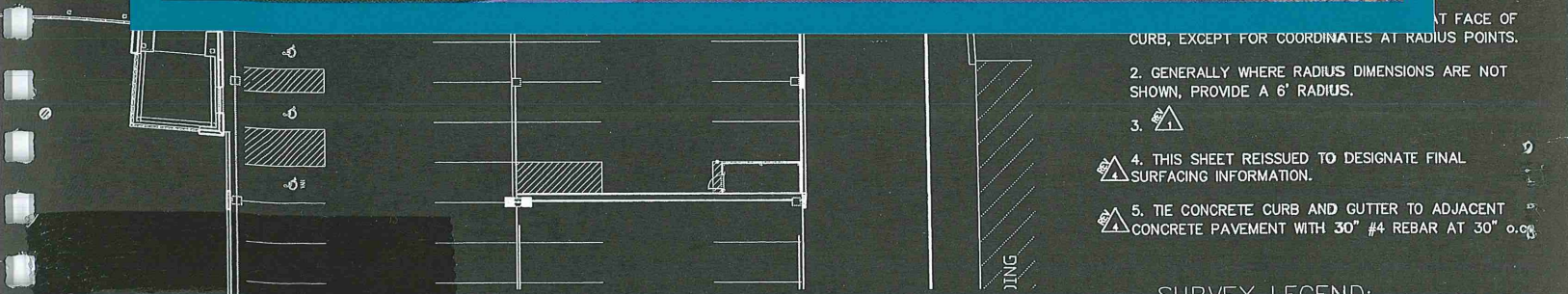
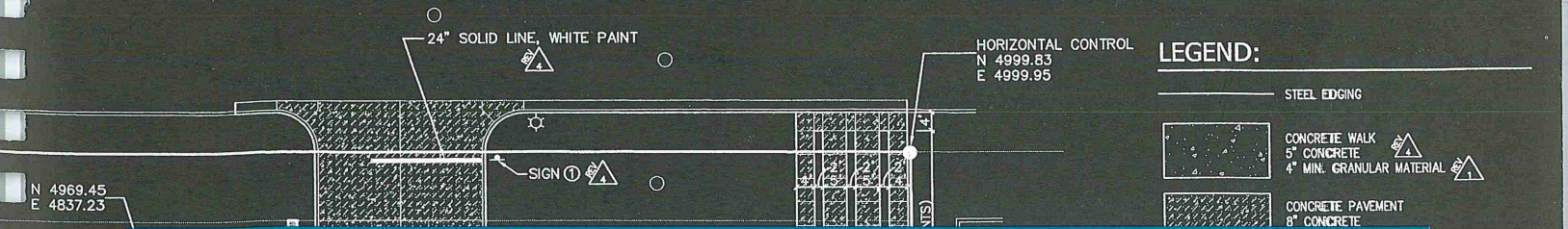




020555

COMPREHENSIVE ANNUAL FINANCIAL REPORT

40



JK6160
.P4
M66cg
2001

2001

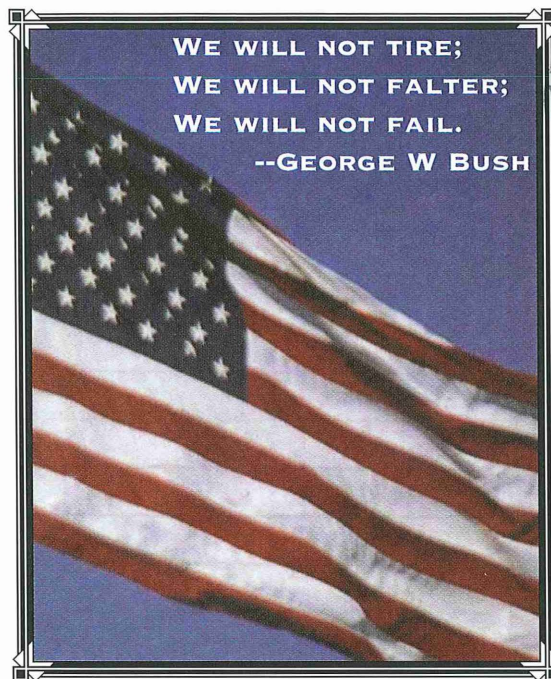
SURVEY LEGEND:

- LIGHT
- MONITORING WELL
- UTILITY POLE
- RECORD DIMENSION
- MAN HOLE
- CATCH BASIN
- INVERT ELEVATION

For the fiscal year ending

MINNESOTA STATE RETIREMENT SYSTEM

A Pension Trust Fund of the State of Minnesota



RECEIVED
DEC 06 2002
LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST PAUL MN 55155

**DEDICATED TO VICTIMS OF TERRORISM,
THOSE WHO AID THE INJURED AND REPAIR THE DAMAGES,
AND THOSE WHO FIGHT TO RESTORE PEACE.**



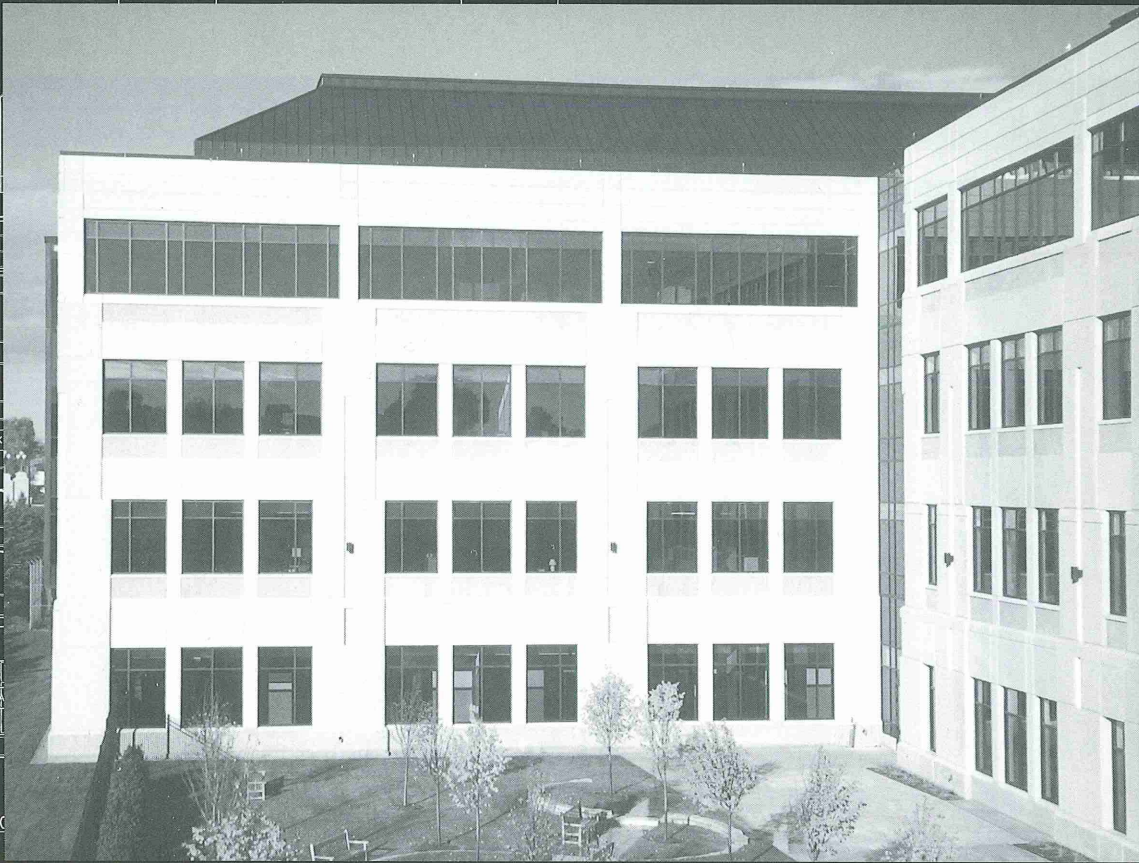
Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2001

Prepared by the MSRS Finance and Systems Divisions
Retirement Systems of Minnesota Building
60 Empire Drive, Suite 300
Saint Paul, Minnesota 55103-1855

TABLE OF CONTENTS

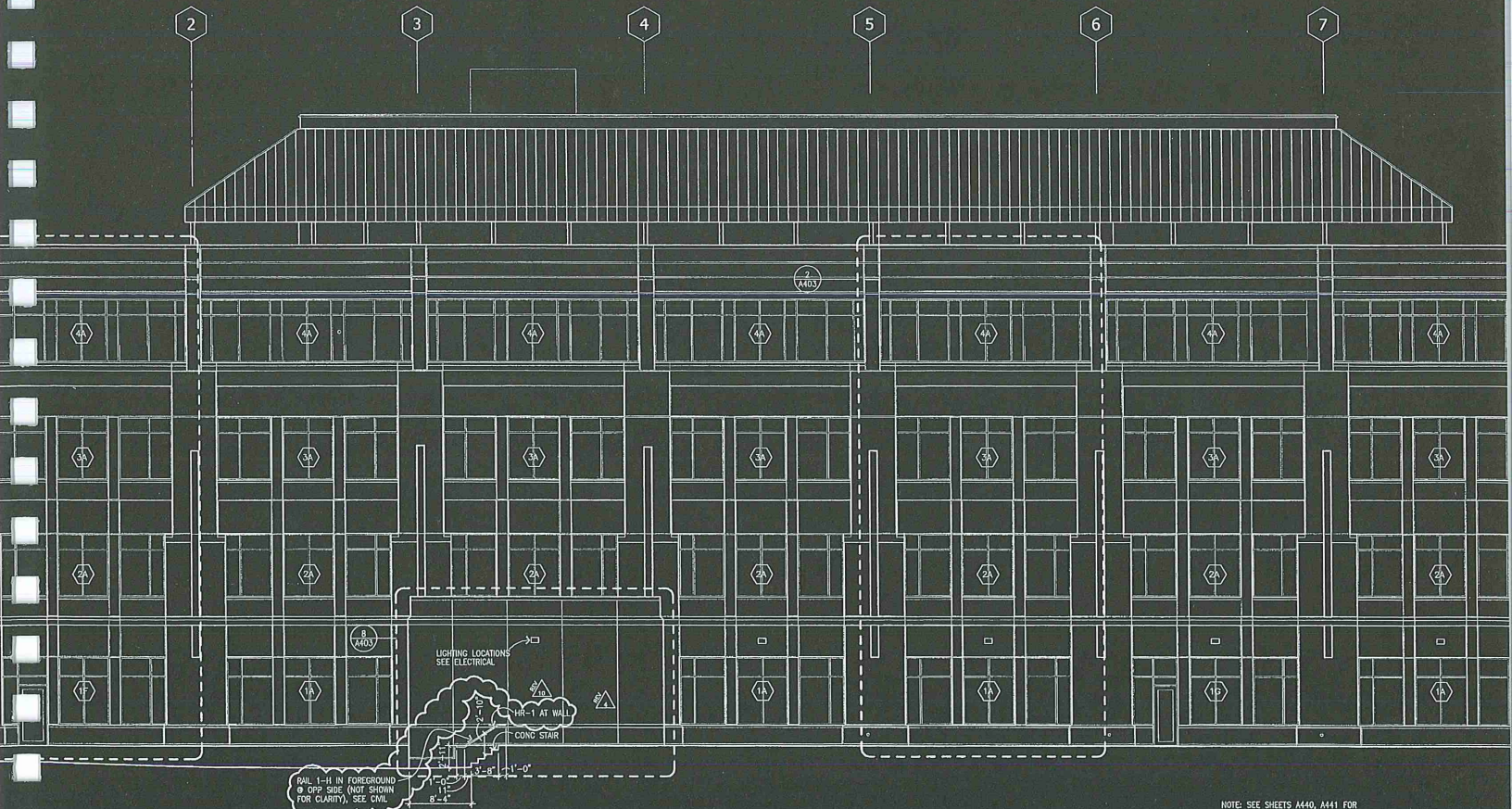
INTRODUCTORY SECTION	1
Certificate of Achievement for Excellence in Financial Reporting	2
Board Chairperson's Report	3
Letter of Transmittal	4
Administrative Organization	10
Organization Chart	11
Summary of Retirement System Plans	12
FINANCIAL SECTION	17
Legislative Auditor's Opinion	18
Basic Financial Statement	
Statement of Plan Net Assets	20
Statement of Changes in Plan Net Assets	22
Notes to the Financial Statements	24
Required Supplemental Information	
Schedule of Funding Progress	36
Schedule of Employer Contributions	38
Schedule of Administrative Expenses	40
Schedule of Changes in Plan Net Assets	41
Summary Schedule of Commissions and Payments to Consultants	48
Schedule of Investment Expenses	48
INVESTMENT SECTION	49
Investment Report	50
Investment Results and Investment Allocation	52
Investment Results and Investment Performance	53
Largest Assets Held	54
Investment Summary at Fair Value	55
Fair Value of Assets	56
ACTUARIAL SECTION	57
Actuary's Certification Letter	58
Summary of Actuarial Assumptions and Methods	60
Required Reserves and Actual Rates as Compared to Recommended Rates	62
Schedule of Changes in Unfunded Actuarial Accrual Liabilities	63
Schedule of Active Member Valuation Data	64
Schedule of Retirees and Beneficiaries	66
Solvency Test — Funding Ratio	68
Summary of Unfunded Accrued Liabilities (UAL)	70
Sample Assumed Annual Rates of Termination per 10,000 Members and Assumed Salary Increases	72
STATISTICAL SECTION	75
Revenues by Sources	76
Expenses by Type	78
Active Employees' Average Age Tables	80
Employees Eligible to an Immediate Annuity	81
Refund Statistics	82
Schedule of Retired Members by Type of Benefit	83
Schedule of New Retirees and Initial Benefit Paid	86
Participating Employers	89



1 SOUTH ELEVATION @ OFFICE BUILDING
1/8" = 1'-0"

INTRODUCTORY SECTION

1



2 WEST ELEVATION @ OFFICE BUILDING
1/8" = 1'-0"

NOTE: SEE SHEETS A440, A441 FOR WINDOW AND LOUVER TYPES

CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Minnesota State
Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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



Smith Gruve
President

Jeffrey L. Esser
Executive Director

BOARD CHAIRPERSON'S REPORT

December 31, 2001

Minnesota State Retirement System
60 Empire Drive, Suite 300
St. Paul, Minnesota 55103-1855

Dear Board Members, Benefit Recipients and Employers:

As the chair, of the Minnesota State Retirement Systems' Board of Directors, it is with great pleasure that I present the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. In the wake of a declining market, I am happy to report that the three major retirement plans administered by MSRS have maintained their sufficient funding status. Throughout the current fiscal year we must remain diligent and alert to the needs of our retirees. It remains the board's goal to provide our members with the security that comes from a sound retirement fund.

The total net assets of the plans administered by MSRS as of June 30, 2001 are almost \$8.3 billion. This represents a decline of over \$700 million when compared to last fiscal year's total of \$9 billion.

This year's post retirement fund increase, effective on January 1, 2002, is 4.4935 percent. Benefit increases over the last 11 years have averaged about 7 percent.

It was an exciting year for MSRS. Even though the Legislative session got off to a rocky start, a bill was passed during the 2001 special session that enables MSRS to administer a Post Retirement Health Care Savings Plan for all public employees. Throughout the fiscal year, we prepared for the move into the new Retirement Systems of Minnesota Building. MSRS staff moved into the new building on September 6 and Public Employees Retirement Association and Teachers Retirement Association followed shortly thereafter.

The recent national events have reminded us how unpredictable the future can be. We can't foretell the future, but with diligence and determination we can prepare for it. We will continue to provide our members with a rock solid retirement plan so they may enjoy their retirement years.

Sincerely,



Mary Benner, Chair
MSRS Board of Directors

LETTER OF TRANSMITTAL

December 31, 2001

Board of Directors
Minnesota State Retirement System
60 Empire Drive, Suite 300
St. Paul, Minnesota 55103-1855

Dear Directors:

We are pleased to present the Minnesota State Retirement System's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This fiscal year we provided retirement coverage for 55,400 active employees, 22,100 retirees and 22,000 deferred members (members who no longer contribute, but are eligible to receive either a future monthly benefit or a lump sum payment).

The management of the Minnesota State Retirement System (MSRS) takes full responsibility for the financial data published in this report. The data contained in this report is factual and constitutes a full disclosure of the financial status of the funds administered by the MSRS.

MSRS is devoted to providing high quality services to various state and public employees. We deliver retirement, survivor and disability benefits to members covered in the following plans:

4

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

And proudly, as of the 2001 special legislative session, MSRS has been authorized to administer the Post Retirement Health Care Savings Plan for all public employees in the state of Minnesota, in accordance with Minnesota Statutes, section 352.98.

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 had 75,000 participants with assets of almost \$2.2 billion as of June 30, 2001.

THE COMPREHENSIVE ANNUAL FINANCIAL REPORT IS DIVIDED INTO 5 SECTIONS.

INTRODUCTORY SECTION — consists of administrative materials, such as an organizational chart, a summary of the retirement plans and a report from the board chairperson.

FINANCIAL SECTION — consists of the independent auditor's report, financial statements and footnotes for fiscal year 2001, 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 with the support of the Minnesota State Colleges and Universities' Inter-Faculty Group, AFSCME, MAPE, and other employer groups finally made some headway in the battle against those dramatically rising health care costs that plague our retirees. During the final hours of the 2001 special session, legislation passed that enables the MSRS to provide a governmental trust, authorized under the Internal Revenue Code to be eligible for tax-free treatment. Through this trust public employees can save to cover their post retirement health care costs.

When the retirement systems sought approval to construct and jointly own a building they were asked to produce a report on the opportunity to consolidate administrative functions in the joint office facility. After much thought, that report was submitted to the legislature on July 13, 2001. The report outlined currently shared administrative activities; such as, investment and computer links. It outlined administrative functions to be shared in the joint facility; such as, boardroom, training room, and mail delivery. The report briefly discusses plans to establish satellite offices in other areas of the state. MSRS and TRA are currently planning for an office in St. Cloud to be opened in 2002. The report also discusses costs and other considerations for consolidating information systems and operations. The report submitted on July 13 will be the basis for a more comprehensive report that is due to be submitted to the legislature on February 13, 2003.

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.

MSRS' system of internal accounting controls has been designed to provide reasonable assurance that system assets are safeguarded and financial records are accurate and reliable. These controls are reviewed by the accounting and finance staff on an as needed basis and revised when necessary. Our independent auditors reported no material weaknesses in internal control, nor any departures from finance-related statutes for the fiscal year ended June 30, 2001.

In the opinion of MSRS management, the internal accounting control system is adequate and these financial statements, supporting schedules, and statistical tables are fairly presented in all material respects.

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 2001 totaled a loss of \$ 423 million. This fiscal year's return on investment was a loss of \$ 634 million, a decrease of \$ 1.4 billion over last fiscal year. Employee and employer contributions totaled \$ 194 million; appropriations and other sources provided an additional \$17 million.

(In Thousands)

	FY 2000	FY 2001	Increase (Decrease)
Employee Contributions	\$87,837	92,755	4,918
Employer Contributions	\$95,646	101,089	5,443
Investment Income	\$800,730	(634,048)	(1,434,778)
Other	\$20,068	17,189	(2,879)
Total	<u>\$1,004,281</u>	<u>(423,015)</u>	<u>(1,427,296)</u>

Expenses (Deductions)

Expenses in fiscal year 2001 came to \$367 million, a \$34 million increase over last year's expenses. Expenses combined with investment losses and other revenues resulted in a net decrease of \$790 million.

(In Thousands)

	FY 2000	FY 2001	Increase (Decrease)
Total Monthly Benefits	\$291,627	332,819	41,192
Refunds	\$20,755	18,727	(2,028)
Administrative Expenses	\$4,297	4,310	13
Other	\$16,177	10,993	(5,184)
Total	<u>\$332,856</u>	<u>366,849</u>	<u>33,993</u>

Funding Status

The figures below (in thousands) show the assets, liabilities and funding ratios of each fund as of June 30, 2001.

Fund	(In Thousands)		Actuarial Basis Funding Ratio
	Liabilities	Assets	
State Employees	\$6,573,193	7,366,673	112.07%
State Patrol	\$489,483	572,815	117.02%
Correctional	\$398,633	431,134	108.15%
Judges	\$165,244	123,589	74.79%
Legislators	\$75,072	42,608	56.76%
Elective State Officers	\$3,775	201	5.32%

More information regarding the funding of MSRS' plans can be found on pages 36 through 39. 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-third of the unrealized investment gains or losses.

Investment Activities

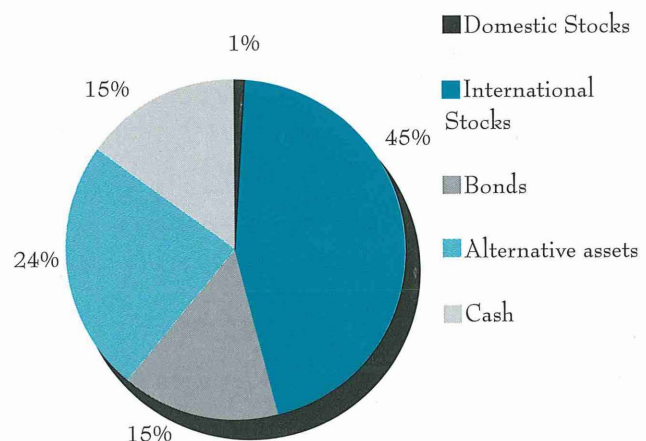
Assets of the MSRS funds are invested by the State Board of Investment (SBI). The board includes the governor, attorney general, secretary of state, state auditor and the state treasurer. Members of the board are subject to the Prudent Person rule, fiduciary standards detailed in Minnesota Statutes section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

Basic Retirement Fund

The rate of return in the Basic Retirement Fund was -7.4% in the fiscal year ending June 30, 2001.

The goal of the Basic Fund is to finance future retirement benefits. The actuarial assumed rate of return of 8.5% is set by law in Minnesota Statutes section 356. That is the expected rate of return over the ensuing 30 years.

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



Post Retirement Investment Fund

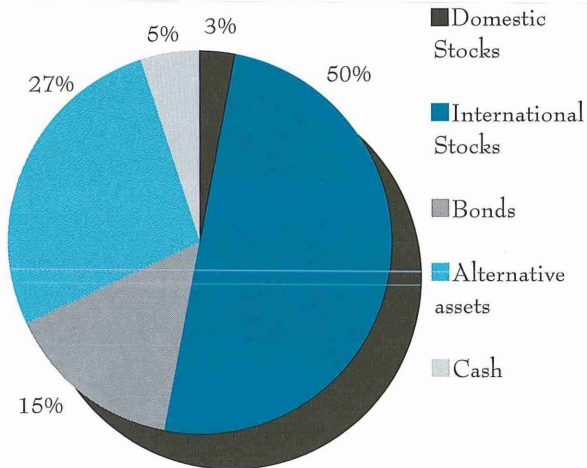
The rate of return for the Post-Retirement Fund was -6.9% in fiscal year 2001. A 4.4935% increase will be paid to eligible retirees on January 1, 2001.

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 Fund. The assumed rate of return for the

Post-Retirement Fund is 6%. The goal of the Post Fund 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 Post-Retirement Fund 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 Post-Fund 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.



Economic Outlook

After a sustained period of economic growth the economy has slowed down. Over the last nine months many factors have afflicted the once growing economy: dot.com markets and tech stocks have toppled, business investments have slowed down and corporate America has seen much lower profit margins. Poor market performance, energy costs, and the bombing of the World Trade Center has damaged consumer confidence and consumer spending is down. In the news, words like lay-off and recession are prominent.

Last fiscal year, we reported that investment earnings totaled \$800 million which constituted 80% of our total revenue. This year we had an investment loss of over \$600 million. Forecasters are hopeful that the proposed federal economic stimulus package will boost consumer spending. Many forecasters believe that if world events stabilize and consumers increase spending the economy could rebound in early 2002.

It is important to take a long-term view of our retirement plans. Since our inception in 1929, MSRS has survived wars, weak and strong economies, as well as, bull and bear markets. While we need to plan for tough times. The structure of our benefits and investment decisions should help us meet any future challenges.

Review of Operations and Activities of Fiscal Year 2001

MSRS is managed by an 11-member board of directors. Mary Benner is the Chair and Matt Hodapp is the Vice Chair.

Independent Audit

The state legislative auditor conducted an independent audit of MSRS financial statements. The auditor's comments are on pages 18 and 19.

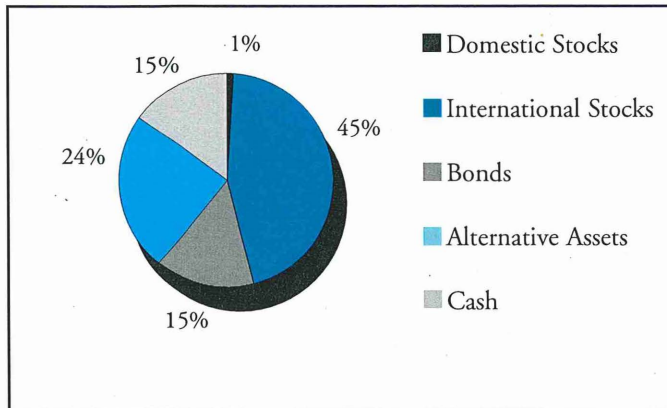


MINNESOTA STATE RETIREMENT SYTEM

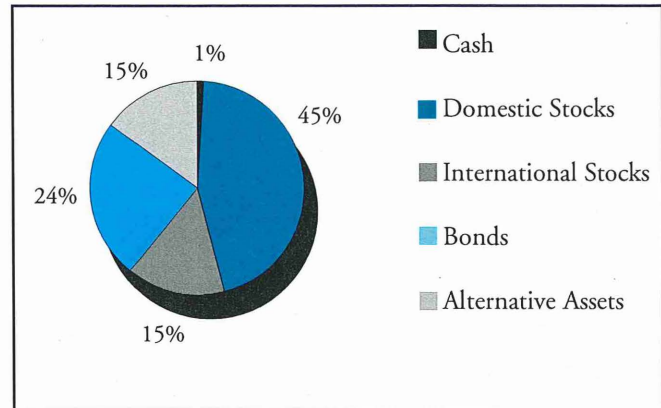
ERRATA SHEET FOR

2001 COMPREHENSIVE ANNUAL FINANCIAL REPORT

This sheet addresses the errors on the pie charts found on pages 7 and 8 of the 2001 Comprehensive Annual Financial Report.

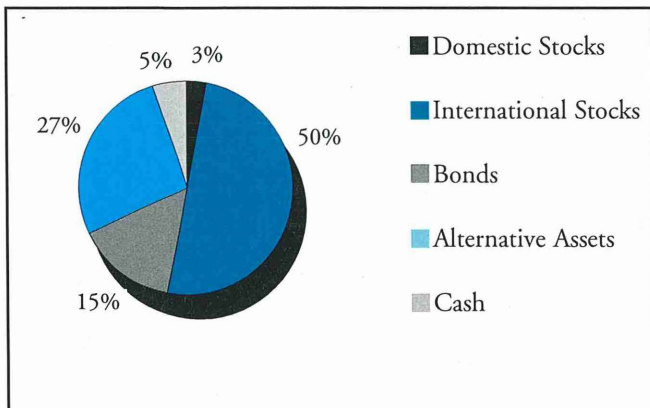


As the chart appears on page 7

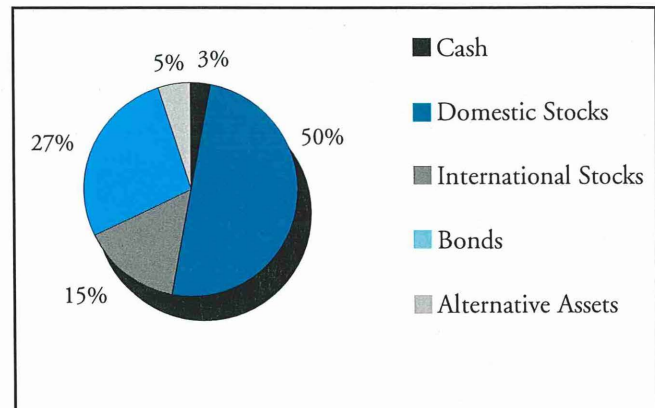


As it should appear on page 7

RECEIVED
DEC 06 2002
LEGISLATIVE REFERENCE LIBRARY
STATE OFFICE BUILDING
ST PAUL MN 55155



As the chart appears on page 8



As it should appear on page 8

Professional Services

The Minnesota Attorney General's Office provides legal counsel for MSRS. The 2001 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 CAFR 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 Director



Arvin Herman
Assistant Director

ADMINISTRATIVE ORGANIZATION – JUNE 30, 2001

MSRS BOARD OF DIRECTORS

Mary Benner, chairperson
Department of Labor and Industry
443 Lafayette Road, Third Floor, CSG
St. Paul, MN 55155
Telephone: (651) 284-5630
Elected: General/Unclassified Plan member

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

Richard J. Kolodziejski
Minnesota Correctional Facility, Shakopee
1010 W. Sixth Ave.
Shakopee, MN 55379
Telephone: (952) 496-4440
Elected: Correctional Plan member

Carol Lynch
Minnesota Department of Corrections
1450 Energy Park Drive, Suite 200
Saint Paul, MN 55108
Telephone: (651) 642-0318
Appointed by Board to fill vacated elected position

Sally (R.W.) Olsen
c/o MSRS
60 Empire Drive, Suite 300
Saint Paul, MN 55103-1855
Telephone: (651) 296-1512
Appointed: public representative member

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

Richard Swenson
Minnesota Department of Economic Security
Minnesota Workforce Center
Kandiyohi County Health & Human Services Building
1900 Highway 294 NE, Suite 2040
Willmar, MN 56201-9423
Telephone: (320) 231-5174
Appointed by Board to fill vacated elected position

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

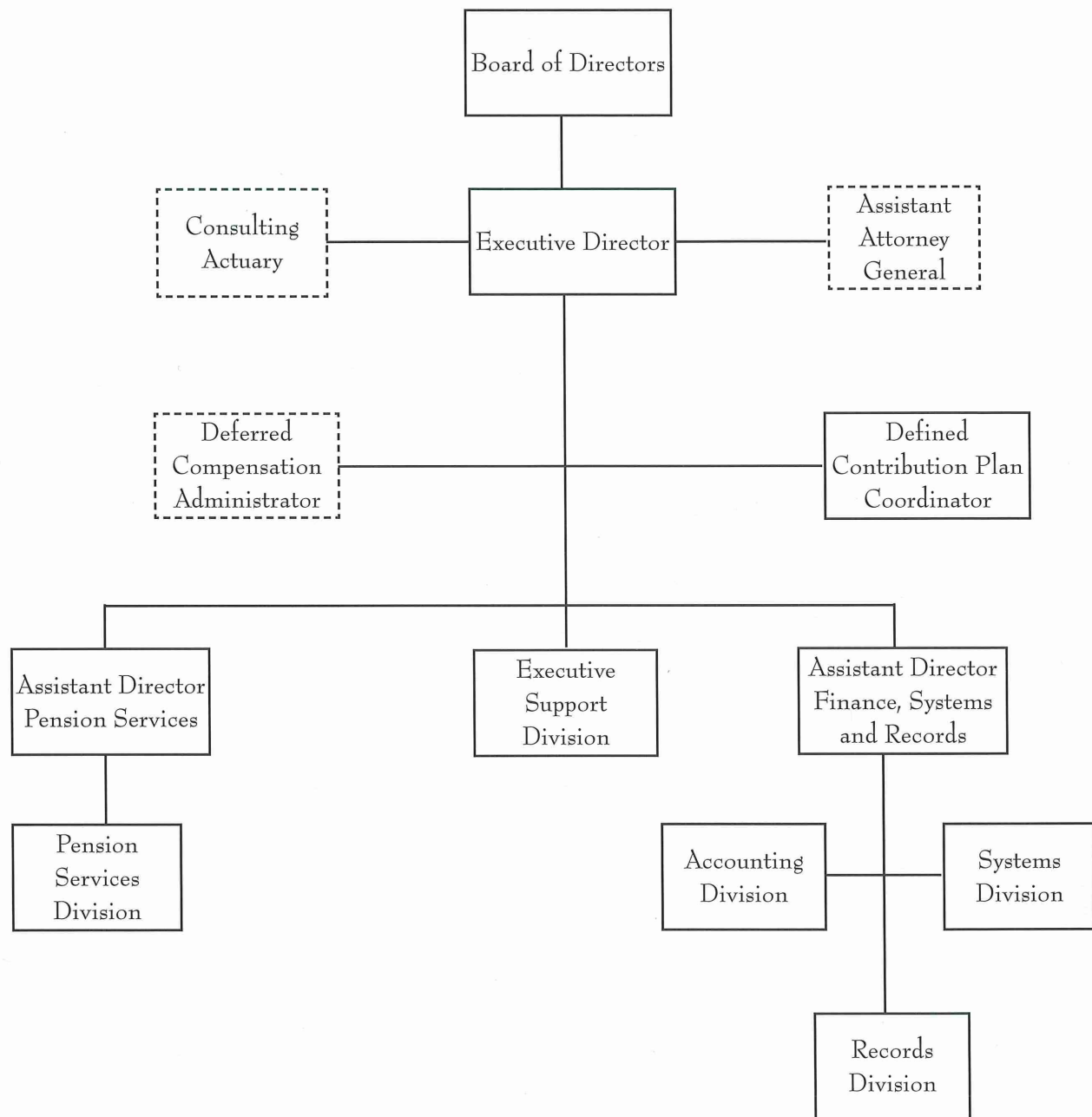
ADMINISTRATIVE STAFF

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

ORGANIZATION CHART - JUNE 30, 2001



NOTE: MSRS invests its funds in various investment pools administered by the State Board of Investment (SBI). The SBI retains various investment advisors whose fees are paid by the pool participants, including MSRS. A schedule of these advisors and MSRS' share of their fees is included on page 48 of the Financial Section.

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 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:
- Military Affairs and Transportation Pilot - 5.6 percent, employee; 5.6 percent, employer.
 - Deputy Fire Marshals - 6.78 percent employee; 8.20 percent employer.
- 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
- Note: All constitutional officers are new since the last election, therefore, this plan is closed.

DEFINED CONTRIBUTION PLAN

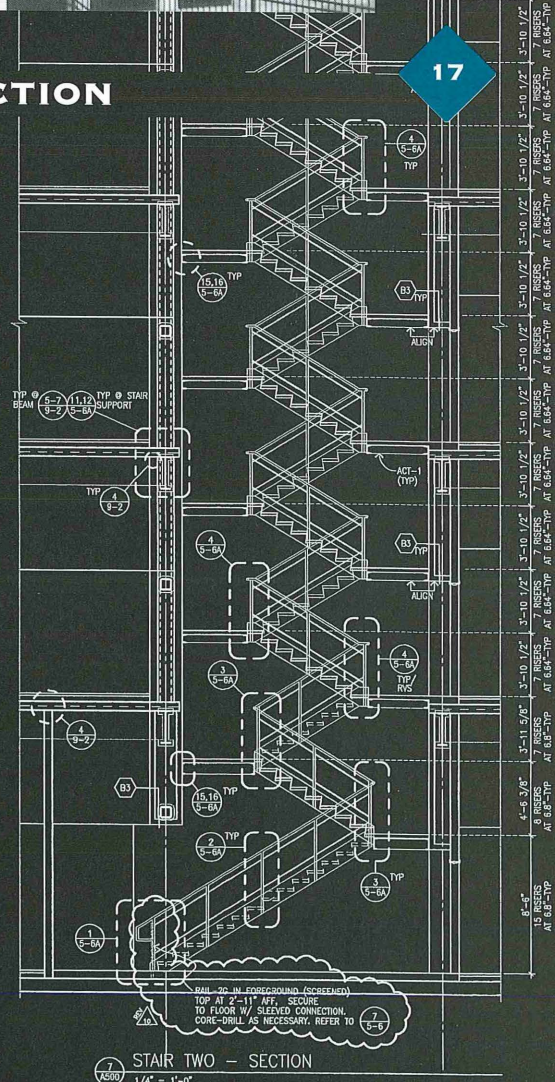
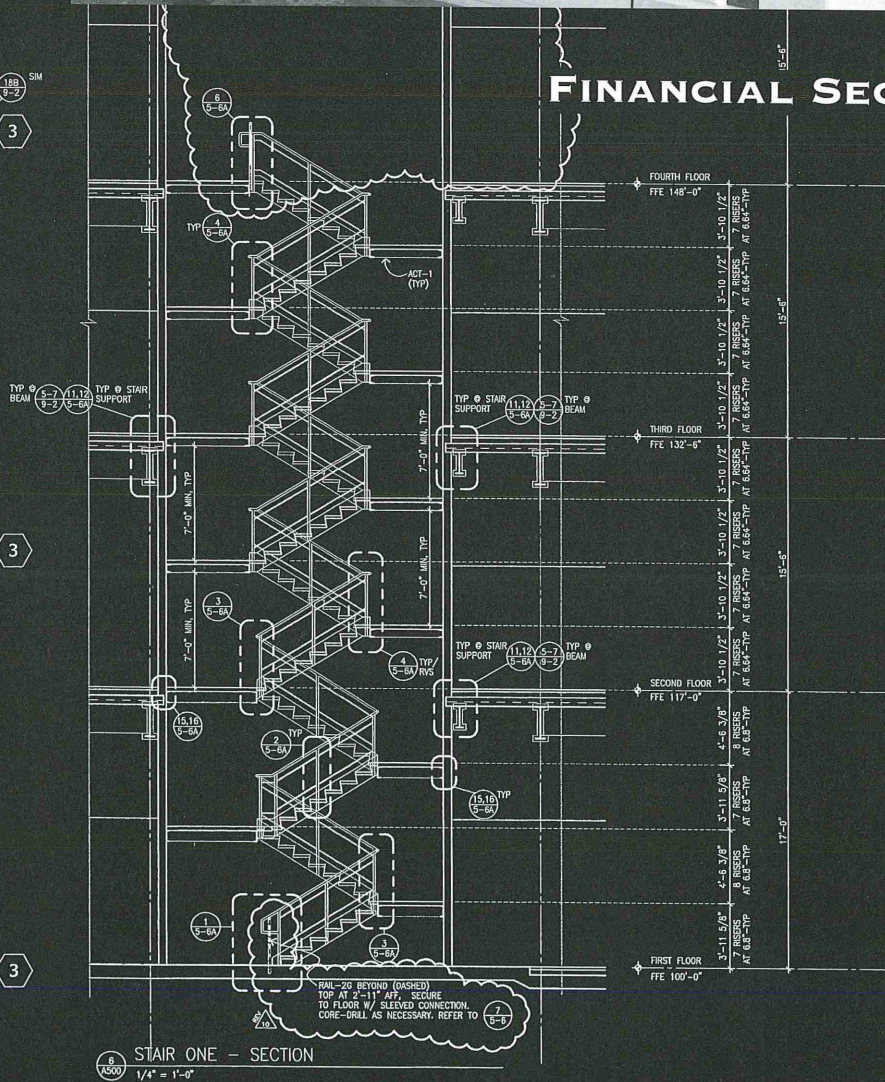
1. UNCLASSIFIED EMPLOYEES PLAN

- 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



FINANCIAL SECTION

17



INDEPENDENT AUDITOR'S OPINION



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

Independent Auditor's Report

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, 2001, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information on pages 36 to 39 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.

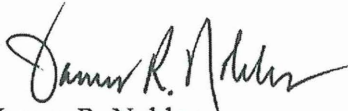
Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information on pages 41 to 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such

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

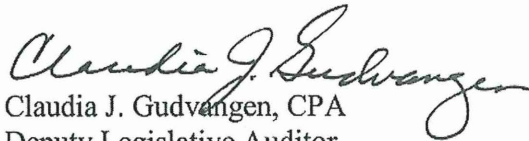
information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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 7, 2001, 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 7, 2001

STATEMENT OF PLAN NET ASSETS (AS OF JUNE 30, 2001)

	STATE EMPLOYEES	STATE PATROL	CORRECTIONAL EMPLOYEES
ASSETS:			
Cash & Short-Term Investments			
Cash	\$381	\$4	\$13
Short-Term Investment Pools	56,482	4,490	6,188
	<u>56,863</u>	<u>4,494</u>	<u>6,201</u>
RECEIVABLES:			
Accounts Receivable	4,044	305	508
Accrued Interest	133	8	9
Due from Other Plans	2,394	1	115
Due from MPRI Fund	3,676	0	3,332
Other	244	10	4
	<u>10,491</u>	<u>324</u>	<u>3,968</u>
INVESTMENT POOLS (AT FAIR VALUE)			
Equity in Post Retirement Fund	2,692,044	294,943	140,638
Fixed Investment Pool	1,013,609	59,717	62,722
External Domestic Equity Fund	1,404,220	82,656	86,893
Passive Domestic Equity Pool	597,465	35,305	36,971
Real Estate Fund Pool	158,701	9,442	9,828
MN Resources Fund Pool	63,645	3,782	3,936
MN Venture Capital Pool	311,991	18,547	19,305
Global Equity Pool	585,299	34,410	36,218
Supplemental Investment Fund (See Note)	0	0	0
	<u>6,826,974</u>	<u>538,802</u>	<u>396,511</u>
Securities Lending Collateral	587,960	46,757	34,301
Fixed Assets	5,743	0	0
Nondedicated Member Deposits	0	0	0
TOTAL ASSETS	<u>\$7,488,031</u>	<u>\$590,377</u>	<u>\$440,981</u>
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts Payable	\$2,450	\$109	\$114
Accrued Compensated Absences	392	0	0
Securities Lending Collateral	587,960	46,757	34,301
Deferred Revenue	0	0	0
Due to MPRI fund	0	2,911	0
Due to other plans	427	89	239
Bonds Payable	5,944	0	0
TOTAL LIABILITIES	<u>\$597,173</u>	<u>\$49,866</u>	<u>\$34,654</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	<u>\$6,890,858</u>	<u>\$540,511</u>	<u>\$406,327</u>

(A Schedule of Funding Progress for each of the defined benefit plans are on pages 36 and 37.)

MINNESOTA STATE RETIREMENT SYSTEM

(In Thousands)

DEFINED BENEFIT FUNDS

DEFINED
CONTRIBUTION
PLAN

JUDGES	LEGISLATORS	ELECTED STATE OFFICERS	UNCLASSIFIED EMPLOYEES	TOTALS
\$0	\$0	\$0	\$63	\$461
8,692	0	0	4,190	80,042
8,692	0	0	4,253	80,503
0	0	0	257	5,114
10	0	0	0	160
0	2	0	311	2,823
0	0	0	0	7,008
2	0	0	13	273
12	2	0	581	15,378
87,018	35,280	0	0	3,249,923
5,861	0	0	0	1,141,909
8,120	0	0	0	1,581,889
3,455	0	0	0	673,196
918	0	0	0	178,889
368	0	0	0	71,731
1,804	0	0	0	351,647
3,385	0	0	0	659,312
0	0	0	251,427	251,427
110,929	35,280	0	251,427	8,159,923
12,063	3,150	0	14,701	698,932
0	0	0	0	5,743
0	6,987	202	0	7,189
\$131,696	\$45,419	\$202	\$270,962	\$8,967,668
\$11	\$0	\$1	\$0	\$2,645
0	0	0	0	392
12,063	3,150	0	14,701	698,932
10	0	0	0	10
995	658	0	0	4,564
40	29	0	2,000	2,824
0	0	0	0	5,944
\$13,119	\$3,837	\$1	\$16,701	\$709,407
\$118,577	\$41,582	\$201	\$254,261	\$8,252,317

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

STATEMENT OF CHANGES IN PLAN NET ASSETS PENSION TRUST FUNDS (YEAR ENDED JUNE 30, 2001)

(In Thousands)

DEFINED BENEFIT FUNDS

	STATE EMPLOYEES	STATE PATROL	CORRECTIONAL EMPLOYEES
ADDITIONS:			
CONTRIBUTIONS:			
Member contributions	\$74,364	\$4,146	\$6,996
Employer contributions	73,362	6,166	9,651
General Fund Contributions	0	0	0
Total Contributions	\$147,726	\$10,312	\$16,647
INVESTMENT INCOME:			
Investment Income	(526,218)	(40,825)	(30,898)
Less Investment Expense:	6,283	374	384
Net Investment Income	\$(532,501)	\$(41,199)	\$(31,282)
INCOME FROM SECURITIES LENDING ACTIVITIES:			
Security Lending Income	\$40,566	\$3,226	\$2,367
Security Lending Expenses:			
Borrower Rebates	\$35,957	\$2,861	\$2,097
Management Fees	1,190	94	70
Total Security Lending Expenses	\$37,147	\$2,955	\$2,167
Net Income From Security Lending Activities	\$3,419	\$271	\$200
TOTAL NET INVESTMENT INCOME	\$(529,082)	\$(40,928)	\$(31,082)
OTHER ADDITIONS:			
Transfers From Other Plans	\$7,200	\$1	\$1,128
Other income	208	0	0
Total Other Additions	\$7,408	\$1	\$1,128
TOTAL ADDITIONS	\$(373,948)	\$(30,615)	\$(13,307)
DEDUCTIONS:			
Annuity benefits	\$270,558	\$29,935	\$14,911
Refunds	9,750	1	660
Interest to MPRI Fund	808	249	259
Transfers to Other Plans	2,389	0	2
Administrative expenses	3,738	90	240
Other Expenses	0	0	0
Total Deductions	\$287,243	\$30,275	\$16,072
Net increase	\$(661,191)	\$(60,890)	\$(29,379)
NET ASSETS, JULY 1, 2000	\$7,552,049	\$601,401	\$435,706
NET ASSETS, JUNE 30, 2001	\$6,890,858	\$540,511	\$406,327

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

**DEFINED
CONTRIBUTION
PLAN**

JUDGES	LEGISLATORS	ELECTIVE STATE OFFICERS	UNCLASSIFIED EMPLOYEES	TOTALS
\$2,162	\$527	\$0	\$4,560	\$92,755
5,790	0	0	6,120	101,089
2,003	5,039	333	0	7,375
<u>\$9,955</u>	<u>\$5,566</u>	<u>\$333</u>	<u>\$10,680</u>	<u>\$201,219</u>
(8,411)	(2,433)	0	(22,244)	(631,029)
36	0	0	0	7,077
<u>\$(8,447)</u>	<u>\$(2,433)</u>	<u>\$0</u>	<u>\$(22,244)</u>	<u>\$(638,106)</u>
\$773	\$218	\$0	\$1,116	\$48,266
\$689	\$193	\$0	\$1,002	\$42,799
21	6	0	28	1,409
<u>\$710</u>	<u>\$199</u>	<u>\$0</u>	<u>\$1,030</u>	<u>\$44,208</u>
<u>\$63</u>	<u>\$19</u>	<u>\$0</u>	<u>\$86</u>	<u>\$4,058</u>
<u>\$(8,384)</u>	<u>\$(2,414)</u>	<u>\$0</u>	<u>\$(22,158)</u>	<u>\$(634,048)</u>
\$0	\$2	\$0	\$1,264	\$9,595
\$10	0	0	1	219
<u>\$10</u>	<u>\$2</u>	<u>\$0</u>	<u>\$1,265</u>	<u>\$9,814</u>
<u>\$1,581</u>	<u>\$3,154</u>	<u>\$333</u>	<u>\$(10,213)</u>	<u>\$(423,015)</u>
\$12,228	\$4,857	\$330	\$0	\$332,819
17	72	0	8,227	18,727
50	32	0	0	1,398
4	0	0	7,200	9,595
41	29	1	171	4,310
0	0	0	0	0
<u>\$12,340</u>	<u>\$4,990</u>	<u>\$331</u>	<u>\$15,598</u>	<u>\$366,849</u>
<u>\$(10,759)</u>	<u>\$(1,836)</u>	<u>\$2</u>	<u>\$(25,811)</u>	<u>\$(789,864)</u>
<u>\$129,336</u>	<u>\$43,418</u>	<u>\$199</u>	<u>\$280,072</u>	<u>\$9,042,181</u>
<u>\$118,577</u>	<u>\$41,582</u>	<u>\$201</u>	<u>\$254,261</u>	<u>\$8,252,317</u>

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, 2001, the number of employers contributing to the various funds was:

-State of Minnesota	1
-University of Minnesota	1
-Metropolitan agencies	6
-Counties	4
-Unions	4
-Other	15
	<hr/>
	31

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 funds 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 consist of office equipment and fixtures, land, building construction-in-progress, and unamortized bond issuance charges. All were capitalized at historical cost at the date of acquisition. Balances at June 30, 2001, were:

	(in 000's)		
	Cost	Accumulated Depreciation/ Amortization	Undepreciated /Unamortized Balance
Office equipment & Fixtures	\$227	\$167	\$60
Land	88	N/A	88
Building Construction-in-Progress	5,520	0	5,520
Deferred Bond Issuance Charges	75	0	75
Totals	<u>5,910</u>	<u>167</u>	<u>5,743</u>

The estimated useful lives in years and the depreciation methods used were as follows:

	Useful Life	Depreciation Method
Office equipment & Fixtures	3 - 10	Straight Line
Land	N/A	Not Depreciated
Building Construction-in-Progress	30	Straight Line
Deferred Bond Issuance Charges	30	Straight Line

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 these balances at June 30, 2001, \$392,000, 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, 2001, were:

	(in 000's)
-Legislators Retirement Fund	\$6,987
-Elective State Officers Fund	202
	<u>\$7,189</u>

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 benefit. 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.

These balances at June 30, 2001 were:

	(in 000's)
State Employees Retirement Fund	\$761,894
State Patrol Retirement Fund	37,145
Correctional Employees Retirement Fund	48,127
Judges Retirement Fund	15,156
Legislators Retirement Fund	6,932
Elective State Officers Retirement Fund	194
Unclassified Employees Retirement Fund	253,300
	<u>\$1,122,748</u>

-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, 2001, were:

	(in 000's)
State Employees Retirement Fund	\$2,873,093
State Patrol Retirement Fund	146,745
Correctional Employees Retirement Fund	183,347
Judges Retirement Fund	12,795
Legislators Retirement Fund	(3,751)
Elective State Officers Retirement Fund	7
Unclassified Employees Retirement Fund	961
	<u>\$3,213,197</u>

-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 Elected State Officers and the Unclassified Employees Retirement Funds do not participate in this reserve.

These balances at June 30, 2001 were:

	(in 000's)
State Employees Retirement Fund	\$3,255,873
State Patrol Retirement Fund	356,621
Correctional Employees Retirement Fund	174,854
Judges Retirement Fund	90,626
Legislators Retirement Fund	38,401
	<hr/>
	\$3,916,375

H. Actuarial Assumptions

Actuarial valuations and experience studies are performed annually at fiscal year end. For this report, that was June 30, 2001. The entry age method - a projected benefit cost method - is used to value all of the funds, with contributions being made as a level percentage of covered salary. The actual inflation rate was 2.7%; there is no assumed inflation rate for any of the funds. The assumed investment rate of return for all funds is 8.5%. The designated period for amortizing any unfunded liabilities is an open-ended 30 years. Assumed salary scales for the State Employees Retirement Fund are increased in annual increments ranging from 6.75% at age 20 to 5.00% at age 70. The State Patrol Retirement Fund assumes similar increases ranging from 7.75% to 5.25%. The Correctional Retirement Fund assumes similar increases ranging from 7.75% to 5.25%. The Judges Retirement Fund assumes similar increases from 7.75% to 5.25%. The Legislative Retirement Fund assumes similar increases from 7.75% to 5.25%. The Elected State Officers Retirement Fund, a closed plan, assumes similar increases from 7.75% to 7.25%. The Unclassified Retirement Fund is a defined contribution plan and therefore there are neither actuarial assumptions nor actuarial valuations. These financial statements and the supplemental schedules which follow were prepared using these assumptions.

I. Deferred Compensation Plan

Effective July 1, 1999, the Minnesota Deferred Compensation Plan (MNDGP) was transferred to a third party administrator, the Great-West Life & Annuity Insurance Company. Recordkeeping, cash management, accounting, data processing services and all other daily operations previously provided by each of three DCP providers were combined and are now provided by Great-West. MSRS oversees their performance according to contract terms.

3. CASH AND INVESTMENTS**A. Cash**

MSRS cash is deposited into the state's treasury accounts. On June 30, 2001, 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, 2001, were:

(in 000's)

	Cost	Market Value
Fixed Income	\$1,153,084	\$1,141,909
External Domestic Equity	1,777,072	1,581,889
Passive Domestic Equity	583,296	673,196
Real Estate	150,888	178,889
Minnesota Resources	69,452	71,731
Minnesota Venture Capital	406,189	351,647
Global Equity	761,280	651,312
Post-Retirement Fund	3,165,498	3,249,923
Supplemental Investment Fund	94,106	251,427
Total	<u>\$8,160,865</u>	<u>\$8,159,923</u>

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, 2001, interfund receivables and payables were:

	(in 000's)	
	Interfund Receivables	Interfund Payables
<u>Defined Benefit Retirement Funds:</u>		
State Employees	\$2,394	\$427
State Patrol	1	89
Correctional Employees	115	228
Judges		40
Legislators	2	29
Elective State Officers		1
<u>Defined Contribution Retirement Fund:</u>		
Unclassified Employees	311	2,000
Totals	<u>\$2,823</u>	<u>\$2,823</u>

5. LEASES

Office facilities are leased by an agreement through Sept. 30, 2001. The remaining rental obligation is \$ 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 was completed on August 31, 2001. MSRS moved into its new offices on September 6, 2001.

6. ACTUARIAL ASSET VALUATIONS

Effective June 30, 2000, Minnesota Statutes provide that one fifth of the fiscal yearend unrealized market gain (loss) is added to (deducted from) the current and each ensuing fiscal year end'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 liabilities determined using both methods as of June 30, 2001, were:

	(In 000's)	
	Actuarial Basis	Market Basis
State Employees	\$(793,480)	\$(317,665)
State Patrol	(83,332)	(51,028)
Correctional Employees	(32,501)	(7,694)
Judges	46,667	41,059
Legislators	32,464	33,490
Elective State Officers	3,574	3,574
	<u>\$(826,608)</u>	<u>\$(298,264)</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, 2001 were:

-Active members	1,719
-Inactive members	<u>1,532</u>
Total	3,251
-Annual payroll (June 30, 2001)	\$105,015,000
-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 \$4,653,000.

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. Legislators may also 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 Marshal's Plan, all single employer plans. Only certain employees of the Departments of Military Affairs, Transportation and the State Fire Marshal's office are eligible to be members of those plans, but all state employees who are not members of another plan are covered by the General Employees Plan.

Membership statistics, as of June 30, 2001, follow:

Members receiving benefits:	
-retirees	17,893
-beneficiaries	2,085
Terminated members:	
-vested, not receiving benefits	11,452
-nonvested	8,111
Active members:	
-vested	35,371
-nonvested	13,858
Totals	<u>88,770</u>

Annual payroll (June 30, 2001): \$ 1,834,042,000

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, 2001, follow:

Members receiving benefits:	
-retirees	581
-beneficiaries	164
Terminated members:	
-vested, not receiving benefits	25
-nonvested	10
Active members:	
-vested	667
-nonvested	156
Totals	<u>1,603</u>
Annual payroll (June 30, 2001):	\$48,935,000

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, 2001, follow:

Members receiving benefits:

-retirees	747
-beneficiaries	61

Terminated members:

-vested, not receiving benefits	483
-nonvested	220

Active members:

-vested	2,188
-nonvested	994

Totals	4,693
--------	-------

Annual payroll (June 30, 2001):	\$120,947,000
---------------------------------	---------------

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 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 life-long 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. Retirees also include municipal and county court judges. Membership statistics, as of June 30, 2001, follow:

Members receiving benefits:

-retirees	159
-beneficiaries	88

Terminated members:

-vested, not receiving benefits	14
-nonvested	1

Active Members:

-vested	170
-nonvested	122

Totals	<u>554</u>
--------	------------

Annual payroll (June 30, 2001): \$29,874,000

Minnesota Statutes, Section 490.123 requires that eligible employees contribute 8.15 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 Elected 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 Elected State Officers Plan includes only the elected constitutional officers. Both plans are closed to new members. Persons first elected to take office on January 1, 1999 are members of the Unclassified Plan; those who took office prior to January 1, 1999 were given the option of selecting membership in whichever plan they preferred. Membership statistics, as of June 30, 2001, follow:

Members receiving benefits:

-retirees	226	8
-beneficiaries	67	5

Terminated members:

-vested, not receiving benefits	106	4
-nonvested	6	0

Active members:

-vested	117	0
-nonvested	22	0

Totals	<u>544</u>	<u>17</u>
--------	------------	-----------

Annual payroll (June 30, 2001): \$ 5,858,000 NA*

*All remaining persons previously eligible for this plan have elected membership in the Unclassified Plan. Without any active members, there is no annual payroll.

Minnesota Statutes, Sections 3A.03 and 352C.09 require that legislators contribute 9 percent of their salary including certain per diem payments, and elected 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 not to exceed their final annual compensation. Except for a minimum eight-year service requirement, the Elected 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.

11. LONG-TERM DEBT

MSRS has entered into an agreement with the Teachers Retirement Association and the Public Employees Retirement Association for the purpose of construction and ownership of an administrative office building. Each agency owns an undivided portion of the asset total equal to their relative number of employees at the time the 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 \$ 29,000,000 in 30-year revenue bonds. The bonds are secured by the value of the land purchased and the building constructed and are to be repaid from the revenues of the three retirement systems. The table which follows shows the debt service amounts for which MSRS is directly responsible. In the event of default, MSRS would be liable for the entire remaining outstanding balance.

MINNESOTA STATE RETIREMENT SYSTEM

DEBT REPAYMENT SCHEDULE

12/01/2001	5.375%		169,988.74	
				TOTAL
PAYMENT				PRINCIPAL &
DATE	RATE	PRINCIPAL	INTEREST	INTEREST
\$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
Totals		\$5,916,000.00	\$6,490,918.02	\$12,406,918.02

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF FUNDING PROGRESS

(In Thousands)

YEAR ENDED JUNE 30,	ACTUARIAL VALUE ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) (B)	UNFUNDED AAL (UAAL) (B-A)	FUNDED RATIO (A)/(B)	ACTUAL COVERED PAYROLL (PREVIOUS FY) (C)	UAAL AS PERCENT OF COVERED PAYROLL (B-A)/(C)
---------------------------	-------------------------------------	---	------------------------------------	----------------------------	--	--

STATE EMPLOYEES RETIREMENT FUND:

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
2001	7,366,673	6,573,193	(793,430)	112.07	1,834,042	-43.26

36

STATE PATROL RETIREMENT FUND:

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
2001	572,815	489,483	(83,332)	117.02	48,935	-170.29

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
2001	431,134	398,633	(32,501)	108.15	120,947	-26.87

REQUIRED SUPPLEMENTAL INFORMATION**SCHEDULE OF FUNDING PROGRESS**

(In Thousands)

YEAR ENDED JUNE 30,	ACTUARIAL VALUE ASSETS (A)	ACTUARIAL ACCRUED LIABILITY (AAL) (B)	UNFUNDED AAL (UAAL) (B-A)	FUNDED RATIO (A)/(B)	ACTUAL COVERED PAYROLL (PREVIOUS FY) (C)	UAAL AS PERCENT OF COVERED PAYROLL (B-A)/(C)
---------------------------	-------------------------------------	---	------------------------------------	----------------------------	--	--

JUDGES RETIREMENT FUND:

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
2001	123,589	165,244	41,655	74.79	28,246	147.47

LEGISLATORS RETIREMENT FUND:

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
2001	42,608	75,072	32,464	56.76	5,858	554.18

ELECTIVE STATE OFFICERS RETIREMENT FUND*:

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	1,091.00
2000	199	3,535	3,336	5.63	0	N/A
2001	201	3,775	3,574	5.32	0	N/A

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

REQUIRED SUPPLEMENTAL INFORMATION**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

(In Thousands)

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:

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
2001	7.12	1,834,042	74,364	56,220	73,362	130.49

STATE PATROL RETIREMENT FUND:

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
2001	15.48	48,935	4,145	3,430	6,166	179.77

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
2001	13.72	120,947	6,996	9,598	9,652	100.56

*This includes contributions from state General Fund appropriations, if applicable.

REQUIRED SUPPLEMENTAL INFORMATION**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

(In Thousands)

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:

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
2001	24.58	28,246	2,162	4,781	7,793	163.00

LEGISLATORS RETIREMENT FUND:

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
2001	47.26	5,858	527	2,241	5,039	224.85

ELECTIVE STATE OFFICERS RETIREMENT FUND:

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
2001	340**	-	-	-	330	N/A

* This includes contributions from state General Fund appropriations, 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, 2001)**

(In Thousands)

Staff salaries	\$1,833
Social Security	161
Retirement	91
Insurance	266
Other personal services	6
Total	<u>\$2,357</u>
Professional services:	
actuarial	\$120
data processing	175
disability examinations	30
legal counsel	19
Total	<u>\$344</u>
Communication:	
printing	\$93
telephone	31
postage	186
travel	21
subscriptions, memberships and training	16
Total	<u>\$347</u>
Rentals:	
office space	<u>\$243</u>
Miscellaneous:	
supplies	\$182
repairs and maintenance agreements	15
department head and board member expense	8
statewide indirect cost	73
depreciation	26
interest expense	670
state sales taxes	17
local sales taxes	1
other services	25
Total	<u>\$1,017</u>
Total Operating Expenses	<u>\$4,308</u>
Expenses distributed by fund:	
State Employees	\$3,738
State Patrol	90
Correctional Employees	239
Judges	40
Legislators	29
Elective State Officers	1
Unclassified Employees	171
Total distribution	<u>\$4,308</u>

SCHEDULE OF CHANGES IN PLAN NET ASSETS

STATE EMPLOYEES RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)

	(In Thousands)			
	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$73,163	\$0	\$1,201	\$74,364
employer	0	0	73,362	73,362
Total	\$73,163	\$0	\$74,563	\$147,726
INVESTMENT INCOME:				
investment income	\$0	\$372,093	\$(898,312)	\$(526,219)
less investment expense	0	0	6,283	6,283
Net Investment Income	\$0	\$372,093	\$(904,595)	\$(532,502)
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$16,936	\$23,630	\$40,566
securities lending expenses:				
--borrower rebates	0	15,038	20,919	35,957
--management fees	0	488	702	1,190
Total Securities Lending Expenses	\$0	\$15,526	\$21,621	\$37,147
Net Income from Securities Lending Activities	\$0	\$1,410	\$2,009	\$3,419
Total Net Investment Income	\$0	\$373,503	\$(902,586)	\$(529,083)
OTHER ADDITIONS:				
transfers from other plans	\$827	\$0	\$6,373	\$7,200
other income	0	0	208	208
Total Other Additions	\$827	\$0	\$6,581	\$7,408
TOTAL ADDITIONS	\$73,990	\$373,503	\$(821,442)	\$(373,949)
DEDUCTIONS:				
annuity benefits	\$0	\$269,963	\$595	\$270,558
refunds	7,072	0	2,677	9,749
interest to MPRI Fund	0	0	808	808
transfers to other plans	465	0	1,924	2,389
administrative expenses	0	0	3,738	3,738
Total Deductions	\$7,537	\$269,963	\$9,742	\$287,242
OTHER CHANGES IN RESERVES:				
retirements	\$(27,190)	\$212,038	\$(184,848)	\$0
mortality gains (losses)	0	(3,676)	3,676	0
other	(291)	0	291	0
Total Other Changes	\$(27,481)	\$208,367	\$(180,881)	\$0
NET INCREASE	\$38,972	\$311,902	\$(1,012,065)	\$(661,191)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$722,922	\$2,944,151	\$3,885,158	\$7,552,051
End of the Year	\$761,894	\$3,255,873	\$2,873,093	\$6,890,860

SCHEDULE OF CHANGES IN PLAN NET ASSETS

STATE PATROL RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$4,119	\$0	\$26	\$4,145
employer	0	0	6,166	6,166
Total	\$4,119	\$0	\$6,192	\$10,311
INVESTMENT INCOME:				
investment income	\$0	\$40,446	\$(81,270)	\$(40,824)
less investment expense	0	0	374	374
Net Investment Income	\$0	\$40,446	\$(81,644)	\$(41,198)
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$1,834	\$1,392	\$3,226
securities lending expenses:				
--borrower rebates	0	1,629	1,232	2,861
--management fees	0	53	42	95
Total Securities Lending Expenses	\$0	\$1,682	\$1,274	\$2,956
Net Income from Securities Lending Activities	\$0	\$152	\$118	\$270
Total Net Investment Income	\$0	\$40,598	\$(81,526)	\$(40,928)
OTHER ADDITIONS:				
transfers from other plans	\$1	\$0	\$1	\$2
Total Other Additions	\$1	\$0	\$1	\$2
TOTAL ADDITIONS	\$4,120	\$40,598	\$(81,526)	\$(40,928)
DEDUCTIONS:				
annuity benefits	\$0	\$29,734	\$201	\$29,935
refunds	1	0	0	1
interest to MPRI Fund	0	0	249	249
administrative expenses	0	0	90	90
Total Deductions	\$1	\$29,734	\$540	\$30,275
OTHER CHANGES IN RESERVES:				
retirements	\$(3,340)	\$24,910	\$(21,570)	\$0
mortality gains (losses)	0	2,911	(2,911)	0
other	(7)	0	7	0
Total Other Changes	\$(3,347)	\$27,821	\$(32,474)	\$(8,000)
NET INCREASE	\$772	\$38,685	\$(108,347)	\$(68,890)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$36,373	\$317,936	\$247,092	\$601,401
End of the Year	\$37,145	\$356,621	\$138,745	\$532,511

SCHEDULE OF CHANGES IN PLAN NET ASSETS

CORRECTIONAL RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$6,927	\$0	\$70	\$6,997
employer	0	0	9,652	9,652
Total	\$6,927	\$0	\$9,722	\$16,649
INVESTMENT INCOME:				
investment income	\$0	\$18,836	\$(49,735)	\$(30,889)
less investment expense	0	0	384	384
Net Investment Income	\$0	\$18,836	\$(50,119)	\$(31,283)
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$905	\$1,462	\$2,367
securities lending expenses:				
--borrower rebates	0	803	1,294	2,097
--management fees	0	26	43	69
Total Securities Lending Expenses	\$0	\$829	\$1,337	\$2,166
Net Income from Securities Lending Activities	\$0	\$76	\$125	\$201
Total Net Investment Income	\$0	\$18,912	\$(49,994)	\$(31,082)
OTHER ADDITIONS:				
transfers from other plans	\$148	\$0	\$979	\$1,127
Total Other Additions	\$148	\$0	\$979	\$1,127
TOTAL ADDITIONS	\$7,075	\$18,912	\$(39,293)	\$(13,306)
DEDUCTIONS:				
annuity benefits	\$0	\$14,911	\$0	\$14,911
refunds	533	0	127	660
interest to MPRI Fund	0	0	259	259
transfers to other plans	2	0	0	2
administrative expenses	0	0	240	240
Total Deductions	\$535	\$14,911	\$626	\$16,072
OTHER CHANGES IN RESERVES:				
retirements	\$(2,220)	\$18,139	\$(15,919)	\$0
mortality gains (losses)	0	(3,332)	3,332	0
other	21	0	(21)	0
Total Other Changes	\$(2,199)	\$14,807	\$(12,608)	\$0
NET INCREASE	\$4,341	\$18,808	\$(52,527)	\$(29,378)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$43,786	\$156,046	\$235,874	\$435,706
End of the Year	\$48,127	\$174,854	\$183,347	\$406,328

SCHEDULE OF CHANGES IN PLAN NET ASSETS

JUDGES RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$2,162	\$0	\$0	\$2,162
employer	0	0	5,790	5,790
General Fund	0	0	2,003	2,003
Total	\$2,162	\$0	\$7,793	\$9,955
INVESTMENT INCOME:				
investment income	\$0	\$12,217	\$(20,629)	\$(8,412)
less investment expense	0	0	36	36
Net Investment Income	\$0	\$12,217	\$(20,665)	\$(8,448)
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$541	\$233	\$774
securities lending expenses:				
--borrower rebates	0	480	209	689
--management fees	0	16	6	22
Total Securities Lending Expenses	\$0	\$496	\$215	\$711
Net Income from Securities Lending Activities	\$0	\$45	\$18	\$63
Total Net Investment Income	\$0	\$12,262	\$(20,647)	\$(8,385)
OTHER ADDITIONS:				
other income	0	0	10	10
Total Other Additions	\$0	\$0	\$10	\$10
TOTAL ADDITIONS	\$2,162	\$12,262	\$(12,844)	\$1,580
DEDUCTIONS:				
annuity benefits	\$0	\$10,224	\$2,003	\$12,227
refunds	13	0	4	17
interest to MPRI Fund	0	0	50	50
transfers to other plans	4	0	0	4
administrative expenses	0	0	41	41
Total Deductions	\$17	\$10,224	\$2,098	\$12,339
OTHER CHANGES IN RESERVES:				
retirements	\$(729)	\$7,978	\$(7,249)	\$0
mortality gains (losses)	0	995	(995)	0
Total Other Changes	\$(729)	\$8,973	\$(8,244)	\$0
NET INCREASE	\$1,416	\$11,011	\$(23,186)	\$(10,759)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$13,740	\$79,615	\$35,981	\$129,336
End of the Year	\$15,156	\$90,626	\$12,795	\$118,577

SCHEDULE OF CHANGES IN PLAN NET ASSETS

LEGISLATORS RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$483	\$0	\$44	\$527
General Fund	0	0	5,039	5,039
Total	\$483	\$0	\$5,083	\$5,566
INVESTMENT INCOME:				
investment income	\$0	\$(2,433)	\$0	\$(2,433)
less investment expense	0	0	0	0
Net Investment Income	\$0	\$(2,433)	\$0	\$(2,433)
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$218	\$0	\$218
securities lending expenses:				
--borrower rebates	0	193	0	193
--management fees	0	6	0	6
Total Securities Lending Expenses	\$0	\$199	\$0	\$199
Net Income from Securities Lending Activities	\$0	\$19	\$0	\$19
Total Net Investment Income	\$0	\$(2,414)	\$0	\$(2,414)
OTHER ADDITIONS:				
transfers from other plans	\$0	\$2	\$0	\$2
Total Other Additions	\$0	\$2	\$0	\$2
TOTAL ADDITIONS	\$483	\$(2,414)	\$5,085	\$3,154
DEDUCTIONS:				
annuity benefits	\$0	\$4,266	\$591	\$4,857
refunds	33	0	39	72
interest to MPRI Fund	0	0	32	32
administrative expenses	0	0	29	29
Total Deductions	\$33	\$4,266	\$691	\$4,990
OTHER CHANGES IN RESERVES:				
retirements	\$(533)	\$5,266	\$(4,713)	\$0
mortality gains (losses)	0	659	(659)	0
other	(2)	0	2	0
Total Other Changes	\$(555)	\$5,925	\$(5,370)	\$0
NET INCREASE	\$(105)	\$(755)	\$(976)	\$(1,836)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$7,037	\$39,156	\$(2,775)	\$43,418
End of the Year	\$6,932	\$38,401	\$(3,751)	\$41,582

SCHEDULE OF CHANGES IN PLAN NET ASSETS**ELECTED STATE OFFICERS RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)**

(In Thousands)

	MEMBER	POST-RETIREMENT INVESTMENT FUND	BENEFIT	TOTALS
ADDITIONS:				
CONTRIBUTIONS:				
member	\$0	\$0	\$0	\$0
employer	0	0	0	0
General Fund	0	0	333	333
Total	\$0	\$0	\$333	\$333
INVESTMENT INCOME:				
investment income	\$0	\$0	\$0	\$0
less investment expense	0	0	0	0
Net Investment Income	\$0	\$0	\$0	\$0
INCOME FROM SECURITIES LENDING ACTIVITIES:				
securities lending income	\$0	\$0	\$0	\$0
securities lending expenses:				
--borrower rebates	0	0	0	0
--management fees	0	0	0	0
Total Securities Lending Expenses	\$0	\$0	\$0	\$0
Net Income from Securities Lending Activities	\$0	\$0	\$0	\$0
Total Net Investment Income	\$0	\$0	\$0	\$0
OTHER ADDITIONS:				
transfers from other plans	\$0	\$0	\$0	\$0
Total Other Additions	\$0	\$0	\$0	\$0
TOTAL ADDITIONS	\$0	\$0	\$333	\$333
DEDUCTIONS:				
annuity benefits	\$0	\$0	\$330	\$330
refunds	0	0	0	0
interest to MPRI Fund	0	0	0	0
transfers to other plans	0	0	0	0
administrative expenses	0	0	1	1
Total Deductions	\$0	\$0	\$331	\$331
OTHER CHANGES IN RESERVES:				
retirements	\$0	\$0	\$0	\$0
mortality gains (losses)	0	0	0	0
Total Other Changes	\$0	\$0	\$0	\$0
NET INCREASE	\$0	\$0	\$2	\$2
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:				
Beginning of the Year	\$194	\$0	\$5	\$199
End of the Year	\$194	\$0	\$7	\$201

SCHEDULE OF CHANGES IN PLAN NET ASSETS**UNCLASSIFIED EMPLOYEES RETIREMENT FUND (YEAR ENDED JUNE 30, 2001)**

(In Thousands)

	MEMBER	BENEFIT	TOTALS
ADDITIONS:			
CONTRIBUTIONS:			
member	\$4,560	\$0	\$4,560
employer	6,120	0	6,120
Total	\$10,680	\$0	\$10,680
INVESTMENT INCOME:			
investment income	\$(22,476)	\$232	\$(22,244)
less investment expense:	0	0	0
Net Investment Income	\$(22,476)	\$232	\$(22,244)
INCOME FROM SECURITIES LENDING ACTIVITIES:			
securities lending income	\$1,116	0	\$1,116
securities lending expenses:			
--borrower rebates	1,001	0	1,001
--management fees	28	0	28
Total Securities Lending Expenses	\$1,029	\$0	\$1,029
Net Income from Securities Lending Activities	\$87	\$0	\$87
Total Net Investment Income	\$(22,389)	\$232	\$(22,157)
OTHER ADDITIONS:			
transfers from other plans	\$1,264	\$0	\$1,264
other income	1	0	1
Total Other Additions	\$1,265	\$0	\$1,265
TOTAL ADDITIONS	\$(10,444)	\$232	\$(10,212)
DEDUCTIONS:			
refunds	\$8,228	\$0	\$8,228
transfers to other plans	7,200	0	7,200
administrative expenses	0	171	171
Total Deductions	\$15,428	\$171	\$15,599
NET INCREASE	\$(25,872)	\$61	\$(25,811)
ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of the Year	\$279,172	\$900	\$280,072
End of the Year	\$253,300	\$961	\$254,261

SUMMARY SCHEDULE OF COMMISSIONS AND PAYMENTS TO CONSULTANTS (YEAR ENDED JUNE 30, 2001)

(In Thousands)

<u>INDIVIDUAL OR FIRM NAME</u>	<u>SERVICES RECEIVED</u>	<u>FEES PAID</u>
William Mercer Inc.	Consulting Actuary	\$67,668
State of Minnesota:		
Department of Health	Medical advisor	\$29,989
Office of the Attorney General	Legal counsel	\$19,156
Legislative Commission on Pensions and Retirement	Consulting Actuary	\$62,502

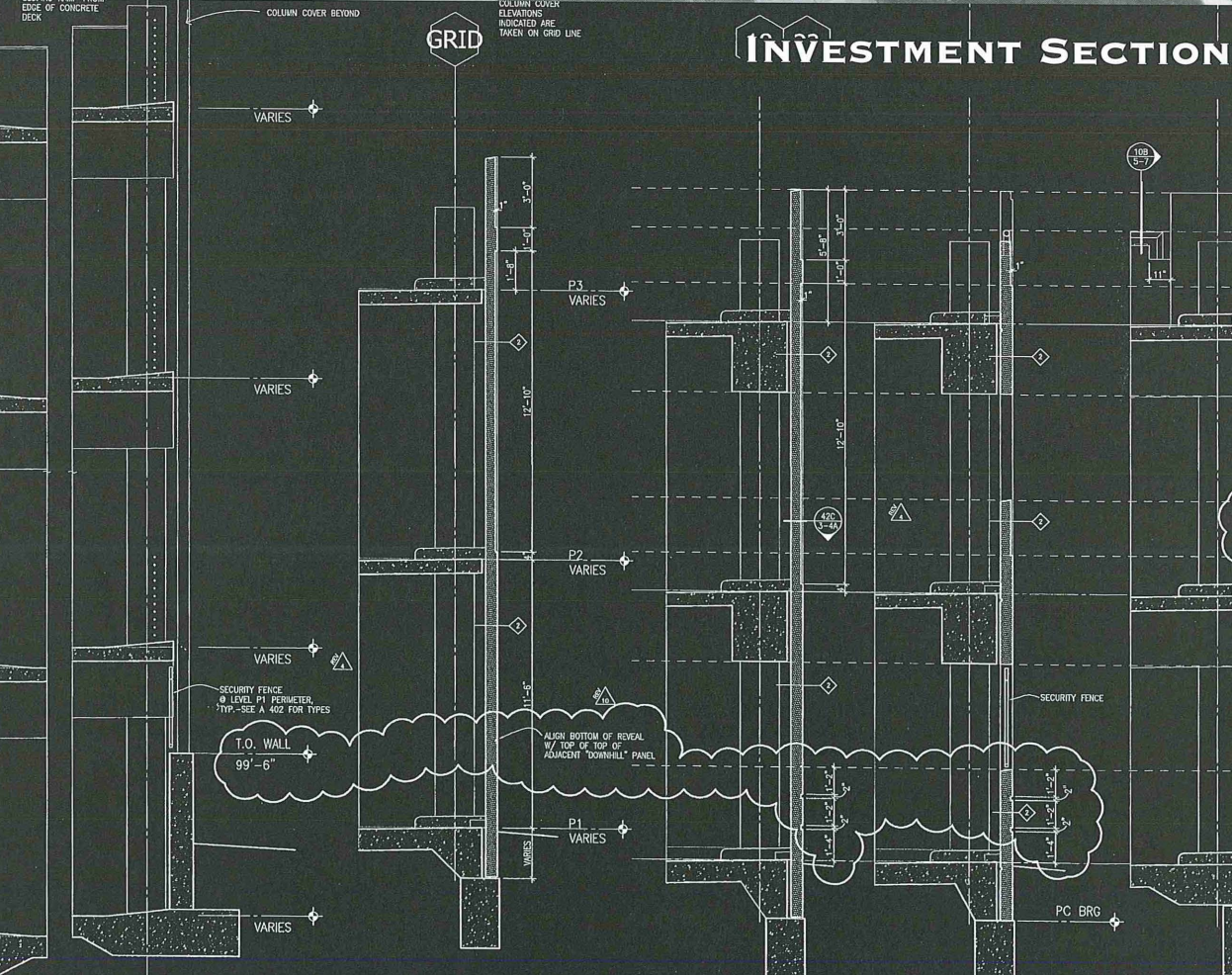
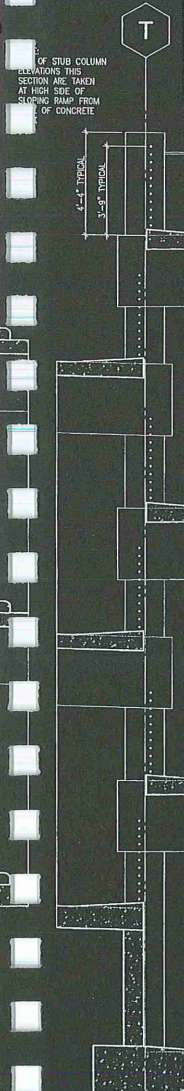
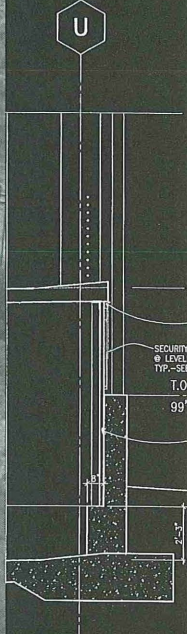
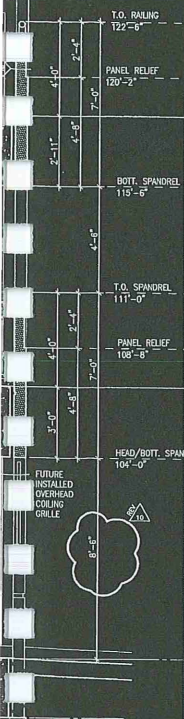
SCHEDULE OF INVESTMENT EXPENSES (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	<u>STATE</u>	<u>STATE</u>	<u>CORRECTIONAL</u>		
	<u>EMPLOYEES</u>	<u>PATROL</u>	<u>EMPLOYEES</u>	<u>JUDGES</u>	<u>TOTALS</u>
Outside Money Managers, Equities	\$4,988	\$297	\$304	\$28	\$5,617
Outside Money Managers, Bonds	1,028	61	63	6	1,158
Minnesota State Board of Investment	205	12	13	2	232
Financial Control Systems	27	2	2	0	31
Richards & Tierney	27	2	2	0	31
Pension Consulting	7	0	0	0	7
	<u>\$6,282</u>	<u>\$374</u>	<u>\$384</u>	<u>\$36</u>	<u>\$7,076</u>

NOTE: PRECAST COLUMN COVER VERTICAL DIMENSIONS INDICATED ARE TAKEN ON GRID LINE

NOTE: PRECAST COLUMN COVER VERTICAL DIMENSIONS INDICATED ARE TAKEN ON GRID LINE



INVESTMENT SECTION

2 WALL SECTION
3/8" = 1'-0"

3 WALL SECTION
3/8" = 1'-0"

4 WALL SECTION
3/8" = 1'-0"

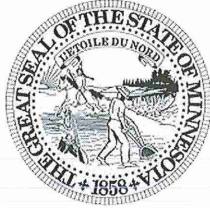
5 WALL SECTION
3/8" = 1'-0"

6 WALL SECTION
3/8" = 1'-0"

7 WALL SECTION
3/8" = 1'-0"

INVESTMENT REPORT STATE BOARD OF INVESTMENT

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

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

An Equal Opportunity
Employer

INVESTMENT AUTHORITY

The assets of the 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 Funds and the Post-Retirement Investment Fund. The SBI reviews the performance of all the assets in each fund and as two funds combined.

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, the 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.

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, 2001, the combined funds returned 9.1 percentage points above the Consumer Price Index over the last 10 years, outperformed the Composite Index by 0.6 percentage points over the past five years, and ranked slightly below — the 51st 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)		
	FY2001	Three-Year	Five-Year
Domestic Stock	-15.2%	2.7%	12.9%
--Wilshire 5000 Investable	-15.8	3.0	12.7
Bond	11.8	6.3	7.9
--Lehman Aggregate	11.2	6.3	7.5
International Stock	-22.1	-0.2	3.5
--Composite Index	-23.9	-0.7	1.9
Real Estate (Basic Funds only)	15.8	10.5	15.4
Private Equity (Basic Funds only)	-7.0	10.0	20.5
Resource (Basic Funds only)	35.8	7.1	16.6

52

INVESTMENT ALLOCATION (AT JUNE 30, 2001) *

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 Equity	47.9%	45.0%	52.6%	50.0%
International Equity	13.9	15.0	14.2	15.0
Bond	24.2	24.0	28.8	27.0
Alternative Assets**	13.1	15.0	3.4	5.0
Cash	0.9	1.0	1.0	3.0
Total	100.0%	100.0%	100.0%	100.0%

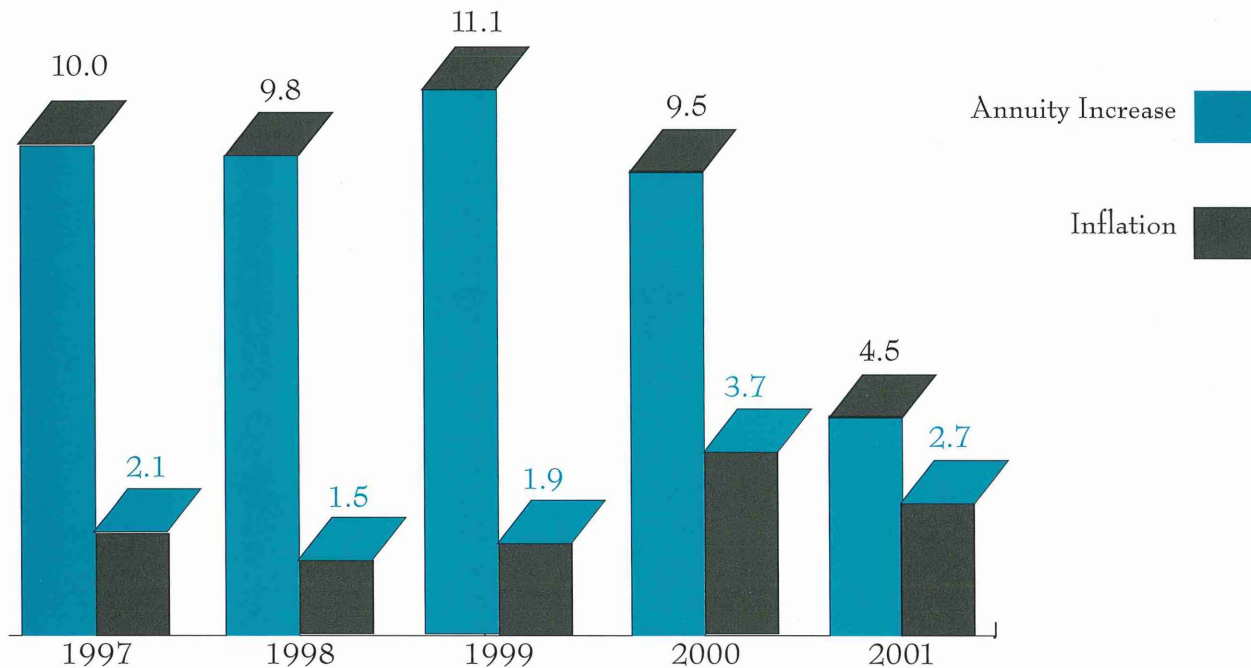
* Source: Minnesota State Board of Investment, fiscal year 2001 annual report.

** 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, 2001. Increases are effective January 1 of the calendar year.



INVESTMENT PERFORMANCE

FUNDS

RATES OF RETURN (ANNUALIZED)

	FY2001	Three-Year	Five-Year
Basic (active accounts)	-7.4%	4.5%	11.2%
Basic Composite Market Index	-8.4	4.5	10.7
Post-Retirement Investment (retiree accounts)	-6.9	4.2	10.3
MPRIF Composite Market Index	-8.0	4.2	9.7
Combined (both) *	-7.1	4.4	10.8
Combined Composite Market Index	-8.2	4.4	10.2

*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, 2001)**COMPOSITE HOLDINGS OF 10 LARGEST EQUITIES (BY MARKET VALUE)**

Security	Percent of Portfolio
General Electric Co.	5.11%
Microsoft Corp.	3.99
Citigroup Inc.	3.66
Exxon Mobil Corp.	3.14
Pfizer Inc.	3.04
AOL Time Warner	2.97
Intel Corp.	2.20
Wal Mart Stores Inc.	2.15
American International Group, Inc.	2.12
Cisco Systems Inc.	2.08

COMPOSITE HOLDINGS OF 10 LARGEST BONDS (BY MARKET VALUE)

Security	Coupon Rate	Maturity Date	Rating	Percent of Portfolio
GNMA	6.50%	12/15/2099	AAA	4.85%
FNMA	7.50	12/31/2099	AAA	3.35
FNMA	6.00	12/31/2099	AAA	3.25
GNMA	7.00	12/31/2099	AAA	3.00
FNMA	6.50	12/01/2099	AAA	2.59
FHLMC	6.50	12/31/2029	AAA	2.31
United States Treasury Bonds	3.62	04/15/2028	AAA	2.21
United States Treasury Bonds	8.50	02/15/2020	AAA	2.16
FNMA	7.00	12/31/2099	AAA	1.83
FNMA	8.50	12/31/2029	AAA	1.75

MSRS assets are commingled in various investment accounts administered by the Minnesota State Board of Investment (SBI). 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 investment activity and a listing of specific investments held by the various investment pools is available from SBI.

INVESTMENT SUMMARY AT FAIR VALUE

(AS OF JUNE 30, 2001)

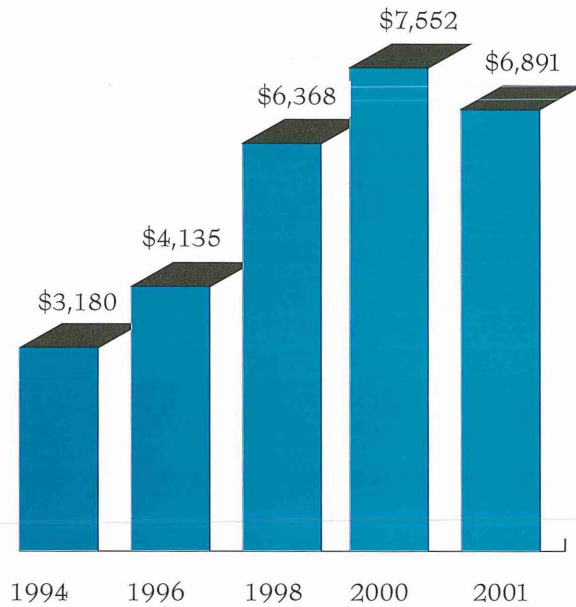
	FAIR VALUE JUNE 30, 2000	(In Thousands) FAIR VALUE JUNE 30, 2001	PERCENT OF PORTFOLIO
STATE EMPLOYEES RETIREMENT FUND:			
external domestic equity	\$1,593,251	\$1,404,220	33%
passive domestic equity	722,824	597,465	14
global equity	673,212	585,299	14
fixed income	1,135,624	1,013,609	25
real estate	168,015	158,701	4
resources	42,117	63,645	2
venture capital	310,008	311,991	8
Total	<u>\$4,645,051</u>	<u>\$4,134,930</u>	<u>100%</u>
STATE PATROL RETIREMENT FUND:			
external domestic equity	\$97,606	\$82,656	34%
passive domestic equity	44,282	35,305	14
global equity	41,243	34,410	14
fixed income	69,571	59,717	24
real estate	10,293	9,443	4
resources	2,580	3,782	2
venture capital	18,992	18,547	8
Total	<u>\$284,567</u>	<u>\$243,860</u>	<u>100%</u>
CORRECTIONAL EMPLOYEES RETIREMENT FUND:			
external domestic equity	\$94,734	\$86,893	33%
passive domestic equity	42,979	36,971	14
global equity	40,029	36,218	14
fixed income	67,524	62,722	25
real estate	9,990	9,828	4
resources	2,504	3,936	2
venture capital	18,433	19,305	8
Total	<u>\$276,193</u>	<u>\$255,873</u>	<u>100%</u>
JUDGES RETIREMENT FUND:			
external domestic equity	\$8,853	\$8,120	33
passive domestic equity	4,016	3,455	14
global equity	3,741	3,385	14
fixed income	6,310	5,861	25
real estate	934	918	4
resources	234	368	2
venture capital	1,723	1,804	8
Total	<u>\$25,811</u>	<u>\$23,911</u>	<u>100%</u>

FAIR VALUE OF ASSETS

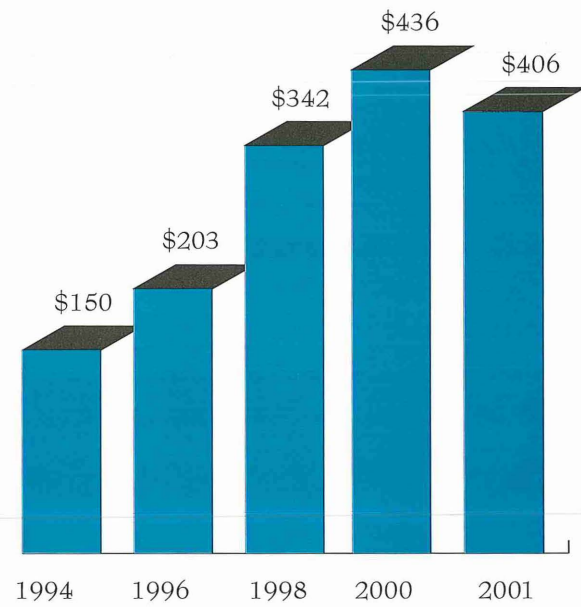
FAIR VALUE OF MSRS' FOUR LARGEST FUNDS (AS OF JUNE 30, 2001)

(In Millions)

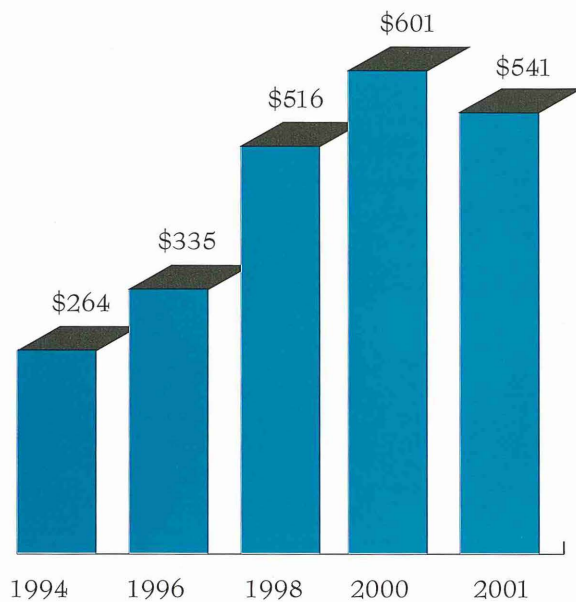
State Employees Retirement Fund



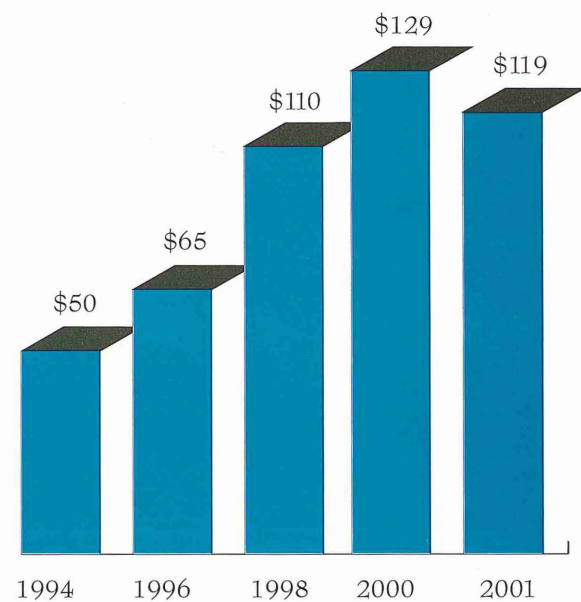
Correctional Employees Retirement Fund



State Patrol Retirement Fund



Judges Retirement Fund





ACTUARIAL SECTION

57

6 STAIR 4 PLAN @ LEVEL P2
1/4" = 1'-0"

7 STAIR 4 PLAN @ LEVEL P3
1/4" = 1'-0"

NOTE:
PROVIDE WASHES AT
LANDINGS TO MAINTAIN LEVEL
CONDITION AT PERIMETER OF
STAIR OPENING

ACTUARY'S CERTIFICATION LETTER

A MILLIMAN GLOBAL FIRM



Milliman USA
Consultants and Actuaries

15800 Bluemound Road, Suite 400
Brookfield, WI 53005-6069
Tel +1 262 784.2250
Fax +1 262 784.7287
www.milliman.com

December 7, 2001

Board of Trustees
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, 2001.

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 51.14%. The ESORF no longer has any active participants. The level dollar deficiency for the ESORF, based on full funding by 2020, is \$371,000. 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 GASB Statement 25 and statutory provisions and the Standards of Actuarial Work in effect on July 1, 2001. In the aggregate, the basic financial and membership data provided to us by the system office appears reasonable in comparison to last year. We have relied upon the data as submitted in performing the actuarial valuation and in preparing the trend data schedules. It is our understanding that the data has subsequently been audited with no significant changes made.

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.

Board of Trustees
December 7, 2001
Page Two

The following table shows the date for full funding for each of the plans and the funding percentage for the 2001 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

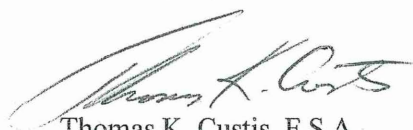
Fund	Funding Date	Funded Percentage
SERF	2030	112%
SPRF	2030	117
CERF	2030	108
LRF	N/A	57
ESORF	N/A	5
JRF	2020	75

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.

I, Thomas K. Custis, am an actuary for Milliman USA. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Milliman USA



Thomas K. Custis, 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, 2001)

(In Thousands)

	STATE EMPLOYEES FUND	STATE PATROL FUND	CORRECTIONAL EMPLOYEES FUND	JUDGES FUND	LEGISLATORS FUND	STATE ELECTIVE OFFICERS FUND*
Active members:						
retirement annuities	\$3,072,184	\$166,419	\$213,703	\$56,805	\$17,704	\$0
disability benefits	126,003	9,229	11,103	2,546	0	0
survivor benefits	72,312	4,065	3,890	2,090	171	0
deferred retirements	141,757	1,172	12,104	0	1,290	0
refunds	(72,764)	(537)	(5,447)	197	(386)	0
Totals	\$3,339,492	\$180,348	\$235,353	\$61,638	\$18,779	\$0
Deferred retirements	447,755	3,822	18,090	744	8,309	623
Former members not vested	7,086	26	284	1	69	0
Annuityants in MPRIF	2,771,952	303,600	144,906	89,568	36,306	0
Annuityants not in MPRIF	2,255	1,687	0	13,293	11,609	3,152
Unclassified Plan						
Contingent Liability	4,653	0	0	0	0	0
Total required reserves	\$6,573,193	\$489,483	\$398,633	\$165,244	\$75,072	\$3,775

**ACTUAL CONTRIBUTION RATES AS COMPARED TO ACTUARIALLY
RECOMMENDED RATES**

	ACTUAL CONTRIBUTION RATES			RECOMMENDED	SUFFICIENCY
	EMPLOYEE	EMPLOYER	TOTAL	RATE	(DEFICIENCY)
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	26.72	1.78
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 CHANGES IN UNFUNDED ACTUARIAL ACCRUED LIABILITIES (UAAL) (YEAR ENDED JUNE 30, 2001)

(In Thousands)

	STATE EMPLOYEES FUND	STATE PATROL FUND	CORRECTIONAL EMPLOYEES FUND	STATE JUDGES FUND	LEGISLATORS FUND	ELECTIVE STATE OFFICERS FUND
A. UAAL, at the Beginning of the Year, July 1, 2000	(638,462)	(70,189)	(27,079)	42,547	32,099	3,336
B. Change Due to Interest Requirements and Current Rate of Funding						
1. Normal Cost and Expenses	169,581	11,829	18,951	4,635	1,128	2
2. Contribution	(147,726)	(10,311)	(16,648)	(9,955)	(5,566)	(330)
3. Interest on A, B1, and B2	(53,340)	(5,902)	(2,204)	3,390	2,540	270
4. Totals (B1+B2+B3)	(31,485)	(4,384)	99	(1,930)	(1,898)	(58)
C. Expected UAAL at End of the Year (A+B)	(669,947)	(74,573)	(26,980)	40,617	30,201	3,278
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations From the Expected						
1. Salary Increases	(108,969)	(10,122)	(12,263)	(720)	569	0
2. Investment Return	(29,406)	(2,005)	(2,628)	(2)	562	14
3. MPRIF Mortality	(3,676)	2,911	(3,332)	996	658	0
4. Mortality of Other Benefit Recipients	(112)	248	0	608	(553)	65
5. Other Items	13,977	209	12,702	156	1,027	217
6. Totals	(128,186)	(8,759)	(5,521)	1,038	2,263	296
E. UAAL at the End of the Year Before Plan Amendments and Changes in Actuarial Assumptions (C+D6)	(798,133)	(83,332)	(32,501)	41,655	32,464	3,574
F. Change in Unfunded Actuarial Accrued Liabilities Due to Changes in Actuarial Methods	0	0	0	0	0	0
G. Change in Unfunded Actuarial Accrued Liabilities Due to Recognition of Unclassified Plan Contingent Liability	4,653	0	0	0	0	0
H. UAAL at the End of the Year, June 30, 2001 (E+F+G)	(793,480)	(83,332)	(32,501)	41,655	32,464	3,574

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

VALUATION DATE	NUMBER	ANNUAL PAYROLL	AVERAGE ANNUAL PAY	PERCENT INCREASE IN AVERAGE PAY
-------------------	--------	-------------------	-----------------------	------------------------------------

STATE EMPLOYEES RETIREMENT FUND:

06-30-92	49,214	\$1,409,108,000	\$28,632	3.83%
06-30-93	48,830	1,482,005,000	30,350	6.00
06-30-94	49,365	1,536,978,000	31,135	2.59
06-30-95	49,705	1,514,177,000	30,463	-2.16
06-30-96	49,914	1,560,369,000	31,261	2.62
06-30-97	46,289	1,568,747,000	33,890	8.41
06-30-98	46,299	1,577,880,000	33,648	-0.71
06-30-99	47,168	1,649,469,000	34,970	3.93
06-30-00	47,920	1,733,054,000	36,166	3.42
06-30-01	49,229	1,834,042,000	37,255	3.01

STATE PATROL RETIREMENT FUND:

06-30-92	795	\$32,882,000	41,361	3.39
06-30-93	781	35,765,000	45,794	10.72
06-30-94	788	35,341,000	44,849	-2.06
06-30-95	803	37,518,000	46,722	4.18
06-30-96	777	41,476,000	53,380	14.25
06-30-97	795	41,996,000	52,825	-1.04
06-30-98	806	43,456,000	53,916	2.06
06-30-99	825	48,333,000	54,949	1.92
06-30-00	830	48,167,000	58,033	5.61
06-30-01	823	48,935,000	59,459	2.46

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

06-30-92	1,573	47,592,000	30,256	1.92
06-30-93	1,618	52,122,000	32,214	6.47
06-30-94	1,761	54,673,000	31,047	-3.62
06-30-95	2,117	66,939,000	31,620	1.85
06-30-96	2,264	72,959,000	32,226	1.92
06-30-97	2,600	112,408,000	43,234	34.16
06-30-98	2,817	105,796,000	37,556	-13.13
06-30-99	2,882	106,131,000	36,825	-1.95
06-30-00	3,098	112,587,000	36,342	-1.31
06-30-01	3,182	120,947,000	38,010	4.59

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

VALUATION DATE	NUMBER	ANNUAL PAYROLL	AVERAGE ANNUAL PAY	PERCENT INCREASE IN AVERAGE PAY
JUDGES RETIREMENT FUND:				
6/30/92	271	22,765,000	84,004	23.65
6/30/93	267	22,084,000	82,712	-1.54
6/30/94	265	22,264,000	84,015	1.58
6/30/95	271	22,877,000	84,417	0.48
6/30/96	280	22,421,000	80,075	-5.14
6/30/97	279	22,909,000	82,111	2.54
6/30/98	278	24,965,000	89,802	9.37
6/30/99	282	32,940,000	116,809	30.07
6/30/00	282	26,315,000	93,316	-20.11
6/30/01	292	28,246,000	96,733	3.66
LEGISLATORS RETIREMENT FUND:				
6/30/92	200	6,556,000	32,780	-7.43
6/30/93	200	7,322,000	36,610	11.68
6/30/94	201	6,589,000	32,781	-10.46
6/30/95	198	7,056,000	35,636	8.71
6/30/96	201	6,267,000	31,179	-12.51
6/30/97	201	7,767,000	38,642	23.93
6/30/98	199	6,802,000	34,181	-11.54
6/30/99	180	7,490,000	41,611	21.74
6/30/00	173	5,808,000	33,572	-19.32
6/30/01	139	5,858,000	42,144	25.53
ELECTIVE STATE OFFICERS RETIREMENT FUND:				
6/30/92	6	378,000	75,167	6.87
6/30/93	6	500,000	77,000	2.44
6/30/94	6	411,000	77,000	0.00
6/30/95	6	422,000	75,333	-2.16
6/30/96	6	456,000	79,167	5.09
6/30/97	6	467,000	80,500	1.68
6/30/98	6	461,000	83,333	3.52
6-30-99 *	0	0	0	N/A
6-30-00 *	0	0	0	N/A
6-30-01 *	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:						
06-30-92	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
06-30-01	1,412	735	19,978	270,558,000	13.76	13,543

STATE PATROL RETIREMENT FUND:

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
06-30-01	60	25	745	29,935,000	16.08	40,181

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
06-30-01	100	39	808	14,911,000	20.11	18,454

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:

06-30-92	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
06-30-01	17	9	247	12,228,000	10.33	49,506

LEGISLATORS RETIREMENT FUND:

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
06-30-01	21	8	293	4,857,000	15.29	16,577

ELECTIVE STATE OFFICERS RETIREMENT FUND:

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
06-30-01	0	0	13	330,000	8.91	25,385

SOLVENCY TEST – FUNDING RATIO

(In Thousands)

VALUATION DATE	(1) ACTIVE MEMBER CONTRIBUTIONS AGGREGATE	(2) RETIREES AND BENEFICIARIES ACCRUED	(3) EMPLOYER FINANCED PORTION LIABILITIES	(4) REPORTED ASSETS	PORTION COVERED BY REPORTED ASSETS			FUNDING RATIO
					(1)	(2)	(3)	

STATE EMPLOYEES RETIREMENT FUND:

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	103.6
06-30-99	688,560	2,057,419	2,718,228	5,968,692	100	100	118.6	109.2
06-30-00	722,921	2,462,329	2,920,453	6,744,165	100	100	121.9	110.5
06-30-01	762,784	2,771,952	3,038,457	7,366,673	100	100	126.1	112.1

STATE PATROL RETIREMENT FUND:

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	144,611	472,687	100	100	146.0	116.4
06-30-00	36,373	265,053	156,958	528,573	100	100	144.7	115.3
06-30-01	37,145	303,600	148,738	572,815	100	100	156.0	117.0

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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	168,581	335,408	100	100	116.7	109.1
06-30-00	43,787	124,401	191,697	386,964	100	100	114.1	107.5
06-30-01	48,133	144,906	205,594	431,134	100	100	115.8	108.2

SOLVENCY TEST – FUNDING RATIO

(In Thousands)

VALUATION DATE	(1) ACTIVE MEMBER CONTRIBUTIONS AGGREGATE	(2) RETIREES AND BENEFICIARIES ACCRUED	(3) EMPLOYER FINANCED PORTION LIABILITIES	(4) REPORTED ASSETS	PORTION COVERED BY REPORTED ASSETS			FUNDING RATIO
					(1)	(2)	(3)	

JUDGES RETIREMENT FUND:

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	70.0
06-30-00	13,740	81,323	58,597	111,113	100	100.0	27.4	72.3
06-30-01	15,157	89,568	54,911	123,589	100	100.0	34.4	77.4

LEGISLATORS RETIREMENT FUND:

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	20,729	37,265	100	72.7	0	53.7
06-30-01	6,924	36,306	31,842	42,608	100	98.3	0	56.8

ELECTIVE STATE OFFICERS RETIREMENT FUND:

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	537	198	100.0	1.4	0	5.9
06-30-00	194	2,963	572	199	100.0	0.2	0	5.6
06-30-01	194	3,152	623	201	100.0	0.2	0	5.3

SUMMARY OF UNFUNDED ACCRUED LIABILITY (UAL)

VALUATION DATE	AGGREGATE ACCRUED LIABILITIES	REPORTED ASSETS	UNFUNDED ACCRUED LIABILITY	MEMBER PAYROLL	UAL AS A PERCENT PAYROLL
-------------------	----------------------------------	--------------------	----------------------------------	----------------	--------------------------------

STATE EMPLOYEES RETIREMENT FUND:

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
06-30-01	6,573,193	7,366,673	(793,480)	1,967,814	40.3

STATE PATROL RETIREMENT FUND:

70	06-30-92	\$233,656	\$222,314	\$11,342	\$7,113	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
	06-30-01	489,483	572,815	(83,332)	51,574	161.6

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
06-30-01	398,633	431,134	(32,501)	127,835	25.4

SUMMARY OF UNFUNDED ACCRUED LIABILITY (UAL)

VALUATION DATE	AGGREGATE ACCRUED LIABILITIES	REPORTED ASSETS	UNFUNDED ACCRUED LIABILITY	MEMBER PAYROLL	UAL AS A PERCENT PAYROLL
-------------------	----------------------------------	--------------------	----------------------------------	----------------	--------------------------------

JUDGES RETIREMENT FUND:

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
06-30-01	159,636	123,589	36,047	28,707	125.6

LEGISLATORS RETIREMENT FUND:

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
06-30-01	75,072	42,608	32,464	5,646	575.0

ELECTIVE STATE OFFICERS FUND:*

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
06-30-01	3,775	201	3,574	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
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	INCREASES

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	5.25
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
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	INCREASES

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.



STATISTICAL SECTION

75

THIRD FLOOR PLAN

LEVEL P3 RAMP CORE REFLECTED CEILING PLAN

REVENUES BY SOURCES

(In Thousands)

YEAR ENDED JUNE 30	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME	OTHER	TOTAL	ACTUAL COVERED PAYROLL	PERCENTAGE EMPLOYER CONTRIBUTIONS
--------------------------	---------------------------	---------------------------	----------------------	-------	-------	------------------------------	---

STATE EMPLOYEES RETIREMENT FUND:

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	4.19
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	1,733,054	4.00
2001	74,364	73,362	(529,082)	7,408	(373,948)	1,834,042	4.00

STATE PATROL RETIREMENT FUND:

1992	\$2,795	\$4,893	\$24,569	\$0	\$32,257	\$32,882	14.88%
1993	3,040	5,288	22,595	0	30,923	35,765	14.79
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	43,456	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	48,167	12.60
2001	4,146	6,166	(40,928)	1	(30,615)	48,935	12.60

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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	112,408	8.12
1998	5,954	8,146	58,451	6,375	78,926	105,796	7.80
1999	6,378	8,172	39,182	2,518	56,250	106,131	7.70
2000	6,526	8,984	39,972	6,953	62,435	112,587	7.98
2001	6,996	9,651	(31,082)	1,128	(13,307)	120,947	7.98

REVENUES BY SOURCES

(In Thousands)

YEAR ENDED JUNE 30	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME	OTHER	TOTAL	ACTUAL COVERED PAYROLL	PERCENTAGE EMPLOYER CONTRIBUTIONS
JUDGES RETIREMENT FUND:							
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	32,940	16.09
2000	2,107	5,398	10,203	1,910	19,618	26,315	20.51
2001	2,162	5,790	(8,384)	2,013	1,581	28,246	20.50

LEGISLATORS RETIREMENT FUND:

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	5,808	N/A
2001	527	0	(2,414)	5,041	3,154	5,858	N/A

ELECTIVE STATE OFFICERS RETIREMENT FUND*:

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	N/A*	N/A
2001*	0	0	0	333	333	N/A*	N/A

*The Elective State Officers Plan has no active members.

EXPENSES BY TYPE

(In Thousands)

YEAR ENDED JUNE 30	BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	OTHER	TOTAL
STATE EMPLOYEES RETIREMENT FUND:					
1992	\$95,010	\$1,590	\$7,886	\$3,132	\$107,618
1993	104,361	1,786	8,116	3,339	117,618
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
2001	270,558	3,738	9,750	3,197	287,243

STATE PATROL RETIREMENT FUND:

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
2001	29,935	90	1	249	30,275

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
2001	14,911	240	660	261	16,072

EXPENSES BY TYPE

(In Thousands)

YEAR ENDED JUNE 30	BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	OTHER	TOTAL
JUDGES RETIREMENT FUND:					
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
2001	12,228	41	17	54	12,340
LEGISLATORS RETIREMENT FUND:					
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
2001	4,857	29	72	32	4,990
ELECTIVE STATE OFFICERS RETIREMENT FUND:					
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
2001	330	1	6	0	331

ACTIVE EMPLOYEES AVERAGE AGE TABLES

(THESE STATISTICS ARE NOT AVAILABLE FOR THE LEGISLATORS PLAN)

AVERAGES FOR NEW MEMBERS							AVERAGES FOR ALL MEMBERS					
YEAR ENDED	ENTRY AGE			ENTRY AGE			ATTAINED AGE			SERVICE CREDIT		
	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE	FEMALE	TOTAL
STATE EMPLOYEES RETIREMENT FUND:												
06-30-92	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
06-30-01	34.7	33.7	34.1	31.8	31.4	31.6	45.4	43.4	44.3	12.7	10.4	11.5
STATE PATROL RETIREMENT FUND:												
06-30-92	N.A.	N.A.	N.A.	27.1	26.6	27.1	41.3	35.9	41.1	14.3	9.2	14.0
06-30-93	N.A.	N.A.	N.A.	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
06-30-01	33.1	33.2	33.1	28.2	28.2	28.2	41.0	37.9	40.7	12.7	9.5	12.5
CORRECTIONAL EMPLOYEES RETIREMENT FUND:												
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
06-30-01	33.1	34.9	33.9	31.0	34.4	32.2	40.7	40.2	40.5	9.2	5.5	7.9
JUDGES RETIREMENT FUND:												
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
06-30-01	49.8	44.0	48.2	43.8	41.8	43.4	55.5	50.8	54.4	11.1	8.9	10.6

EMPLOYEES ELIGIBLE TO AN IMMEDIATE ANNUITY

(AS OF JUNE 30, 2001)

	TOTAL
STATE EMPLOYEES' RETIREMENT FUND:	
- full benefit	423
- reduced benefit due to early retirement	5,158
- proportional benefit (age equal to or more than 65 and service years fewer than 10)	113
- Rule of 90	1,044
- vested employees not eligible to immediate benefit	28,625
- employees not vested	13,858
	<hr/>
Totals	49,221
STATE PATROL RETIREMENT FUND:	
- full benefit	19
- reduced benefit	113
- vested employees not eligible to immediate benefit	535
- employees not vested	156
	<hr/>
Totals	823
CORRECTIONAL EMPLOYEES' RETIREMENT FUND:	
- full benefit	90
- reduced benefit	384
- vested employees not eligible to immediate benefit	1,714
- employees not vested	994
	<hr/>
Totals	3,182
JUDGES' RETIREMENT FUND:	
- full benefit	14
- reduced benefit	9
- vested judges not eligible to immediate benefit	147
- judges not vested	122
	<hr/>
Totals	292
LEGISLATORS' RETIREMENT FUND:	
- full benefit	29
- reduced benefit	28
- vested members not eligible for an immediate benefit	60
- members not vested	22
	<hr/>
Totals	139
ELECTIVE STATE OFFICERS' RETIREMENT FUND:	
- no remaining active members as of June 30, 2001	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								
06-30-92	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
06-30-01	915	1,524	2,439	37.0	36.8	2.1	2.1	474

STATE PATROL RETIREMENT FUND:

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
06-30-01	1	0	1	25.9	-	0.4	-	0

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

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
06-30-01	73	63	136	35.7	35.4	2.8	1.1	29

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
06-30-01	1	0	1	64.7	-	6.0	-	1

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**STATE EMPLOYEES RETIREMENT FUND**

MONTHLY BENEFIT AMOUNT	NUMBER OF RETIREEES	RETIREMENT TYPE					OPTION SELECTED			
		1	2	3	4	5	LIFE	I	II	III
\$0-499	5,487	4,508	323	581	0	75	3,590	1,649	184	64
500-999	5,199	4,054	426	665	2	52	3,243	1,750	172	34
1,000-1,499	3,539	2,914	252	353	0	20	2,024	1,411	84	20
1,500-1,999	2,338	2,026	84	213	2	13	1,168	1,114	38	18
2,000-2,499	1,431	1,272	22	127	0	10	635	765	21	10
2,500-2,999	909	816	13	76	1	3	361	536	5	7
3,000-3,499	514	477	1	31	1	4	208	293	6	7
3,500-3,999	284	261	1	19	1	2	112	169	1	2
4,000-4,499	137	127	1	9	0	0	43	92	1	1
4,500-4,999	78	73	0	4	0	1	29	48	1	0
5,000+	65	61	0	1	1	2	19	46	0	0
Totals	19,981	16,589	1,123	2,079	8	182	11,432	7,873	513	163

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

STATE PATROL RETIREMENT FUND

MONTHLY BENEFIT AMOUNT	NUMBER OF RETIREEES	RETIREMENT TYPE			OPTION SELECTED		
		1	2	3	LIFE	I	II
\$0-499	22	6	0	16	5	2	15
500-999	26	11	1	14	7	10	9
1,000-1,499	44	8	2	34	14	25	5
1,500-1,999	41	9	3	29	8	29	4
2,000-2,499	55	27	2	26	13	38	4
2,500-2,999	58	39	5	14	25	29	4
3,000-3,499	71	56	4	11	21	46	4
3,500-3,999	122	111	3	8	37	82	3
4,000-4,499	115	107	2	6	52	60	3
4,500-4,999	95	89	2	4	58	37	0
5,000+	96	93	1	2	61	35	0
Totals	745	556	25	164	301	393	51

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 RETIREEES	RETIREMENT TYPE			OPTION SELECTED			
		1	2	3	LIFE	I	II	III
0-499	111	86	3	22	68	29	14	0
500-999	138	107	13	18	80	49	8	1
1000-1499	177	132	32	13	123	49	5	0
1500-1999	139	108	28	3	92	45	1	1
2000-2499	95	79	14	2	62	31	2	0
2500-2999	70	66	2	2	50	20	0	0
3000-3499	43	43	0	0	30	13	0	0
3500-3999	23	23	0	0	15	8	0	0
4000-4499	7	6	0	1	6	1	0	0
4500-4999	2	2	0	0	1	1	0	0
5000+	3	3	0	0	2	1	0	0
Totals	808	655	92	61	529	247	30	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

JUDGES RETIREMENT FUND

MONTHLY BENEFIT AMOUNT	NUMBER OF RETIREEES	RETIREMENT TYPE			OPTION SELECTED			
		1	2	3	LIFE	I	II	III
0-499	0	0	0	0	0	0	0	0
500-999	8	2	0	6	6	0	2	0
1000-1499	10	4	0	6	5	3	1	1
1500-1999	13	4	0	9	7	5	1	0
2000-2499	18	7	0	11	7	10	0	1
2500-2999	18	9	0	9	11	6	1	0
3000-3499	29	12	0	17	11	12	6	0
3500-3999	22	13	0	9	7	13	2	0
4000-4499	16	8	1	7	6	6	3	1
4500-4999	25	19	0	6	7	16	1	1
5000+	88	77	3	8	41	42	2	3
Totals	247	155	4	88	108	113	19	7

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	14	24
500-999	1	2	62	20
1000-1499	1	0	59	13
1500-1999	0	1	33	7
2000-2499	1	0	16	0
2500-2999	0	1	13	0
3000-3499	0	1	13	2
3500-3999	1	0	8	1
4000-4499	0	0	4	0
4500-4999	1	0	4	1
5000+	1	0	0	0
Totals	8	5	226	68

SCHEDULE OF NEW RETIREES AND INITIAL BENEFIT

PAID (FOR THE SIX FISCAL YEARS ENDING JUNE 30, 2001)**STATE EMPLOYEES RETIREMENT FUND**

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$85	\$232	\$390	\$572	\$766	\$960	\$1,490	\$665
Number of Current Retirees	112	108	160	168	173	103	150	974
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$92	\$281	\$422	\$611	\$842	\$1,138	\$1,592	\$745
Number of Current Retirees	120	105	155	144	154	110	165	955
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$91	\$256	\$470	\$693	\$951	\$1,147	\$1,828	\$895
Number of Current Retirees	161	119	138	151	171	121	273	1,134
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$92	\$305	\$462	\$706	\$946	\$1,291	\$1,788	\$920
Number of Current Retirees	138	130	139	164	177	137	274	1,159
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$95	\$296	\$529	\$747	\$991	\$1,336	\$1,976	\$1,017
Number of Current Retirees	173	127	166	146	201	148	334	1305
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$114	\$348	\$537	\$758	\$1,001	\$1,284	\$2,016	\$1,047
Number of Current Retirees	182	112	148	156	177	141	355	1271
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$96	\$287	\$468	\$680	\$920	\$1,208	\$1,838	\$897
Number of Current Retirees	886	701	906	929	1,053	760	1,551	6,798

STATE PATROL RETIREMENT FUND

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$173	\$0	\$0	\$0	\$1,935	\$2,475	\$3,394	\$2,480
Number of Current Retirees	1	0	0	0	4	17	5	27
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$0	\$0	\$0	\$1,838	\$2,125	\$3,020	\$3,028	\$2,913
Number of Current Retirees	0	0	0	1	1	12	5	19
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$0	\$631	\$689	\$2,379	\$2,477	\$3,193	\$3,846	\$3,215
Number of Current Retirees	0	2	1	2	2	23	18	48
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$0	\$0	\$0	\$1,960	\$2,745	\$3,526	\$3,779	\$3,472
Number of Current Retirees	0	0	0	6	6	23	25	57
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$249	\$0	\$1,431	\$2,240	\$2,891	\$3,864	\$4,085	\$3,410
Number of Current Retirees	2	0	2	15	11	14	16	46
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$517	\$776	\$878	\$2,462	\$2,934	\$3,979	\$4,168	\$3,466
Number of Current Retirees	2	2	1	1	7	13	17	43
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$341	\$703	\$1,107	\$2,176	\$2,698	\$3,321	\$3,861	\$3,252
Number of Current Retirees	5	4	4	25	31	102	86	240

SCHEDULE OF NEW RETIREES AND INITIAL BENEFIT PAID (FOR THE SIX FISCAL YEARS ENDING JUNE 30, 2001)

CORRECTIONAL EMPLOYEES RETIREMENT FUND

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$522	\$2,068	\$965	\$2,089	\$2,433	\$3,322	\$3,303	\$2,305
Number of Current Retirees	1	5	3	11	2	6	3	31
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$414	\$856	\$1,390	\$2,062	\$2,620	\$2,710	\$2,968	\$1,592
Number of Current Retirees	10	8	9	9	10	2	2	50
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$445	\$608	\$1,046	\$1,310	\$1,919	\$3,126	\$2,212	\$1,387
Average Monthly Benefit10	11	8	23	23	4	4	83	
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$433	\$518	\$972	\$1,354	\$1,992	\$2,353	\$2,825	\$1,585
Number of Current Retirees	5	7	6	18	20	12	3	71
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$264	\$620	\$1,111	\$1,312	\$1,940	\$2,603	\$2,466	\$1,344
Number of Current Retirees	17	15	18	19	26	12	3	110
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$252	\$640	\$1,114	\$1,288	\$1,801	\$2,912	\$3,756	\$1,515
Number of Current Retirees	11	15	7	18	19	14	4	88
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$344	\$760	\$1,126	\$1,471	\$1,997	\$2,762	\$2,926	\$1,524
Number of Current Retirees	54	61	51	98	100	50	19	433

JUDGES RETIREMENT FUND

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$0	\$0	\$1,940	\$2,301	\$3,926	\$0	\$0	\$2,512
Number of Current Retirees	0	0	1	4	1	0	0	6
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$917	\$0	\$3,078	\$0	\$3,705	\$4,379	\$4,008	\$3,596
Number of Current Retirees	1	0	2	0	5	3	2	3
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$1,696	\$1,244	\$2,123	\$3,201	\$4,121	\$4,677	\$4,311	\$3,258
Number of Current Retirees	1	1	3	1	2	3	1	12
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$700	\$0	\$2,771	\$3,382	\$4,341	\$4,724	\$4,403	\$3,605
Number of Current Retirees	1	0	1	2	2	1	2	9
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$0	\$1,362	\$1,719	\$2,976	\$3,670	\$4,556	\$0	\$3,338
Number of Current Retirees	0	1	1	2	2	3	0	9
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$0	\$0	\$2,240	\$3,372	\$4,084	\$0	\$0	\$3,387
Number of Current Retirees	0	0	3	3	5	0	0	11
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$1,104	\$1,303	\$2,334	\$2,936	\$3,949	\$4,556	\$4,227	\$3,344
Number of Current Retirees	3	2	11	12	17	10	5	60

SCHEDULE OF NEW RETIREES AND INITIAL BENEFIT PAID (FOR THE SIX FISCAL YEARS ENDING JUNE 30, 2001)

LEGISLATORS RETIREMENT FUND

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$259	\$795	\$1,155	\$1,558	\$2,138	\$0	\$0	\$1,001
Number of Current Retirees	2	4	4	1	1	0	0	12
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$364	\$554	\$914	\$1,213	\$1,934	\$2,601	\$0	\$1,004
Number of Current Retirees	3	5	7	2	3	1	0	21
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$573	\$937	\$1,715	\$1,701	\$2,474	\$0	\$0	\$1,354
Number of Current Retirees	3	4	2	3	2	0	0	14
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$455	\$1,241	\$1,065	\$0	\$1,607	\$0	\$0	\$1,029
Number of Current Retirees	2	2	4	0	1	0	0	9
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$325	\$760	\$981	\$1,726	\$1,803	\$0	\$0	\$964
Number of Current Retirees	2	6	8	2	1	0	0	19
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$0	\$894	\$879	\$1,320	\$3,238	\$2,778	\$0	\$1,426
Number of Current Retirees	0	6	6	3	3	1	0	19
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$407	\$819	\$1,027	\$1,500	\$2,365	\$2,690	\$0	\$1,135
Number of Current Retirees	12	27	31	11	11	2	0	94

ELECTED STATE OFFICERS RETIREMENT FUND

	0-5	5-10	10-15	15-20	20-25	25-30	30+	TOTALS
PERIOD 7/1/95 TO 6/30/96:								
Average Monthly Benefit	\$162	\$0	\$0	\$0	\$0	\$0	\$0	\$162
Number of Current Retirees	1	0	0	0	0	0	0	1
PERIOD 7/1/96 TO 6/30/97:								
Average Monthly Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	0	0	0	0	0	0	0	0
PERIOD 7/1/97 TO 6/30/98:								
Average Monthly Benefit	\$934	\$0	\$0	\$0	\$0	\$0	\$0	\$934
Number of Current Retirees	1	0	0	0	0	0	0	1
PERIOD 7/1/98 TO 6/30/99:								
Average Monthly Benefit	\$0	\$2,036	\$0	\$0	\$4,315	\$0	\$0	\$3,556
Number of Current Retirees	0	1	0	0	1	0	0	2
PERIOD 7/1/99 TO 6/30/00:								
Average Monthly Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	0	0	0	0	0	0	0	0
PERIOD 7/1/00 TO 6/30/01:								
Average Monthly Benefit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	0	0	0	0	0	0	0	0
PERIOD 7/1/95 TO 6/30/01:								
Average Monthly Benefit	\$548	\$2,036	\$0	\$0	\$4,315	\$0	\$0	\$2,052
Number of Current Retirees	2	1	0	0	1	0	0	4

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

NOTES

Empire Drive

