	0	18,451	52,122	6.17
1994	2,679	3,355	13,767	0	19,801	54,673	6.14
1995	3,280	4,196	12,729	0	20,205	66,939	6.27
1996	3,575	4,559	25,429	0	33,563	72,959	6.25
1997	5,508	9,129	46,321	3,715	64,673	102,408	8.12
1998	5,954	8,146	58,451	6,375	78,926	105,796	7.70
1999	6,378	8,172	39,182	2,518	56,250	106,131	7.90
2000	6,526	8,984	39,972	6,953	62,435	127,557	7.98

Revenues by Sources

Year Ended June 30,	Employee Contributions	Employer Contributions	(In Thousands) Unaudited		Total	Covered Payroll	Percentage Employer Contributions
			Investment Income	Other			
Judges' Retirement Fund:							
1991	\$799	\$5,900	\$2,927	\$ 20	\$ 9,646	\$18,410	32.05%
1992	988	4,722	3,407	11	9,128	22,765	20.74
1993	1,409	4,844	3,853	1,444	11,550	22,084	21.93
1994	1,416	4,912	4,527	1,467	12,322	22,264	22.06
1995	1,455	5,161	4,305	1,469	12,390	22,877	22.56
1996	1,427	4,972	6,831	1,483	14,713	22,421	22.18
1997	1,457	5,094	16,057	1,548	24,156	22,909	22.24
1998	1,571	5,446	18,410	1,693	27,120	24,965	21.81
1999	2,069	5,301	12,302	1,761	21,433	27,080	16.09
2000	2,107	5,398	10,203	1,910	19,618	28,186	20.50
Legislators' Retirement Fund:							
1991	637	0	882	1,889	3,408	7,078	N/A
1992	590	0	872	601	2,063	6,556	N/A
1993	659	0	974	2,283	3,916	7,322	N/A
1994	593	0	1,278	1,618	3,489	6,589	N/A
1995	635	0	1,163	2,939	4,737	7,056	N/A
1996	563	0	1,611	1,511	3,685	6,267	N/A
1997	699	0	4,347	3,176	8,222	7,767	N/A
1998	612	0	5,635	5,199	11,446	6,802	N/A
1999	674	0	3,245	2,091	6,010	7,490	N/A
2000	523	0	2,954	3,192	6,669	6,043	N/A
Elective State Officers' Retirement Fund:							
1991	38	0	0	40	78	422	N/A
1992	34	0	0	111	145	378	N/A
1993	45	0	0	88	133	500	N/A
1994	37	0	0	164	201	411	N/A
1995	37	0	0	165	202	422	N/A
1996	41	0	0	151	192	456	N/A
1997	42	0	0	167	209	467	N/A
1998	42	0	0	175	217	461	N/A
1999	26	0	0	40	66	291	N/A
2000 *	0	0	0	306	306	0	N/A

* The Elective State Officers' Plan has no active members.

Expenses by Type

(In Thousands)
Unaudited

Year Ended June 30,	Benefits	Administrative Expenses	Refunds	Other	Total
State Employees' Retirement Fund:					
1991	85,977	1,531	7,912	3,199	98,619
1992	95,010	1,590	7,886	3,132	107,618
1993	104,361	1,786	8,116	3,339	117,602
1994	116,072	1,978	7,644	4,048	129,742
1995	126,831	1,908	8,350	3,452	140,541
1996	136,521	1,972	10,260	4,074	152,827
1997	150,676	2,172	14,649	5,160	172,657
1998	182,562	2,365	11,659	7,932	204,518
1999	207,962	2,555	11,110	3,797	225,424
2000	237,825	3,701	11,227	10,269	263,022

State Patrol Retirement Fund:

1991	8,720	79	18	236	9,053
1992	9,603	84	104	205	9,996
1993	10,253	61	37	262	10,613
1994	11,271	66	11	300	11,648
1995	12,092	55	129	580	12,856
1996	13,279	57	9	428	13,773
1997	14,642	62	30	146	14,880
1998	18,354	66	23	334	18,777
1999	22,226	74	16	310	22,626
2000	25,789	94	90	252	26,225

Correctional Employees' Retirement Fund:

1991	3,493	113	200	125	3,931
1992	3,773	129	255	156	4,313
1993	4,150	87	296	177	4,710
1994	4,557	100	285	221	5,163
1995	4,971	105	291	255	5,622
1996	5,460	112	305	306	6,183
1997	6,267	140	368	140	6,915
1998	8,226	154	378	282	9,040
1999	10,190	163	425	225	11,003
2000	12,414	243	753	340	13,750

Expenses by Type

(In Thousands)
Unaudited

Year Ended June 30,	Benefits	Administrative Expenses	Refunds	Other	Total
Judges' Retirement Fund:					
1991	4,183	62	30	17	4,292
1992	4,593	59	0	20	4,672
1993	5,144	37	0	33	5,214
1994	5,773	27	34	40	5,874
1995	6,233	28	0	49	6,310
1996	6,760	32	0	41	6,833
1997	7,560	33	0	39	7,632
1998	9,082	34	0	51	9,167
1999	9,996	38	375	28	10,437
2000	11,083	42	122	217	11,464

Legislators' Retirement Fund:

1991	1,362	42	47	11	1,462
1992	1,500	40	48	9	1,597
1993	1,697	24	178	9	1,908
1994	1,887	24	0	8	1,919
1995	2,052	26	158	27	2,263
1996	2,318	25	6	17	2,366
1997	2,639	30	119	20	2,808
1998	3,276	29	108	41	3,454
1999	3,740	32	49	387	4,208
2000	4,213	34	108	99	4,454

Elective State Officers' Retirement Fund:

1991	119	2	0	0	121
1992	117	2	0	0	119
1993	143	2	0	0	145
1994	161	1	0	0	162
1995	164	1	20	0	185
1996	155	3	0	0	158
1997	160	5	0	0	165
1998	171	3	0	0	174
1999	213	6	86	63	368
2000	303	2	0	0	305

Active Employees' Average Age Tables

(These statistics are unavailable for the Legislators' Plan.)

Year Ended	Averages for New Members						Averages for All Members					
	Entry Age			Entry Age			Attained Age			Service Credit		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
State Employees' Retirement Fund:												
06-30-91	32.9	32.1	32.5	30.7	31.0	30.9	42.6	40.0	41.2	11.5	8.5	9.9
06-30-92	33.2	32.5	32.8	30.7	30.8	30.8	42.9	40.6	41.6	11.7	9.0	10.2
06-30-93	33.0	32.3	32.6	30.7	30.8	30.8	43.2	41.0	42.0	12.0	9.4	10.6
06-30-94	33.9	32.5	33.1	30.8	30.7	30.8	43.4	41.2	42.1	12.1	9.7	10.8
06-30-95	33.4	32.8	33.0	30.8	30.7	30.8	43.9	41.6	42.7	12.4	9.9	11.0
06-30-96	33.2	32.7	32.9	30.8	30.7	30.8	44.2	42.0	43.0	12.7	10.2	11.3
06-30-97	33.7	32.7	33.2	30.9	30.8	30.8	44.6	42.6	43.6	12.9	10.5	11.6
06-30-98	34.6	33.8	34.2	31.0	30.8	30.9	45.0	42.9	43.9	13.1	10.6	11.8
06-30-99	34.7	33.7	34.1	31.2	30.9	31.0	45.1	43.4	42.2	12.9	10.6	11.7
06-30-00	34.5	32.7	33.4	31.5	31.1	31.3	45.3	43.1	44.1	12.8	10.5	11.6
State Patrol Retirement Fund:												
06-30-91	30.6	31.0	30.6	27.1	26.5	27.1	40.9	35.0	40.7	13.9	8.4	13.6
06-30-92	-	-	-	27.1	26.6	27.1	41.3	35.9	41.1	14.3	9.2	14.0
06-30-93	-	-	-	27.1	26.3	27.0	42.1	36.6	41.8	15.0	10.2	14.8
06-30-94	29.2	27.1	28.5	27.1	26.5	27.1	42.5	35.1	41.9	15.3	8.5	14.9
06-30-95	31.9	28.1	30.5	27.2	27.1	27.2	42.8	35.2	42.3	15.6	8.0	15.0
06-30-96	33.8	26.1	32.9	27.2	27.0	27.2	43.3	35.8	42.8	16.0	8.7	15.5
06-30-97	29.8	26.2	29.6	27.3	27.0	27.3	43.3	36.9	42.8	15.9	9.8	15.4
06-30-98	30.8	31.7	30.9	27.5	27.5	27.5	42.6	36.9	42.1	15.0	9.3	14.6
06-30-99	29.9	31.1	30.0	27.7	27.7	27.2	41.3	36.9	40.9	13.5	9.1	13.1
06-30-00	29.3	29.9	29.3	27.9	27.6	27.8	41.0	37.7	40.7	13.0	9.8	12.8
Correctional Employees' Retirement Fund:												
06-30-91	31.1	32.2	31.5	29.3	30.6	29.5	38.2	35.7	37.7	8.8	5.0	8.1
06-30-92	31.0	31.0	29.5	29.5	31.5	31.2	38.1	36.5	38.1	8.1	5.0	8.1
06-30-93	31.5	33.6	32.2	29.6	31.9	30.1	38.8	37.0	38.5	9.1	5.1	8.3
06-30-94	31.4	32.5	31.8	29.7	32.0	30.2	39.0	36.9	38.5	9.1	4.7	8.1
06-30-95	31.7	32.2	31.9	30.1	32.2	30.6	38.5	36.5	38.0	8.2	4.1	7.2
06-30-96	34.6	32.3	33.7	30.5	32.4	31.0	39.0	36.7	38.4	8.3	4.2	7.3
06-30-97	38.4	39.0	38.7	30.9	33.4	31.6	39.8	38.3	39.3	8.3	4.4	7.2
06-30-98	36.2	40.1	38.3	30.9	34.6	32.1	40.2	39.8	40.0	8.8	4.7	7.5
06-30-99	33.4	33.6	33.5	30.7	33.9	31.8	40.9	39.9	40.6	9.1	5.4	7.9
06-30-00	33.6	36.1	34.9	31.0	34.2	32.1	40.5	39.7	40.2	9.1	5.1	7.7
Judges' Retirement Fund:												
06-30-91	46.7	41.2	45.6	42.1	42.8	42.2	53.5	49.2	52.9	11.2	6.4	10.6
06-30-92	47.6	54.2	48.9	43.4	42.3	42.5	53.8	50.4	53.3	11.4	7.0	10.7
06-30-93	44.5	42.9	44.1	42.4	43.4	42.5	53.5	50.8	53.1	11.1	7.5	10.5
06-30-94	43.6	40.0	41.7	42.3	42.5	43.3	53.6	50.1	53.0	11.4	7.6	10.7
06-30-95	47.9	36.9	45.0	42.6	42.0	42.5	53.8	49.7	53.0	11.2	7.7	10.5
06-30-96	49.4	46.7	48.4	42.8	42.6	42.8	54.2	50.6	53.5	11.4	8.0	10.7
06-30-97	52.2	51.1	51.7	42.8	42.3	42.6	54.5	50.2	53.6	11.1	8.0	10.4
06-30-98	48.1	41.4	47.0	42.9	42.0	42.7	54.5	50.8	53.6	11.1	8.5	10.5
06-30-99	47.3	43.5	46.2	43.2	41.7	42.9	54.8	50.3	53.8	11.0	8.4	10.4
06-30-00	46.8	41.7	46.1	43.3	41.6	41.4	53.7	53.7	53.7	12.4	9.6	11.5

Employees Eligible to an Immediate Annuity (as of June 30, 2000)

	Total
State Employees' Retirement Fund:	
- full benefit	382
- reduced benefit due to early retirement	4,867
- proportional benefit (age equal to or more than 65 and service years fewer than 10)	100
- Rule of 90	989
- vested employees not eligible to immediate benefit	28,516
- employees not vested	13,058
Totals	47,912
State Patrol Retirement Fund:	
- full benefit	23
- reduced benefit	120
- vested employees not eligible to immediate benefit	503
- employees not vested	184
Totals	830
Correctional Employees' Retirement Fund:	
- full benefit	77
- reduced benefit	344
- vested employees not eligible to immediate benefit	1,711
- employees not vested	966
Totals	3,098
Judges' Retirement Fund:	
- full benefit	13
- reduced benefit	12
- vested judges not eligible to immediate benefit	145
- judges not vested	112
Totals	282
Legislators' Retirement Fund:	
- full benefit	30
- reduced benefit	29
- vested members not eligible for an immediate benefit	59
- members not vested	43
Totals	161
Elective State Officers' Retirement Fund:	
- no remaining active members as of June 30, 2000	0

Refund Statistics (These statistics are not available for the Legislators' Plan.)

Year Ended	Number of Refunds			Average Age		Average Years Forfeited		Number Forfeiting Vested Rights
	Male	Female	Total	Male	Female	Male	Female	
State Employees' Retirement Fund:								
06-30-91	1,271	2,415	3,686	33.9	34.8	2.6	2.6	934
06-30-92	1,019	1,954	2,973	34.6	34.5	3.1	2.9	920
06-30-93	989	1,662	2,651	35.2	34.7	3.5	3.1	819
06-30-94	941	1,608	2,549	34.7	34.6	3.0	3.4	766
06-30-95	962	1,475	2,443	35.4	35.2	3.4	3.4	789
06-30-96	1,087	1,677	2,764	35.9	35.3	3.4	3.4	891
06-30-97	1,281	2,143	3,424	36.4	35.9	3.4	3.7	1,190
06-30-98	998	1,732	2,730	36.4	36.2	3.6	3.3	895
06-30-99	947	1,509	2,456	36.2	37.0	2.2	2.5	623
06-30-00	962	1,461	2,423	37.7	36.4	2.3	2.4	568
State Patrol Retirement Fund:								
06-30-91	3	0	3	37.0	-	2.8	-	1
06-30-92	4	0	4	39.5	-	8.7	-	2
06-30-93	1	0	1	35.5	-	11.1	-	1
06-30-94	1	0	1	36.2	-	4.6	-	1
06-30-95	3	0	3	36.0	-	11.1	-	3
06-30-96	3	1	4	51.6	33.1	1.7	0.8	0
06-30-97	2	1	3	46.2	34.0	3.1	0.1	1
06-30-98	1	0	1	30.0	-	5.9	-	1
06-30-99	0	0	0	-	-	-	-	0
06-30-00	1	1	2	33.5	30.5	8.4	0.1	1
Correctional Employees' Retirement Fund:								
06-30-91	34	12	46	33.3	30.0	3.8	3.0	20
06-30-92	39	12	51	32.1	33.9	4.2	2.4	28
06-30-93	30	19	49	36.1	34.3	5.2	2.4	22
06-30-94	35	16	51	34.0	34.6	3.5	5.3	24
06-30-95	43	17	60	32.2	31.5	3.4	1.8	20
06-30-96	41	40	81	33.6	34.0	2.8	2.2	17
06-30-97	54	22	76	34.0	33.3	3.1	2.6	18
06-30-98	52	33	85	34.6	31.0	3.4	1.8	27
06-30-99	45	49	94	34.1	36.1	2.6	1.6	24
06-30-00	55	49	104	35.6	36.6	2.9	1.7	31
Judges' Retirement Fund:								
06-30-91	5	0	5	40.8	-	3.3	-	2
06-30-92	0	0	0	-	-	-	-	0
06-30-93	0	0	0	-	-	-	-	0
06-30-94	1	0	1	46.4	-	12.7	-	1
06-30-95	0	0	0	-	-	-	-	0
06-30-96	0	0	0	-	-	-	-	0
06-30-97	1	0	1	48.0	-	0.1	0	0
06-30-98	1	0	1	62.6	-	2.7	0	0
06-30-99	0	0	0	-	-	-	-	0
06-30-00	0	0	0	-	-	-	-	0

Schedule of Retired Members by Type of Benefit

State Employees' Retirement Fund

Monthly Benefit Amount	Number of Retirees	Retirement Type					Option Selected			
		1	2	3	4	5	Life	I	II	III
\$ 0 - \$ 499	5,863	4,798	352	646	0	67	3,881	1,736	182	64
500 - 999	5,313	4,225	421	618	2	47	3,356	1,755	167	35
1,000 - 1,499	3,440	2,888	224	313	1	14	1,962	1,385	74	19
1,500 - 1,999	2,173	1,917	59	188	1	8	1,074	1,048	32	19
2,000 - 2,499	1,231	1,120	13	87	1	10	541	669	12	9
2,500 - 2,999	786	717	10	56	1	2	312	463	6	5
3,000 - 3,499	405	375	2	24	1	3	167	227	5	6
3,500 - 3,999	189	178	1	10	0	0	65	122	1	1
4,000 - 4,499	104	98	0	5	0	1	36	67	1	0
4,500 - 4,999	32	31	0	0	1	0	9	23	0	0
5,000 - more	32	28	0	2	0	2	10	21	1	0
Totals	19,568	16,375	1,082	1,949	8	154	11,413	7,516	481	158

Type:

- 1 General Plan annuitants
- 2 General Plan disabilitants
- 3 General Plan survivors
- 4 Military Affairs Plan
- 5 Unclassified Plan

Option:

- Life Single Life annuity
- I Joint and Survivor
- II Death while eligible
- III Period Certain

Schedule of Retired Members by Type of Benefit

State Patrol Retirement Fund

Monthly Benefit Amount	Number of Retirees	Retirement Type			Option Selected			
		1	2	3	Life	I	II	
\$ 0- \$ 499	22	5	0	17	4	2	16	\$ 0 - \$ 499
500 - 999	27	10	1	16	7	12	8	500 - 999
1,000 - 1,499	52	10	2	40	14	34	4	1,000 - 1,499
1,500 - 1,999	46	10	3	33	7	35	4	1,500 - 1,999
2,000 - 2,499	59	36	3	20	22	33	4	2,000 - 2,499
2,500 - 2,999	68	50	6	12	30	33	5	2,500 - 2,999
3,000 - 3,499	119	110	3	6	37	81	1	3,000 - 3,499
3,500 - 3,999	118	106	3	9	42	71	5	3,500 - 3,999
4,000 - 4,499	107	103	1	3	69	38	0	4,000 - 4,499
4,500 - 4,999	56	55	0	1	32	24	0	4,500 - 4,999
5,000 - more	51	50	0	1	35	16	0	5,000 - more
Totals	725	545	22	158	299	379	47	

Type:

- 1 Retired members
- 2 Disabilitants
- 3 Survivors

Option:

- Life Single Life annuity
- I Joint and Survivor
- II Death while eligible

Schedule of Retired Members by Type of Benefit

Correctional Employees' Retirement Fund

Monthly Benefit Amount	Number of Retirees	Retirement Type			Option Selection			
		1	2	3	Life	I	II	III
\$ 0 - \$ 499	100	79	1	20	61	27	12	0
500 - 999	147	117	11	19	87	53	6	1
1,000 - 1,499	180	139	32	9	129	46	5	0
1,500 - 1,999	136	111	21	4	87	46	2	1
2,000 - 2,499	96	86	9	1	65	30	1	0
2,500 - 2,999	49	47	1	1	29	20	0	0
3,000 - 3,499	33	33	0	0	21	12	0	0
3,500 - 3,999	15	13	0	2	10	5	0	0
4,000 - 4,499	4	4	0	0	3	1	0	0
4,500 - 4,999	3	3	0	0	2	1	0	0
5,000 - more	1	0	1	0	1	0	0	0
Totals	764	632	76	56	495	241	26	2

Type:

- 1 Retired members
- 2 Disabilitants
- 3 Survivors

Option:

- Life Single Life annuity
- I Joint and Survivor
- II Period Certain
- III Death while eligible

Schedule of Retired Members by Type of Benefit

Judges' Retirement Fund

Monthly Benefit Amount	Number of Retirees	Retirement Type			Option Selected			
		1	2	3	Life	I	II	III
\$ 0 - \$ 499	0	0	0	0	0	0	0	0
500 - 999	9	2	0	7	6	1	2	0
1,000 - 1,499	10	5	0	5	6	3	0	1
1,500 - 1,999	18	8	0	10	10	7	0	1
2,000 - 2,499	16	5	0	11	8	7	1	0
2,500 - 2,999	27	11	0	16	17	5	5	0
3,000 - 3,499	27	15	0	12	10	14	3	0
3,500 - 3,999	16	9	0	7	3	9	3	1
4,000 - 4,499	24	18	1	5	10	12	1	1
4,500 - 4,999	26	20	1	5	3	19	2	2
5,000 - more	75	69	2	4	43	30	0	2
Totals	248	162	4	82	116	107	17	8

Type:

- 1 Retired members
- 2 Disabilitants
- 3 Survivors

Option:

- Life Single Life annuity
- I Joint and Survivor
- II Life plus 50 percent survivors
- III Period Certain

Schedule of Retired Members by Type of Benefit

Legislators' and Elective State Officers' Retirement Funds

Monthly Benefit Amount	Retirement Type			
	Elective State Officers'		Legislators'	
	Member	Survivor	Member	Survivor
\$ 0 - \$ 499	2	0	17	28
500 - 999	1	2	65	20
1,000 - 1,499	1	1	52	13
1,500 - 1,999	0	0	28	6
2,000 - 2,499	1	0	14	0
2,500 - 2,999	0	1	16	1
3,000 - 3,499	0	1	9	2
3,500 - 3,999	1	0	5	0
4,000 - 4,499	1	0	4	0
4,500 - 4,999	0	0	1	0
5,000 - more	1	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	8	5	211	70

Participating Employers

Agricultural Utilization Research Institute
American Federation of State, County and Municipal Employees
Crop Improvement Association
East Central Regional Library
Fairview Hospital
Foster Wheeler Inc., Twin Cities
Gillette Children's Hospital
Koochiching County
Legislative Coordinating Commission
Metropolitan Council
Metropolitan Council Environmental Services
Metropolitan Council Transit Operations, Union Office
Metropolitan Council Transit Operations, Drivers and Mechanics
Metropolitan Sports Facility Commission
Middle Management Association
Minnesota Association of Professional Employees
Minnesota Historical Society
Minnesota Horticultural Society
Minnesota House Employees
Minnesota House of Representatives
Minnesota Safety Council
Minnesota Senate
Minnesota Senate Employees
Minnesota State Fair
Minnesota Technology Inc.
Nicollet County
Revisor of Statutes, Office of
State of Minnesota
University of Minnesota
Washington County
Wright County