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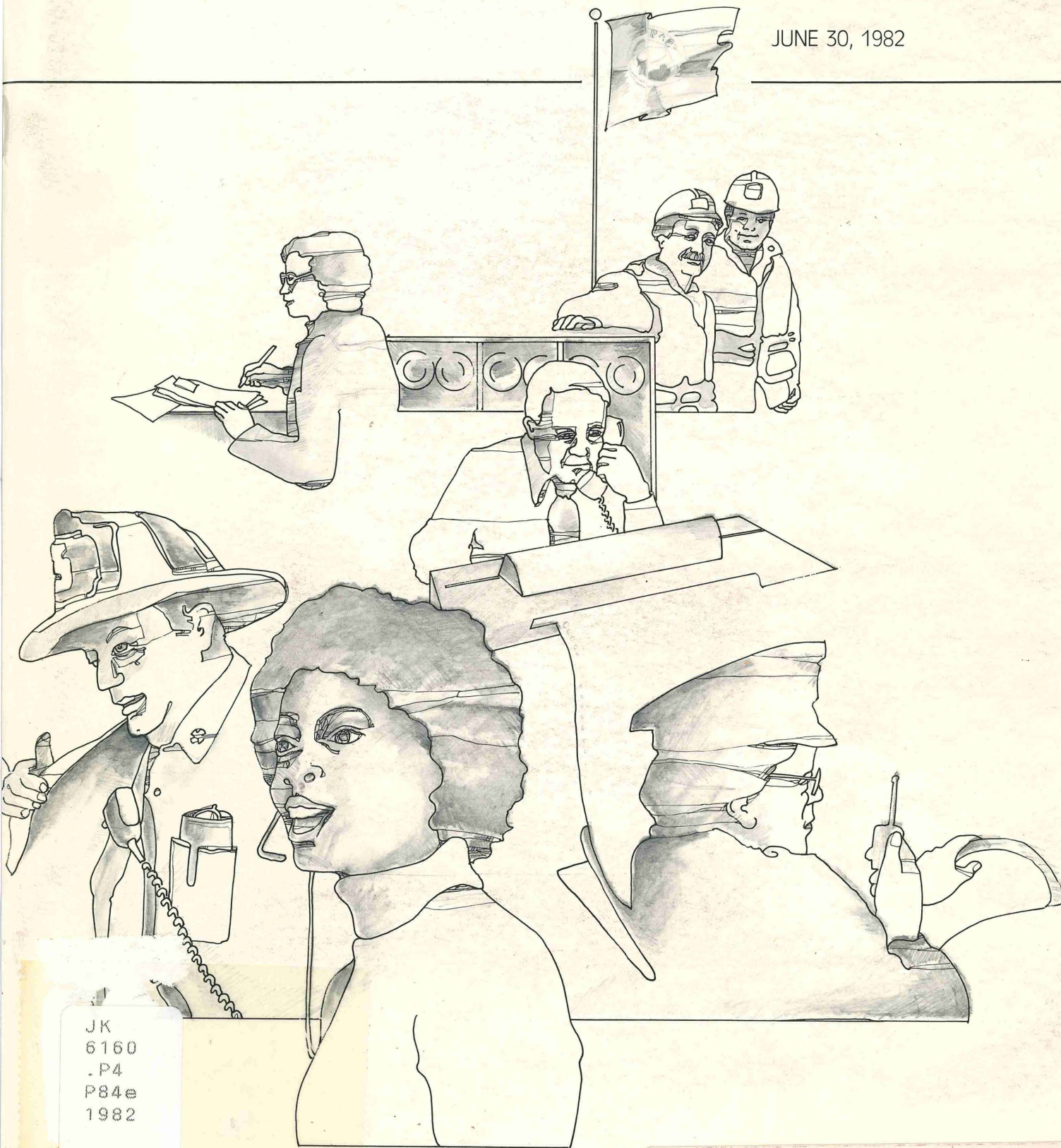
THE ANNUAL FINANCIAL REPORT FOR THE

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Public Employees Retirement Association

STATE OF MINNESOTA

JUNE 30, 1982



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Pursuant to M S 356., sd 1-3

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE Public Employees Retirement Association

STATE OF MINNESOTA
FOR THE
FISCAL YEAR ENDED
JUNE 30, 1982

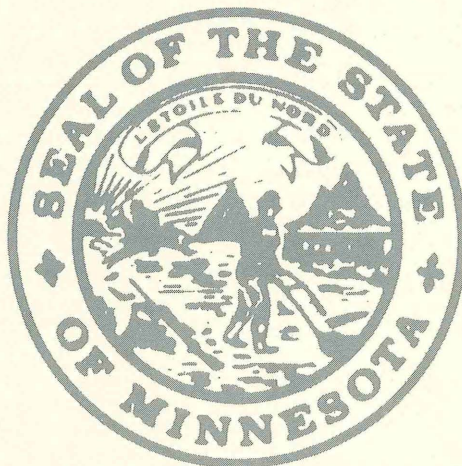
BOARD OF TRUSTEES

Elected Members

Donald J. Sandeen,
Chairperson, Austin
Clifford Dahl,
Vice Chairperson, Duluth
James Fleming, Richfield
William J. Meuwissen, Saint Paul
Cecil Halter, Brooklyn Center
Garland Nash, Austin
Deborah A. Feist, Burnsville
Joyce Marie Boman, Duluth
Theodore Griak, Duluth
Lamonte Dehn,
Police and Fire Fund Member
Charles Myhervold,
Annuitant Member

Appointed Members

James L. Jacobs
Minnesota School Boards Assn.
Stanley Peskar
League of Minnesota Cities
Morris J. Anderson
Assn. of Minnesota Counties
Richard Patterson
Labor Representative



C. Mike McLaren
Executive Director

Prepared by:
Finance Department

Paul L. Hayne
Assistant Executive Director

Gary B. Hovland
Manager, Finance

*Member of Municipal Finance Officers'
Association of the United States and
Canada*

Contents

Introductory Section

Administrative Organization	3
Letter of Transmittal	4
Chairman's Report	6
Board of Trustees	7
Summary of Retirement System Plan	8
Growth Chart	15

Financial Section

Legislative Auditor's Report	16
Combined Balance Sheet	18
Combined Statement of Revenues, Expenses, and Changes in Fund Balance	19
Combined Statement of Changes in Financial Position	20
Notes to Financial Statement	21
Combining Balance Sheet	24
Combining Statement of Revenues, Expenses, and Changes in Fund Balance	25
Combining Statement of Changes in Financial Position	26
Statement of Revenues, Expenses, and Changes in Fund Balance - Public Employees Retirement Fund	28
Statement of Revenues, Expenses, and Changes in Fund Balance - Public Employees Police and Fire Fund	29
Schedule of Administrative Expenses	30

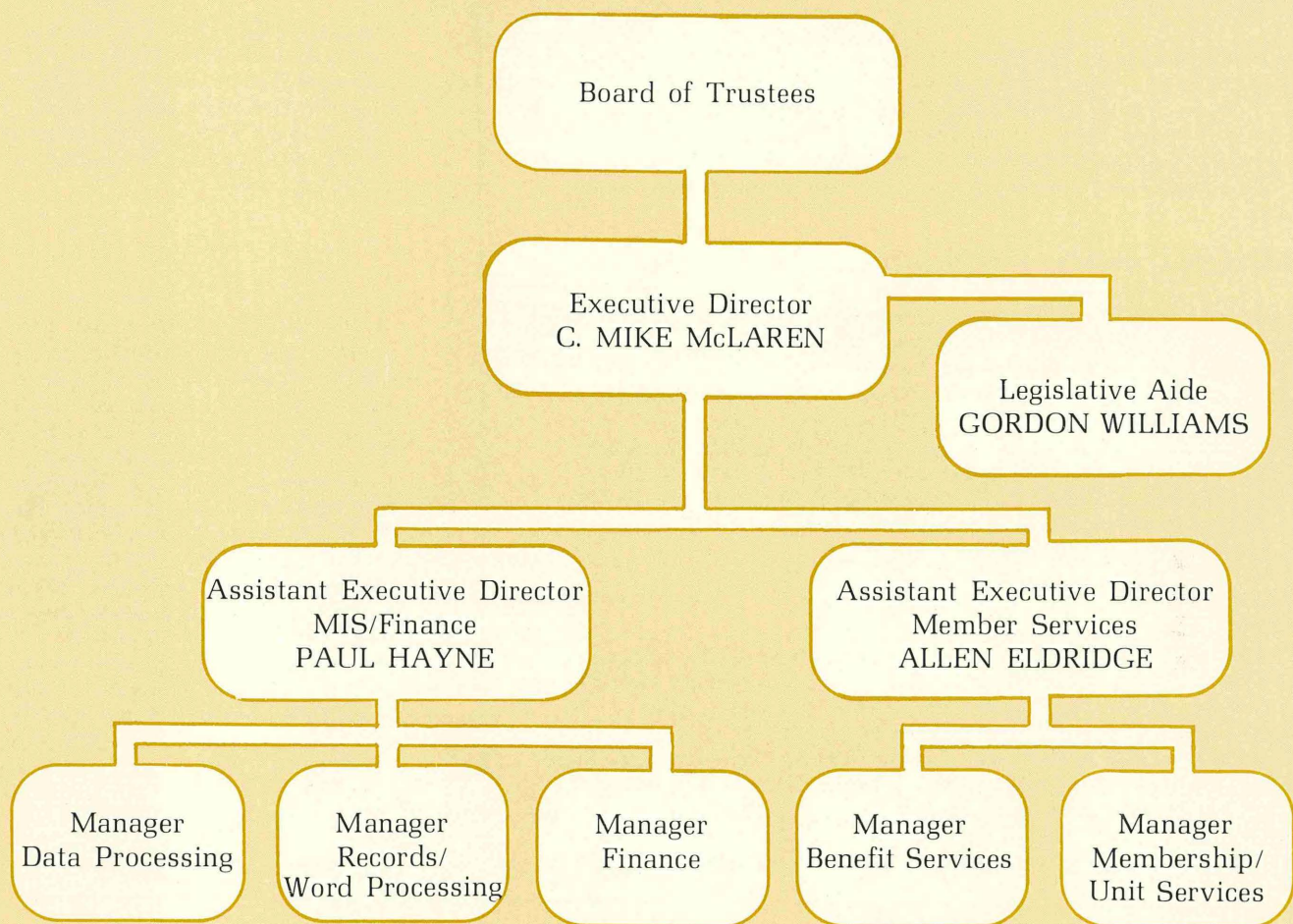
Actuarial Section

Actuary's Report	31
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Statistical Section

Revenue by Source	36
Revenue Ratios by Source of Revenue	37
Expense by Type	38
Benefit Expense by Type	39
Additions to Net Assets Available	40
Net Assets and Unfunded Obligations	41
Number of Participating Members and Benefit Recipients by Type of Benefit	42
Investment Portfolio Summary and Activity Public Employees Retirement Fund	44
Public Employees Police and Fire Fund	45
Investment Portfolio Listing	46
Participating Employers	60

Administrative Organization



Letter of Transmittal

C. MIKE MCLAREN
EXECUTIVE DIRECTOR



public employees retirement association

ASSETS — OVER \$1.5 BILLION . . . MEMBERSHIP — OVER 100,000

OFFICERS:
Donald J. Sandeen, Chairperson
Clifford Dahl, Vice Chairperson
James F. Lord, Treasurer
C. Mike McLaren, Executive Director

November 1, 1982

Board of Trustees
Public Employees Retirement Association
State of Minnesota
St. Paul, MN 55101

The Public Employees Retirement Association is proud to submit its Fifty-first Annual Report for fiscal year ended June 30, 1982. We trust this expanded format will be more informative and helpful in understanding your retirement system. The accompanying introductory information, financial statements, actuarial report, and statistical tables, including investment information, constitute this comprehensive annual report.

ACCOUNTING SYSTEM AND REPORTS

The report has been prepared to conform with the principles of governmental accounting and reporting pronounced by the National Council on Governmental Accounting and the American Institute of Certified Public Accountants in accordance with Minnesota Statutes, Section 356.20. Much consideration has been given to the adequacy of internal accounting controls. These controls are designed to provide reasonable assurance regarding the safekeeping and reliability of all financial records. Transactions of the Public Employees Retirement Fund and the Public Employees Police and Fire Fund are reported on the accrual basis of accounting.

REVENUES

Collection of employer and employee contributions, as well as income on investments, provide the reserves needed to finance retirement benefits. Contributions and investment income for fiscal year 1982 totaled \$240,773,312 for the Public Employees Retirement Fund, which is 7.3% over fiscal year 1981 revenue. The Public Employees Police and Fire Fund had contributions and investment income for fiscal year 1982 totaling \$38,958,120, or 10.9% more than fiscal year 1981 revenue. This increase in revenues resulted primarily from higher members' average earnings. Contribution rates from both employees and employers remained the same.

EXPENSES

The purpose for which a retirement system is created; namely, the payment of benefits, is its primary expense. Recurring benefit payments prescribed by the plan, refunds of contributions to terminated employees, and the cost of administering the association comprise the total expense. Expenses for fiscal year 1982 totaled \$67,116,498 for the Public Employees Retirement Fund, an increase of 15.8% over fiscal year 1981 expenses. For the Public Employees Police and Fire Fund, expenses for

fiscal year 1982 totaled \$5,391,854, which is 16.9% above fiscal year 1981 expenses. The increase in benefit expenses resulted mainly from a growth in the number of benefits paid and in the amount of the average benefit payment.

FUNDING

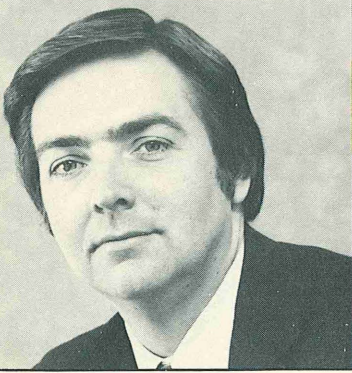
We are pleased to report that both the Public Employees Retirement Fund and the Public Employees Police and Fire Fund are among the best funded public programs in the United States. The bottom line for a retirement association is the level of funding. The better the level of funding, the larger the ratio of assets accumulated and the greater the level of investment income potential. Also, a better level of funding gives the participants a higher degree of assurance that their pension benefits are secure. The advantage of a well-funded plan is that the participants can look at assets that are irrevocably committed to the payment of benefits. Constant effort should be directed at improving maintaining that funding level, so participants are assured of a financially sound retirement association.

INVESTMENTS

A major contributor to the two funds is the investment portfolio. Income for both long-term and short-term investments for the Public Employees Retirement Fund amounted to \$117,582,773, which represented 48.3% of total revenue; and, for the Public Employees Police and Fire Fund, amounted to \$19,038,430, which

203 capitol square building 550 cedar street st. paul, minnesota 55101 (612) 296-7460

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION



Capital Incorporated, Chicago, Illinois. Legal counsel to the funds is the office of the State Attorney General. An annual financial audit of the funds is conducted by the Legislative Auditor of the state, and appropriate comments are included on Page 16 of this report. The State Treasurer serves as custodian of the invested assets of the funds. The firm of Morison International, Inc., acts as investment adviser.

represented 47.9% of total revenue. Pursuant to state law, public pension funds in Minnesota are required to use the time weighted total rate of return, which is the best method of comparing investment performance among managers of long-term funds. It measures total cash income and market appreciation or depreciation.

ANNUALIZED TIME WEIGHTED TOTAL RATE OF RETURN FISCAL YEAR ENDED JUNE 30, 1982

	1982	1981	1980	1979	1978	5 Years
Public Employees Retirement Fund	1.2	7.2	8.3	9.9	0.7	5.4
Public Employees Police and Fire Fund	1.7	7.3	8.4	9.9	1.3	5.6

1982 PENSION LAW AMENDMENTS

The following are the major changes in benefits enacted by the 1982 Legislature:

1. Rule of 90. Any person whose attained age plus credited allowable years of service total 90 is eligible for retirement annuity without reduction.
2. Reduction in penalty for early retirement. The penalty for any person retiring between ages 58 and 65 with at least 20 years of service credit, or retirement between ages 62 and 65 with at least 10 years of service credit, has been changed from an actuarial reduction to a reduction of 1/4% for each month under age 65.
3. The maximum monthly family survivor benefit has been increased to \$700 from \$450 per month. (Basic Fund)

FEDERAL LEGISLATION

Certain measures affecting public employee retirement systems are under consideration at the present time. One proposal is PERISA, Public Employees' Retirement Income Security Act, which would require certain reporting, disclosure, fiduciary responsibilities, and the establishment of an advisory council to recommend voluntary guidelines for funding and vesting of public pension funds. Another is mandatory Social Security coverage for public employees. The Board of Trustees has voiced its objection to these possible changes because they would infringe upon the responsibility of state and local governments and burden them with additional financial obligation.

PROFESSIONAL SERVICES

Actuarial Services are provided the Public Employees Retirement Association by Mr. Davis H. Roenisch of the firm of Compensation &

REPORTS TO THE MEMBERSHIP

An annual computer-prepared statement of accounts for the fiscal year ended June 30, 1982, was distributed to each active and deferred member in July 1982. This statement provided current and cumulative information regarding salaries, deductions, and service credit. Projected and deferred retirement, as well as disability and survivor benefit payment amounts, were also provided. In December 1982, a condensed Annual Report of the Association for the fiscal year ended June 30, 1982, will also be mailed to each active member of the association.

ACKNOWLEDGEMENTS

The combined effort of the Public Employees Retirement Association staff under the leadership of the Board of Trustees is reflected in the compilation of this report. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship for the assets contributed by the members and their employers.

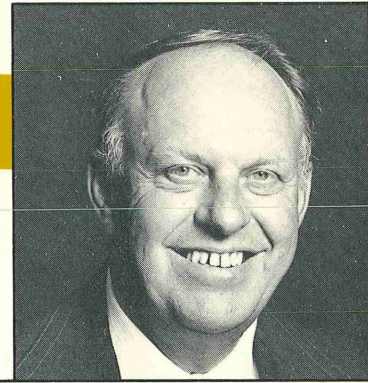
On behalf of the Board of Trustees, I would like to take this opportunity to express my gratitude to the staff, the advisers, and to the people who have worked so diligently to assure the successful operation of the association.

Respectfully submitted,

C. Mike McLaren
Executive Director

Chairman's Report

DONALD SANDEEN
CHAIRPERSON



ASSETS — OVER \$1.5 BILLION . . . MEMBERSHIP — OVER 100,000



OFFICERS:
Donald J. Sandeen, Chairperson
Clifford Dahl, Vice Chairperson
James F. Lord, Treasurer
C. Mike McLaren, Executive Director

November 1, 1982

TO ALL PUBLIC EMPLOYEES RETIREMENT MEMBERS:

The Public Employees Retirement Association experienced an outstanding period of achievement and growth in the 1981-82 fiscal year, as reflected in our Fifty-first Annual Report.

In the area of legislation, we secured retirement for our members under the "Rule of 90" (no reduction in annuity when age plus years of service total 90); less penalty for early retirement; and an increase in the maximum survivor benefit under the Basic Fund.

Other highlights of the year include:

- ...Implementation of Electronic Fund Deposit for payment of monthly benefits;
- ...Detailed Contributory Credit Statements;
- ...Weekly processing of annuity checks for new retirees.

Services which have proved very popular are our Pre-Retirement Member Conferences at which we personally counsel members preparing to retire, Employer Seminars designed to assist personnel and payroll managers, and Retiree Social Hours where we meet with benefit recipients. These meetings are being expanded into areas of the state not previously served to accommodate the requests of both governmental units and individual members.

Although we have made progress, we are continually reminded that additional improvements are needed if we are to insure the future adequacy of your pension. Indications are strong that the year ahead will offer opportunities to serve our members more effectively, and we are looking forward to this challenge.

At this point, I wish to acknowledge the commendable efforts of the following former Trustees who played a vital role in the progress of the association over the period covered by this report:

John Allers, Richfield (Labor Representative, 1978-1982)
Robert W. Larson, Brooklyn Park (Area One, 1973-1981)
Edward D. Picka, New Prague (Area Two, 1978-1981)
James C. Shipman, St. Paul (Association of Minnesota Counties, 1980-1982)

On behalf of all members of the Board and our Executive Director, I would like to extend a special note of thanks to each of you for your splendid cooperation in our past endeavors and to solicit your support of our plans for the years ahead.

Sincerely,


Donald J. Sandeen
Chairperson, Board of Trustees

203 capitol square building 550 cedar street st. paul, minnesota 55101 (612) 296-7460

Elected Members

AREA ONE

James Fleming, 12
6616 Russell Ave. S.
Richfield, MN 55423

William J. Meuwissen, 6
Superintendent of
Distribution, Water Dept.
City of St. Paul
City Hall
St. Paul, MN 55102

Cecil Halter, 14
6419 Indiana Ave. N.
Brooklyn Center, MN 55429

AREA TWO

Donald J. Sandeen, 11
Board Chairperson
ISD No. 492
202 Fourth Ave. N.E.
Austin, MN 55912

Garland Nash, 9
Municipal Utilities
303 16th St. N.W.
Austin, MN 55912

Deborah A. Feist, 3
804 Ottawa Ave.
St. Paul, MN 55107

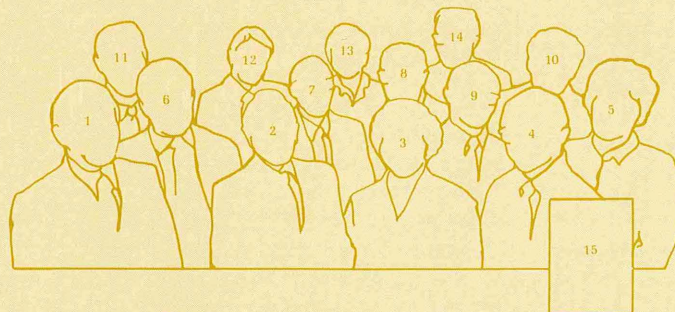
AREA THREE

Joyce Marie Boman, 5
Legislative Committee
Chairperson
c/o City Sales Tax
Room 105A, City Hall
Duluth, MN 55802

Clifford Dahl, 7
Board Vice Chairperson
261 Pike Lake
Duluth, MN 55811

Theodore (Ted) Griak, 8
Street Maintenance Div.
211 City Hall
Duluth, MN 55802

Board of Trustees



POLICE AND FIRE FUND MEMBER

Lamonte Dehn, 13
5712 Humboldt Ave. N.
Brooklyn Center, MN 55430

ANNUITANT MEMBER

Charles Myhervold, 2
305 East 58th Street
Minneapolis, MN 55419

Appointed Members

James L. Jacobs, 1
Minnesota School Boards
Association
P.O. Box 119
St. Peter, MN 56082

Morris J. Anderson, 15
Assoc. of Minnesota Counties
555 Park - Suite 300
St. Paul, MN 55103

Stanley Peskar, 4
League of Minnesota Cities
183 University Ave. E.
St. Paul, MN 55101

Richard E. Patterson, 10
Labor Representative
1592 E. Cottage Ave.
St. Paul, MN 55106

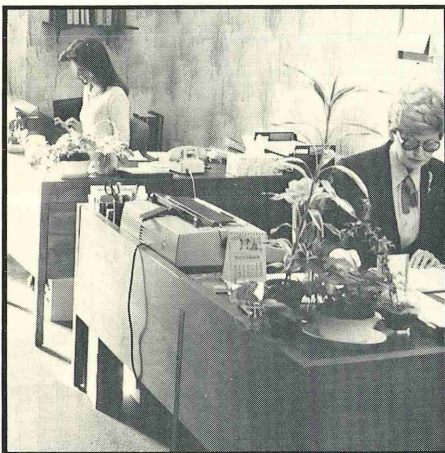


Summary of Retirement System Plan

Minnesota Public Employees Retirement Association

Purpose

The Minnesota Public Employees Retirement Association is a self-insured service organization which was established by the State Legislature to provide annuities, survivor benefits, and total and permanent disability benefits to over 100,000 qualified public employees and their beneficiaries throughout the state. These benefits are in addition to those provided by the Social Security Administration to coordinated members. It is also charged with the responsibility of administering the law in accordance with the expressed intent of the legislature and bears a fiduciary obligation to the State of Minnesota, the taxpayers, and the public employees who are its beneficiaries.



Administration

The administration of PERA is governed by a 15-member Board of Trustees consisting of 11 elected members (three each from three geographically designated areas of the state, one elected by the Police and Fire Fund, and one elected by the retirees and disabilitants), plus four appointed members (one each from the Minnesota School Boards Association, the League of Minnesota Cities, the Association of Minnesota Counties, and the labor union that represents the most PERA members).

The management of the association is vested in the Executive Director who, by statutory definition, is the administrative head. As such, he acts as advisor to the Board of Trustees on all matters pertaining to the association. With approval of the Board, he designates the Assistant Director(s), contracts for actuarial services, professional management services and consulting services as may be necessary, and fixes the compensation therefor. He serves as a member of the State Board of Investment Advisory Council and performs such other duties as are stipulated by statute.

Employer Membership

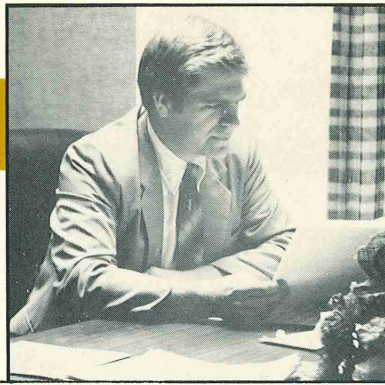
PERA serves approximately 2,100 separate units of government, including cities, counties, townships, school districts within the state, or any department or unit of state government whose revenues are derived from taxation, fees, assessments, or from other sources, except certain public authorities which are exempted by statute. These various governmental units have from one to over 7,500 members. PERA conducts seminars throughout the state on pre-scheduled dates for the benefit of personnel and payroll managers. There is no charge for attending the seminars, nor for a very comprehensive Procedural Manual which is provided to all units of government.

Employee Membership

Membership in PERA includes any person performing personal services for a governmental subdivision whose salary is paid in whole or in part from revenue derived from taxation, fees, assessments, or from other sources. There are three principal categories of membership:

COORDINATED FUND—All full-time and certain part-time employees who either elected coverage under Section 218(d) of the Social Security Act or who were automatically so covered by reason of being new employees, and who are not contributing to any other local retirement plan.

BASIC FUND—All full-time and certain part-time employees who did not elect coverage under Section 218(d) of the Social Security Act and who are not



PAUL HAYNE
ASST. EXECUTIVE DIRECTOR
IN CHARGE OF FINANCE AND
MANAGEMENT INFORMATION
SYSTEMS

contributing to any other local retirement plan.

POLICE AND FIRE FUND—All police officers, fire fighters, and peace officers who qualify for membership by statute.

Participating membership in PERA exceeds 100,000.

Member Contributions

Contributions shall be in an amount (a) for a "Basic member" equal to 8% of total salary; (b) for a "Coordinated member" equal to 4% of total salary; and (c) for a "Police and Fire member" equal to 8% of total salary.

Employer Contributions

The employer matches the employee contribution plus an additional percentage as indicated: (a) for a "Basic member," employer matches the 8% and pays an additional 2½%; (b) for a "Coordinated member," employer matches the 4% and pays an additional 1½%; and (c) for a "Police and Fire member," the employer pays 12%.

Retirement Benefits

Eligibility

BASIC AND COORDINATED FUNDS

- When age plus years of service equal 90, normal annuity is the same as at age 65. Years and months in age and service can be used to total 90.
- As early as age 58 with at least 20 years of paid service credit; annuity reduced 1/4% for each month under age 65.

- Between ages 62 and 65 with at least 10 years of paid service credit; annuity reduced 1/4% for each month under age 65.
- Age 65 or older with at least one but less than 10 years of paid service credit (proportionate annuity). Must terminate service at age 65 or older.
- Age 62 with at least 10 years of paid service credit or as early as age 58 with at least 20 years representing PERA service combined with other fund coverage. "Rule of 90" may be used to calculate PERA portion of annuity if age requirement is met under the other fund(s). (Combined service annuity.)

POLICE AND FIRE FUND

- When age plus years of service equal 90, normal annuity is the same as at age 55. Years and months in age and service can be used to total 90.
- Age 55 or older with at least 10 years' service credit.
- Age 55 or older with at least 10 years of paid service credit representing PERA service combined with other fund coverage. (Combined service annuity.)
- Age 65 or older with at least one but less than 10 years of paid service credit (proportionate annuity). Must terminate service at age 65 or older.

Kinds of Annuity Available

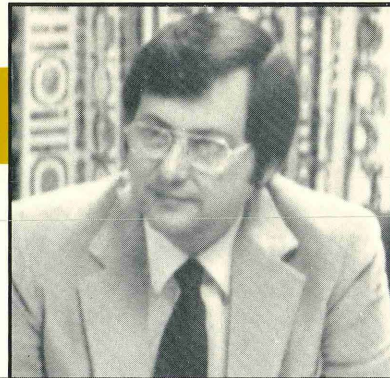
NORMAL ANNUITY

This is a personal lifetime annuity which will cease on the death of the annuitant. Any balance of employee deductions will be refunded to the designated beneficiary. No survivor benefit payable.

50% REGULAR OR BOUNCE BACK JOINT AND SURVIVOR OPTION*

Annuity is payable for the retiree's lifetime and, if survived by the person named as joint annuitant, one-half of the annuity is paid to such person for life.

Summary (cont'd)



GARY HOVLAND
MANAGER OF FINANCE

Kinds of Annuity (cont'd)

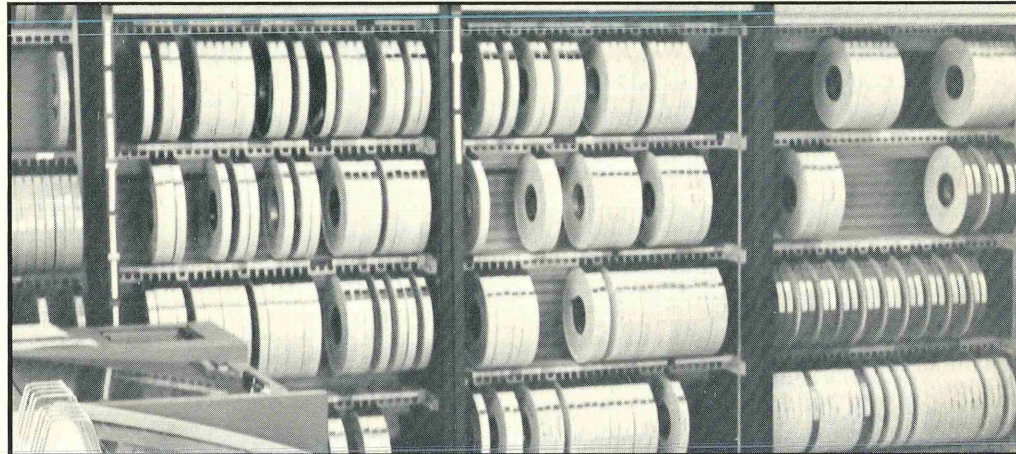
100% REGULAR OR BOUNCE BACK JOINT AND SURVIVOR OPTION*

Annuity is payable for the retiree's lifetime and, if survived by the person designated as joint annuitant, the same amount is paid to such person for life.

RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY

A member who retires before qualifying for Social Security benefit may elect to receive a retirement annuity from PERA in an amount greater than the annuity computed on basis of age at retirement as provided by statute (M.S. 353.29, Subd. 2, 3). This greater amount shall be paid until annuitant reaches age 62, at which time the payment from PERA shall be reduced.

**NOTE: Election of a 50% or 100% joint and survivor option will reduce the normal annuity based on the age of both the retiring member and the person named to receive the optional annuity. Under the Regular 50% or 100% joint and survivor option, if the retiree dies before the joint annuitant, the monthly payment would remain the same. Selection of Bounce Back 50% or 100% option would reduce the normal annuity more than under the Regular option, but if the joint annuitant dies before the retiree, the monthly payment changes, or "bounces back," to the normal annuity.*



PROPORTIONATE ANNUITY

Any person who is an active member of any applicable fund who has credit for at least one year but less than 10 years of allowable service in one or more of the participating funds, and who terminates active service pursuant to mandatory retirement law or at age 65 or older, is entitled to a proportionate retirement annuity from each participating fund in which the person has allowable service credit.

DEFERRED ANNUITY

A member who terminates public service with 10 or more years of credited allowable service may leave the deductions in the fund to qualify for annuity at retirement age. The annuity as determined under the formula will be increased by interest from the first of the month following date of termination at the rate of 5% compounded annually through December 31, 1980, at the rate of 3% from January 1, 1981, to the date eligible for the monthly

annuity. The former member may accept a refund at any time prior to date retirement annuity begins.

COMBINED SERVICE ANNUITY (PORTABILITY)

A person with allowable service totaling 10 or more years in any two or more participating funds and who has at least six months of allowable service with the last such fund earned during the last period of employment and who has not begun to receive an annuity from any such funds may, upon retirement, in lieu of any augmentation of deferred annuities provided by the laws of such funds, elect to receive a retirement annuity from each fund, based upon the allowable service in each fund as specifically provided by statute. (M.S. 356.30, Subd. 1)

Maximum Annuity

The monthly annuity cannot exceed 100% of the regular base salary for the final month of employment.



Formula

BASIC MEMBER

2% of the "average salary"* over the highest five successive years on which deductions were paid for each of the first 10 years and 2½% of said average salary for the period thereafter.

COORDINATED MEMBER

1% of the "average salary"* over the highest five successive years on which deductions were paid for each of the first 10 years and 1½% of said average salary for the period thereafter.

POLICE AND FIRE MEMBER

2½% of the "average salary"* over the highest five successive years on which deductions were paid for each of the first 20 years and 2% of said average salary for the period thereafter.

****"AVERAGE SALARY" defined:**
"Average salary" means an amount equivalent to the highest salary upon which contributions were paid for any five successive years of allowable service.

Survivor (Death) Benefits

Death of member or former member before retirement and no survivor benefits payable

Designated beneficiary is entitled to a refund of the decedent's balance with interest at 3½% compounded annually. If no designated beneficiary survives, refund is due the surviving spouse; or, if none, the legal representative of the estate of the deceased.

Death of member before retirement or upon death of disabled member receiving disability benefits

BASIC MEMBER: If a member whose average salary is not less than \$75 per month dies after at least 18 months of service credit, or while receiving a normal disability benefit, monthly benefits* are payable to qualified survivors.

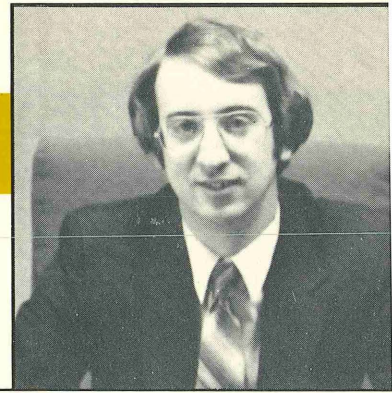
POLICE AND FIRE MEMBER: If a member whose average salary is not less than \$75 per month dies at any time during membership (no minimum coverage period required) or while receiving a normal disability benefit, monthly benefits* are payable to qualified survivors.

*MONTHLY BENEFITS PAYABLE

- **SURVIVING SPOUSE:**
30% of member's average salary over last six full months of service preceding death, for life or until remarriage.
- **EACH DEPENDENT CHILD:**
10% of above salary.
- **FAMILY MAXIMUM:**
BASIC MEMBER: \$700 per month;
POLICE & FIRE MEMBER: 50% of average salary over last six full months worked.

NOTE: NO SURVIVOR BENEFITS PAYABLE TO SURVIVING SPOUSE OR DEPENDENT CHILDREN OF COORDINATED MEMBER.

Summary (cont'd)



Surviving Spouse Optional Annuity

BASIC OR COORDINATED FUND
Should a member die after reaching age 58 with at least 20 years' service credit (or age 62 with at least 10 years' service) the surviving spouse, instead of survivor benefits, may elect a monthly payment equal to the 50% joint and survivor annuity for which the member could have qualified on the date of death. This annuity is payable for life even if the spouse remarries.

POLICE AND FIRE FUND

Should a member die after reaching age 55 with at least 10 years' service credit in PERA, the surviving spouse may elect, in lieu of survivor benefits, a monthly annuity equal to the 50% joint and survivor annuity for which member could have qualified on the date of death. Annuity is payable for life even if spouse remarries.

DEATH OF RETIRED ANNUITANT

Any accumulated contributions not paid out in the way of annuities shall be paid to designated beneficiary without interest.

DECEASED MEMBER WITH NO CHILDREN

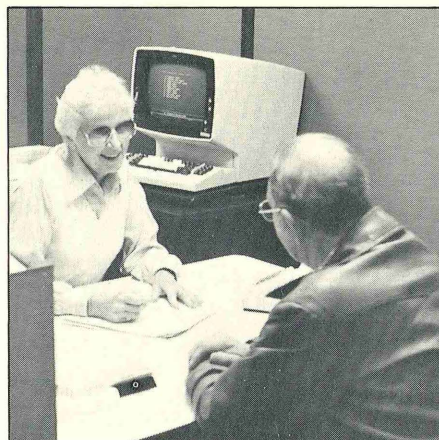
Surviving spouse (if named as beneficiary) may elect refund of balance with 3½% compound interest rather than any other benefit available under law.

DEATH OF "OLD LAW" RETIREE

Surviving spouse, if named as sole beneficiary, at least 60 years old, and not receiving any other benefit from PERA, is entitled to an automatic survivor benefit amounting to one-half of decedent's annuity at retirement limited to maximum of \$100 per month, plus increases allowed since 1973. This benefit is payable for life or until remarriage.

DEATH OF RETIREE WHO IS RECEIVING OPTIONAL ANNUITY

If survived by person named to receive option, amount payable will depend upon option selected.



Disability Benefits

Definitions

BASIC AND COORDINATED MEMBERS

"...the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to be of long-continued and indefinite duration..." (duration of at least one year)

POLICE AND FIRE FUND MEMBER

A condition occurring prior to age 55 which renders a member physically or mentally unfit to perform the duties of a police officer or fire fighter, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty;

Retirement by reason of a sickness or injury occurring prior to age 55 while not on active duty which renders a member unable to perform the duties of a police officer or fire fighter.

Eligibility Requirements

BASIC AND COORDINATED MEMBERS

- Before age 50, must have at least 10 years of allowable service credit. If service terminated during the 10 years, must have at least five years' service credit after last becoming a member.

ALLEN ELDRIDGE
ASST. EXECUTIVE DIRECTOR
FOR MEMBER SERVICES

- After age 50 but before age 65 with at least five years of allowable service credit.
- PERA service combined with coverage in another Minnesota retirement fund can be used to determine eligibility but not for calculating disability benefit.
- Must be under age 65 when disability occurs.
- Average salary must be at least \$75 per month.
- Must provide medical evidence to support application.
- Disability must occur before termination of public service.
- After benefits are granted, PERA has authority to require periodic examinations as frequently as considered necessary.

POLICE AND FIRE MEMBERS

- Before age 55, if disability did not occur in line of duty, must have at least five years' service credit.
- Before age 55, if disability occurred in line of duty after membership commenced, no minimum coverage period required.
- Police and Fire Fund service combined with coverage in another Minnesota retirement fund can be used to determine eligibility, but not for calculating disability benefit.
- Adequate proof of disability must be submitted to the association.
- Disability must occur before termination of public service.

Kinds of Benefits

NORMAL BENEFITS

BASIC MEMBERS: If death occurs before age 65, surviving spouse would receive a benefit amounting to 30% of average salary over the last six full months disabiltant was employed in public service and each dependent child would receive 10% of such average salary, limited to \$700 per month maximum family benefit.

COORDINATED: If death occurs before age 65, a refund of any balance in account would be paid to designated beneficiary. No survivor benefits payable.

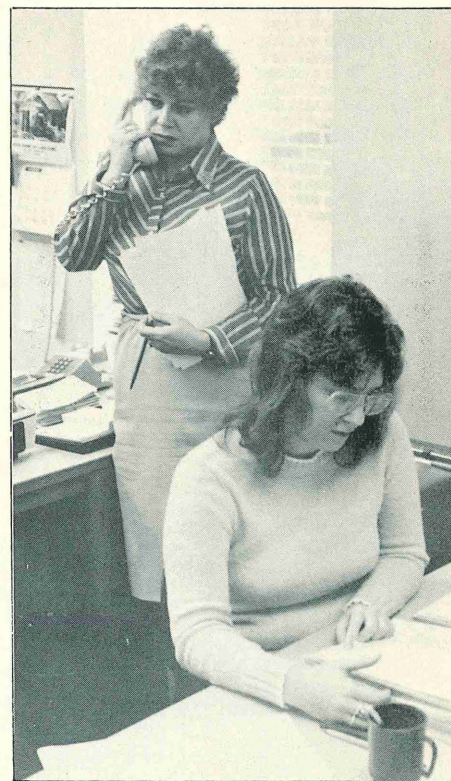
POLICE & FIRE: If death occurs before age 55, surviving spouse would receive a benefit amounting to 30% of average salary over the last six full months disabiltant was employed in public service and each dependent child would receive 10% of such average salary, but maximum family benefit is limited to 50% of the average salary.

OPTIONS

50% or 100% Regular or Bounce Back Joint and Survivor Options are the same as available at retirement.

If optional disability benefit is selected, the disabiltant may not change such option when retirement age is reached.

If normal disability benefit is selected, optional annuity may be selected at retirement age.



Summary (cont'd)

Formula

BASIC MEMBERS: Disability benefit is equal to the normal annuity payable to a member who has reached age 65 with the same number of years' allowable service and the same average salary, plus a monthly supplement, depending upon age when disabled. Maximum supplement: \$50 per month

Supplement is payable for as long as disability payments are due and is not reduced as the disabled person grows older.

COORDINATED: Disability benefit is equal to the normal annuity payable to a member who has reached age 65 with the same number of years of allowable service and same average salary.

POLICE & FIRE: The disability benefit is based on the same formula as for normal annuity, payable at age 55.

Not in line of duty: If paid service credit is at least five years but less than ten, benefit is allowed as though ten years were paid.

In line of duty: Benefit equal to 50% of average salary. If less than five years' credit, benefit is based on average salary over actual years paid; but if over five years paid, the high five are used to determine average salary. For each year of credit in excess of 20, the benefit is increased by 2% of average salary.

Separation Benefits

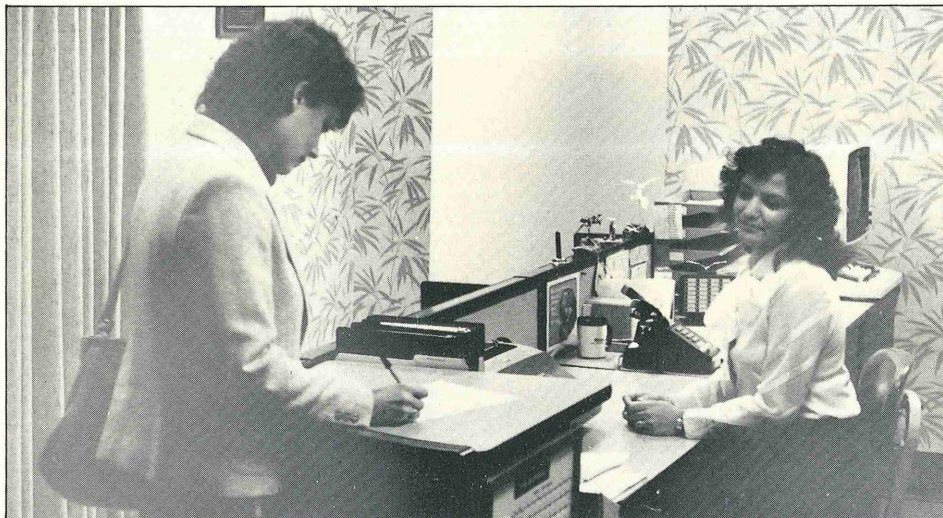
Deferred Annuity

A deferred annuity is payable after 10 years at age 65 (or earlier if otherwise eligible), provided former member does not withdraw accumulated deductions. (Said 10 years of service need not represent PERA coverage only, but may be in conjunction with service covered by other participating funds in Minnesota. Deferred annuity is paid by each fund according to number of years of allowable service in each fund.)

Annuity is determined as for normal retirement under the provisions of plan on date of termination, augmented by interest compounded annually from first of the month following separation from service or from July 1, 1971, whichever is later, to the date annuity begins to accrue, at the rate of 5% until January 1, 1981, and thereafter at the rate of 3%.

Refund of Salary Deductions

Upon termination, regardless of years of service, if not rehired to a PERA-covered position, all salary deductions will be refunded, with interest at 3½% compounded annually based on deductions received after first three years of membership.

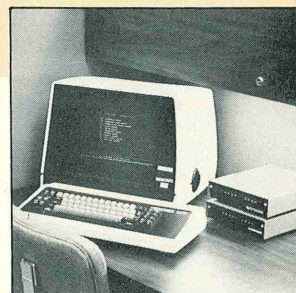


Growth Chart

PERA's activities during the past year were focused on providing members with more accurate and timely information that could be used in planning for the future. Our overall progress and growth are shown below.

- Our Cashiers** — edited and reconciled 1,996,894 member transactions from over 2,100 separate employers.
- Benefits Department** — conducted 1,965 in-office and 983 out-state interviews with members; generated 7,302 estimates to members; and processed 1,211 disability, survivor, and death cases.
- Membership Department** — processed 129,024 address, name, and beneficiary changes for members.
- Word Processing Department** — generated 49,088 letters to members and governmental units.
- Staff** — responded to 2,514 Hot Line messages.
- Accounting Staff** — processed 729 repayments of refunds and omitted deductions.
- Total Assets** — increased \$187,259,897 from \$1,276,774,132 to \$1,466,034,029.
- Number Benefit Recipients** — increased from 17,504 to 18,436.
- Field Service Department** — conducted 65 group meetings for members.
- Microfilm Department** — microfilmed 98,397 inactive member files.
- Disbursement Department** — issued a total of 223,258 benefit payments.
- Benefit Payments** — grew from \$45,970,958 to \$57,243,853.
- Refund Department** — processed and paid 12,267 refunds.

We have had good results with the data conversion project which was started last year and is still under way. This is a step toward automating benefit calculations. We are committed to developing an automated membership system that will serve as the nucleus for a total Management Information System.



Legislative Auditor's Report



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR
Veterans Service Building
St. Paul, Minnesota 55155

GERALD W. CHRISTENSON
Legislative Auditor

(612) 296-4708

Board of Trustees
and
Executive Director
Public Employees Retirement Association

We have examined the combined financial statements of the Public Employees Retirement Association and the combining and individual fund financial statements of the association as of and for the year ended June 30, 1982 as presented on pages 18 to 29 of the Financial Section. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Reserves required, totaling \$1,646,987,789 for the Public Employees Retirement Fund and \$222,472,470 for the Public Employees Police and Fire Fund at June 30, 1982, are presented in accordance with reports certified by the consulting actuary of the association.

As explained in Note 5b, investments in marketable equity securities are valued at the lower of cost or market as required by generally accepted accounting principles. Minnesota statutes require valuation of equity securities at cost. Since the statutory provision deviates from generally accepted accounting principles, the basic statements are not in compliance with the statute. Note 5b contains the disclosures which must be considered together with the basic financial statements to achieve statutory reporting requirements.

In our opinion, relying on the certification from the consulting actuary as to the reserves required, the combined financial statements referred to above present fairly the financial position of the Public Employees Retirement Association at June 30, 1982 and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, relying on the certification from the consulting actuary as to the reserves required, the combining and individual fund financial statements referred to above present fairly the financial position of the individual funds of

the Public Employees Retirement Association at June 30, 1982 and the results of operations and changes in financial position of such funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. In addition, except for the valuation of equity securities, as discussed in the preceding paragraph, the aforementioned financial statements are in compliance with the reporting requirements of Minn. Stat. Section 356.20.

Our examination was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The supplemental financial information included on page 30 of the Financial Section is presented for purposes of additional analysis and is not a required part of the combined financial statements of the Public Employees Retirement Association. The information has been subjected to the auditing procedures applied in the examination of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.



Gerald W. Christenson
Legislative Auditor

October 28, 1982

Combined Balance Sheet

June 30, 1982

Assets

Cash (5.a.)	\$ 1,049,972
Accounts Receivable	870,749
Due From Other Funds	197,689
Accrued Investment Income (5.c.)	15,456,867
Investments (5.b.)	
Bonds (Market Value \$363,008,353)	482,935,831
Equity Securities (Cost \$467,018,919)	443,604,034
Short-term Cash Equivalents	57,687,404
Equity in Minnesota Post-Retirement Investment Fund (6.b.)	456,579,187
Deferred Yield Adjustment (5.e.)	7,051,797
Fixed Assets, Net of Accumulated Depreciation (8.b.)	574,064
Other	26,435
Total Assets	\$ 1,466,034,029

Liabilities and Reserves Required

Liabilities:

Current —

Accounts Payable (6.d.)	\$ 1,529,063
Accrued Compensated Absences	259,030
Payable to Other Funds	197,689
Obligations Under Capital Lease	10,893
	<u>\$ 1,996,675</u>

Long-term —

Obligations Under Capital Lease	23,110
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Total Liabilities **\$ 2,019,785**

Fund Balance:

Member Reserves	\$ 353,261,077
Minnesota Post-Retirement Investment Fund Reserve	456,579,187
Benefit Reserves	1,059,619,995

Total Reserves **\$1,869,460,259**

Unreserved Fund Balance —

Unfunded Actuarial Accrued Liability	\$ (382,031,130)
Unrealized Loss on Marketable Equity Securities (5.b.)	(23,414,885)

Total Unreserved Fund Balance **\$ (405,446,015)**

Total Fund Balance **\$1,464,014,244**

Total Liabilities and Fund Balance **\$1,466,034,029**

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

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Combined Statement

Of Revenues, Expenses, and Changes in Fund Balance

For Fiscal Year Ended June 30, 1982

Operating Revenues:

Member Contribution	\$ 60,250,668
Employer Contribution	82,859,561
Investment Income	92,349,901
Distributed Income of the Minnesota Post-Retirement Investment Fund (6.c.)	44,271,302
Other	3,461,917

Total Operating Revenues	\$ 283,193,349
---------------------------------	-----------------------

Operating Expenses:

Benefits Paid	\$ 57,243,853
Refunds	12,596,959
Administrative Expenses	2,487,799
Other	26,278

Total Operating Expenses	\$ 72,354,889
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Other Changes in Reserves:

Cumulative Effect of Change in Accounting Method Prior to Fiscal Year 1982 (9.)	\$ (153,463)
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Total Other Changes	\$ (153,463)
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Net Fund Balance Additions	\$ 210,684,997
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Unrealized Loss on Marketable Equity Securities	(23,414,885)
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Fund Balance, July 1, 1981	<u>1,276,744,132</u>
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Fund Balance, June 30, 1982	<u>\$1,464,014,244</u>
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The accompanying notes are an integral part of the financial statements.

FINANCIAL SECTION

Combined Statement**Of Changes in Financial Position**

For Fiscal Year Ended June 30, 1982

Resources Provided by:

From Operations —		
Net Operating Income	\$ 210,684,997	
Item Not Requiring Resources Currently:		
Depreciation Expense	113,683	
From Others —		
Proceeds From Disposal of Fixed Assets	6,059	
Total Resources Provided		\$ 210,804,739

Resources Used by:

Payments of Obligation Under Capital Lease	\$ 10,893	
Current Year Acquisition of Equipment	202,893	
Unrealized Loss on Marketable Equity Securities	23,414,885	
Net Increase in Working Capital	187,176,068	
Total Resources Used		\$ 210,804,739

Elements of Net Increase (Decrease) in Working Capital

	Year Ended June 30		Increase (Decrease)
	1982	1981	
Current Assets:			
Cash	\$ 1,049,972	\$ 916,925	\$ 133,047
Accounts Receivable	870,749	774,227	96,522
Due From Other Funds	197,689	118,338	79,351
Accrued Investment Income	15,456,867	14,156,648	1,300,219
Investments —			
Bonds	482,935,831	436,524,891	46,410,940
Equity Securities	443,604,034	301,326,221	142,277,813
Short-term Cash Equivalents	57,687,404	140,983,040	(83,295,636)
Equity in Minnesota Post-Retirement			
Investment Fund	456,579,187	375,623,471	80,955,716
Deferred Yield Adjustment	7,051,797	8,219,298	(1,167,501)
Other	26,435	432,590	(406,155)
Total Current Assets	\$1,465,459,965	\$1,279,075,649	
Current Liabilities:			
Accounts Payable	\$ 1,529,063	\$ 2,659,196	1,130,133
Accrued Compensated Absences	259,030	-0-	(259,030)
Payable to Other Funds	197,689	118,338	(79,351)
Obligations Under Capital Leases	10,893	10,893	-0-
Total Current Liabilities	\$ 1,996,675	\$ 2,788,427	
Working Capital	\$1,463,463,290	\$1,276,287,222	\$ 187,176,068

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

Notes to the Financial Statement

Summary of Significant Accounting Policies

1. Description of the Association

The Public Employees Retirement Fund and the Police and Fire Fund are defined benefit pension plans administered by the Public Employees Retirement Association in accordance with Minnesota Statutes, Chapters 353 and 356.

The Public Employees Retirement Fund's membership consists of employees of counties, cities, and schools in non-certified positions throughout the State of Minnesota. The membership of the Public Employees Police and Fire Fund consists of police officers and fire fighters employed by counties and cities throughout the State of Minnesota.

In general, the association provides defined retirement benefits based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service. In addition, the retirement program provides benefits to members upon disability and to survivors upon death of eligible members.

2. Financial Statement Presentation

Financial statements are prepared in accordance with generally accepted accounting principles as prescribed in the National Council on Governmental Accounting's *Statement 1, Governmental Accounting and Financial Reporting Principles*. Financial statements also comply with Minnesota Statutes, Section 356.20, except for the valuation of marketable equity securities as explained in Note 5.b.

3. Basis of Accounting

Transactions of the Public Employees Retirement Fund and the Public Employees Police and Fire Fund are reported on the accrual basis of accounting.

4. Actuarial Valuations of Plan Benefits

a. Minnesota Statutes, Section 356.215, Subd. 4, provides that annual actuarial valuations of plan benefits shall be computed in accordance with the entry age normal cost (level normal cost) method. In the calculation of normal cost and accrued liabilities of the benefit plan, the actuary uses a 5 percent interest rate assumption and assumes an annual growth rate of 3½ percent in member's salary. Actuarial assumptions did not change during the year.

b. The unfunded accrued liabilities of \$368,770,702 in the Public Employees Retirement Fund and \$13,260,428 in the Public Employees Police and Fire Fund as of June 30, 1982, are the amounts by which reserves required to fund plan benefits exceed the assets of the funds, as defined by Minnesota Statutes, Section 356.20, Subd. 4 (see Note 5.b.). In addition to the level normal cost, the actuarial calculations include the amount of additional annual contribution which would be required to retire the current unfunded accrued liability by June 30, 2009.

c. Pension benefits are funded from member and employer contributions and income from investment of fund assets. Public Employees Retirement Fund members belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members of the Public Employees Retirement Fund must participate in the Coordinated Plan. Current contribution rates for the funds are as follows:

Public Employees Retirement Fund		
	Basic Plan	Coordinated Plan
Employee	8%	4%
Employer	8%	4%
Additional Employer	2½%	1½%
Public Employees Police & Fire Fund		
Employee	8%	
Employer	12%	

5. Cash, Investments, and Investment Income

- Cash on deposit consists of the year-end receipts which were not processed as of the investment cutoff deadline on June 30.
- Investments in bonds are valued at amortized cost in the financial statements with market value, as determined by the State Board of Investment, disclosed parenthetically.

Notes (cont'd)

Equity Securities are reported at the lower of cost or market for the portfolio as a whole, pursuant to Financial Accounting Standards Board (FASB), *Statement of Financial Accounting Standards No. 12, Accounting for Certain Marketable Securities*. At June 30, 1982, the cost of marketable equity securities exceeded market value by \$19,945,171 for the Public Employees Retirement Fund and \$3,469,714 for the Public Employees Police and Fire Fund, resulting in unrealized losses of those amounts reported in the financial statements of the respective funds as shown below:

	Public Employees Retirement Fund	Public Employees Police and Fire Fund
Marketable Equity Securities:		
Market Value	\$373,840,984	\$69,763,050
Cost	393,786,155	73,232,764
Unrealized Loss	\$ 19,945,171	\$ 3,469,714

The financial statement presentation differs from Minnesota Statutes, Section 356.20, Subd. 4, which requires equity securities to be valued at cost. As a result, the total assets reported on the financial statements differ from the amounts used in the actuarial calculations required by Minnesota Statutes, Section 356.20, and included in the Actuarial Section of this report.

- c. Interest and dividend income are accrued monthly. Dividend income is recorded on the ex-dividend date.
- d. Certain U.S. Government and Government Agency Securities are loaned out to banks and brokers to generate additional income of 0.5 percent. Collateral in the amount of 105 percent of the market value of securities loaned is required. A summary of securities loaned and collateral as of June 30, 1982, follows:

	Loaned Securities	Collateral
Public Employees Retirement Fund	\$20,600,000	\$21,765,000
Public Employees Police and Fire Fund	1,800,000	1,865,000
Total	\$22,400,000	\$23,630,000

- e. In accordance with Minnesota Statutes, Section 356.20, Subd. 5, gains or losses on the sale of debt securities are recorded in the deferred yield adjustment account. The balance in the account is amortized against investment income over the average remaining life of the bonds sold. This procedure was established to provide for reinvestment of bond sale proceeds in securities generating a higher rate of return. Future accounting periods will reflect the additional income and will be charged with a share of the losses incurred to produce the higher return.

6. Minnesota Post-Retirement Investment Fund (MPRIF) Reserve

- a. Upon retirement, the reserves required to pay the cost of the member's annuity are transferred to the MPRIF where the funds are invested. Increases in annuities are based upon earnings of MPRIF, as defined in Minnesota Statutes, Section 11A.18, Subd. 9.
- b. Participation in the MPRIF is shown at the required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. The Public Employees Retirement Fund's share of net assets of the MPRIF is \$406,808,399, or \$6,832,483 less than required reserves. The Public Employees Police and Fire Fund's share of net assets of the MPRIF is \$42,574,033 or \$364,273 less than required reserves. The deficiencies are part of the MPRIF and are to be funded from excess investment income, as described below.
- c. The distributed MPRIF income represents the 5 percent earnings on required reserves for fiscal year 1982, plus 1981 income used to pay the January 1, 1982, increase. In accordance with Minnesota Statutes, Section 11A.18, Subd. 9, any excess investment income of MPRIF for fiscal year 1982 was distributed as follows:
- 1) Five percent used to reduce the deficiency between book

value of the assets and required reserves of the MPRIF.

- 2) The remaining 95 percent will be used to increase retirement benefits for eligible annuitants, effective January 1, 1983.
- d. At June 30, 1982, the Public Employees Retirement Fund had a payable to MPRIF of \$1,501,832, resulting from a mortality loss. The Public Employees Police and Fire Fund had a receivable from MPRIF of \$35,889, resulting from a mortality gain.

7. Other Reserves

- a. Accumulated member contributions, without interest, less the amounts refunded, transferred to the Minnesota Post-Retirement Investment Fund for current retirees, or paid for disability and survivor benefits are recorded in the Member Reserve.
- b. Employer contributions and investment income are recorded in the Benefit Reserve with administrative expenses and survivor and disability benefits paid therefrom.

8. Administrative Expenses

- a. Administrative expenses of the Public Employees Retirement Association are paid from the Public Employees Retirement Fund. At year-end, a portion of the expenses are allocated to the Public Employees Police and Fire Fund based upon the percentage of transactions processed for each fund during the year. The applicable amounts are reported as expenses of the two funds.
- b. Fixed assets are capitalized at the time of acquisition at cost. Depreciation is computed on a straight-line method in accordance with guidelines as published by the Internal Revenue Service. Included in fixed assets are equipment, improvements to lease office, and leaseholds. As of June 30, 1982, fixed assets include Capital Lease equipment in the amount of \$59,304. The equipment under Capital Lease consists of two Information Processors.

The following table reports the changes in fixed assets for 1982:

FIXED ASSETS Year Ended June 30, 1982

	Beginning Balance	Additions	Retirements	Ending Balance
Equipment, furniture, automobile, and building improvements	\$680,486	\$203,655	\$ 10,094	\$874,047
Accumulated depreciation	189,573	113,683	3,273	299,983
Fixed Assets, Net	<u>\$490,913</u>	<u>\$ 89,972</u>	<u>\$ 6,821</u>	<u>\$574,064</u>

9. Accrued Compensated Absences

The Financial Accounting Standards Board, *Statement of Financial Accounting Standards No. 43*, requires that, under certain conditions, employees must accrue a liability for employee rights to receive compensation for future absences. The statement is effective for fiscal years beginning on or after December 15, 1980, and, as such, has been adopted by the Association for fiscal year ending June 30, 1982. The cumulative effect of change in accounting method prior to fiscal year 1982 was a decrease in Fund Balance in the Public Employees Retirement Fund of \$145,538 and a decrease in Fund Balance in the Public Employees Police and Fire Fund of \$7,925. The effect this change made on net income for fiscal year 1982 was to increase salary expenses by \$105,567, of which \$5,452 was allocated to the Public Employees Police and Fire Fund.

FINANCIAL SECTION

Combining Balance Sheet

June 30, 1982

	PUBLIC EMPLOYEES RETIREMENT FUND	PUBLIC EMPLOYEES POLICE AND FIRE FUND	TOTAL
Assets			
Cash (5.a.)	\$ 906,303	\$ 143,669	\$ 1,049,972
Accounts Receivable	222,915	647,834	870,749
Due From Other Funds	179,138	18,551	197,689
Accrued Investment Income (5.c.)	12,727,004	2,729,863	15,456,867
Investments (5.b.)			
Bonds (Market Value \$363,008,353)	403,446,983	79,488,848	482,935,831
Equity Securities (Cost \$467,018,919)	373,840,984	69,763,050	443,604,034
Short-term Cash Equivalents	48,088,106	9,599,298	57,687,404
Equity in Minnesota Post-Retirement Investment Fund (6.b.)	413,640,881	42,938,306	456,579,187
Deferred Yield Adjustment (5.e.)	6,459,478	592,319	7,051,797
Fixed Assets, Net of Accumulated Depreciation (8.b.)	574,064	-0-	574,064
Other	26,435	-0-	26,435
Total Assets	\$1,260,112,291	\$ 205,921,738	\$1,466,034,029
Liabilities and Reserves Required			
Liabilities:			
Current -			
Accounts Payable (6.d.)	\$ 1,528,791	\$ 272	\$ 1,529,063
Accrued Compensated Absences	259,030	-0-	259,030
Payable to Other Funds	18,551	179,138	197,689
Obligations Under Capital Lease	10,893	-0-	10,893
	\$ 1,817,265	\$ 179,410	\$ 1,996,675
Long-term -			
Obligations Under Capital Lease	23,110	-0-	23,110
Total Liabilities	\$ 1,840,375	\$ 179,410	\$ 2,019,785
Fund Balance:			
Member Reserves	\$ 308,831,969	\$ 44,429,108	\$ 353,261,077
Minnesota Post-Retirement Investment Fund Reserve	413,640,881	42,938,306	456,579,187
Benefit Reserves	924,514,939	135,105,056	1,059,619,995
Total Reserves	\$1,646,987,789	\$ 222,472,470	\$1,869,460,259
Unreserved Fund Balance—			
Unfunded Actuarial Accrued Liability	\$ (368,770,702)	\$ (13,260,428)	\$ (382,031,130)
Unrealized Loss on Marketable Equity Securities (5.b.)	(19,945,171)	(3,469,714)	(23,414,885)
Total Unreserved Fund Balance	\$ (388,715,873)	\$ (16,730,142)	\$ (405,446,015)
Total Fund Balance	\$1,258,271,916	\$ 205,742,328	\$1,464,014,244
Total Liabilities and Fund Balance	\$1,260,112,291	\$ 205,921,738	\$1,466,034,029

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

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Combining Statement

Of Revenues, Expenses, and Changes in Fund Balance

For Fiscal Year Ended June 30, 1982

	PUBLIC EMPLOYEES RETIREMENT FUND	PUBLIC EMPLOYEES POLICE AND FIRE FUND	TOTAL
Operating Revenues:			
Member Contribution	\$ 52,277,226	\$ 7,973,442	\$ 60,250,668
Employer Contribution	70,913,313	11,946,248	82,859,561
Investment Income	77,368,097	14,981,804	92,349,901
Distributed Income of the Minnesota Post-Retirement Investment Fund (6.c.)	40,214,676	4,056,626	44,271,302
Other	<u>2,712,379</u>	<u>749,538</u>	<u>3,461,917</u>
Total Operating Revenues	\$ 243,485,691	\$ 39,707,658	\$ 283,193,349
Operating Expenses:			
Benefits Paid	\$ 52,743,985	\$ 4,499,868	\$ 57,243,853
Refunds	11,868,935	728,024	12,596,959
Administrative Expenses	2,357,453	130,346	2,487,799
Other	<u>587</u>	<u>25,691</u>	<u>26,278</u>
Total Operating Expenses	\$ 66,970,960	\$ 5,383,929	\$ 72,354,889
Other Changes in Reserves:			
Cumulative Effect of Change in Accounting Method Prior to Fiscal Year 1982 (9.)	\$ (145,538)	\$ (7,925)	\$ (153,463)
Total Other Changes	\$ (145,538)	\$ (7,925)	\$ (153,463)
Net Fund Balance Additions	\$ 176,369,193	\$ 34,315,804	\$ 210,684,997
Unrealized Loss on Marketable Equity Securities	(19,945,171)	(3,469,714)	(23,414,885)
Fund Balance, July 1, 1981	<u>1,101,847,894</u>	<u>174,896,238</u>	<u>1,276,744,132</u>
Fund Balance, June 30, 1982	<u>\$1,258,271,916</u>	<u>\$ 205,742,328</u>	<u>\$1,464,014,244</u>

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

FINANCIAL SECTION

Combining Statement

Of Changes in Financial Position

For Fiscal Year Ended June 30, 1982

Public Employees Retirement Fund

Resources Provided by:

From Operations —	
Net Operating Income	\$ 176,369,193
Item Not Requiring Resources Currently:	
Depreciation Expense	113,683
From Others —	
Proceeds From Disposal of Fixed Assets	6,059

Total Resources Provided

\$ 176,488,935

Resources Used by:

Payments of Obligation Under Capital Lease	\$ 10,893
Current Year Acquisition of Equipment	202,893
Unrealized Loss on Marketable Equity	
Securities	19,945,171
Net Increase in Working Capital	<u>156,329,978</u>

Total Resources Used

\$ 176,488,935

Elements of Net Increase (Decrease) in Working Capital

	Year Ended June 30		Increase (Decrease)
	1982	1981	
Current Assets:			
Cash	\$ 906,303	\$ 818,177	\$ 88,126
Accounts Receivable	222,915	117,979	104,936
Due From Other Funds	179,138	107,585	71,553
Accrued Investment Income	12,727,004	11,955,472	771,532
Investments —			
Bonds	403,446,983	367,088,540	36,358,443
Equity Securities	373,840,984	256,641,288	117,199,696
Short-term Cash Equivalents	48,088,106	118,272,062	(70,183,956)
Equity in Minnesota Post-Retirement			
Investment Fund	413,640,881	341,236,738	72,404,143
Deferred Yield Adjustment	6,459,478	7,347,458	(887,980)
Other	26,435	361,198	(334,763)

Total Current Assets

\$1,259,538,227

\$1,103,946,497

Current Liabilities:

Accounts Payable	\$ 1,528,791	\$ 2,533,867	1,005,076
Accrued Compensated Absences	259,030	-0-	(259,030)
Payable to Other Funds	18,551	10,753	(7,798)
Obligations Under Capital Leases	10,893	10,893	-0-

Total Current Liabilities

\$ 1,817,265

\$ 2,555,513

Working Capital

\$1,257,720,962

\$1,101,390,984

\$ 156,329,978

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

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Public Employees Police and Fire Fund	Total
\$ 34,315,804	\$ 210,684,997
-0-	113,683
<u>-0-</u>	<u>6,059</u>
<u>\$ 34,315,804</u>	<u>\$ 210,804,739</u>

\$ -0-	\$ 10,893
-0-	202,893
3,469,714	23,414,885
<u>30,846,090</u>	<u>187,176,068</u>

<u>\$ 34,315,804</u>	<u>\$ 210,804,739</u>
----------------------	-----------------------

Year Ended June 30		Increase (Decrease)	Year Ended June 30		Increase (Decrease)
1982	1981		1982	1981	
\$ 143,669	\$ 98,748	\$ 44,921	\$ 1,049,972	\$ 916,925	\$ 133,047
647,834	656,248	(8,414)	870,749	774,227	96,522
18,551	10,753	7,798	197,689	118,338	79,351
2,729,863	2,201,176	528,687	15,456,867	14,156,648	1,300,219
79,488,848	69,436,351	10,052,497	482,935,831	436,524,891	46,410,940
69,763,050	44,684,933	25,078,117	443,604,034	301,326,221	142,277,813
9,599,298	22,710,978	(13,111,680)	57,687,404	140,983,040	(83,295,636)
42,938,306	34,386,733	8,551,573	456,579,187	375,623,471	80,955,716
592,319	871,840	(279,521)	7,051,797	8,219,298	(1,167,501)
<u>-0-</u>	<u>71,392</u>	<u>(71,392)</u>	<u>26,435</u>	<u>432,590</u>	<u>(406,155)</u>
<u>\$ 205,921,738</u>	<u>\$ 175,129,152</u>		<u>\$1,465,459,965</u>	<u>\$1,279,075,649</u>	

\$ 272	\$ 125,329	125,057	\$ 1,529,063	\$ 2,659,196	1,130,133
-0-			259,030	-0-	(259,030)
179,138	107,585	(71,553)	197,689	118,338	(79,351)
<u>-0-</u>			<u>10,893</u>	<u>10,893</u>	<u>-0-</u>
<u>\$ 179,410</u>	<u>\$ 232,914</u>		<u>\$ 1,996,675</u>	<u>\$ 2,788,427</u>	
<u>\$ 205,742,328</u>	<u>\$ 174,896,238</u>	<u>\$ 30,846,090</u>	<u>\$1,463,463,290</u>	<u>\$1,276,287,222</u>	<u>\$ 187,176,068</u>

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

FINANCIAL SECTION

Statement of Revenues

Expenses, and Changes in Fund Balance

Public Employees Retirement Fund

For Fiscal Year Ended June 30, 1982

	Reserves			Unreserved	
	Member	Minnesota Post-Retirement Investment Fund	Benefit	Fund Balance	Total
Operating Revenues:					
Member Contribution	\$ 52,277,226	\$	\$	\$	\$ 52,277,226
Employer Contribution			70,913,313		70,913,313
Investment Income			77,368,097		77,368,097
Distributed Income of the Minnesota Post-Retirement Investment Fund (6.c.)		40,214,676			40,214,676
Other	3,589		2,708,790		2,712,379
Total Operating Revenues	\$ 52,280,815	\$ 40,214,676	\$ 150,990,200	\$	\$ 243,485,691
Operating Expenses:					
Benefits Paid	\$ 1,335,963	\$ 42,457,510	\$ 8,950,512	\$	\$ 52,743,985
Refunds	10,976,803		892,132		11,868,935
Administrative Expenses			2,357,453		2,357,453
Other			587		587
Total Operating Expenses	\$ 12,312,766	\$ 42,457,510	\$ 12,200,684	\$	\$ 66,970,960
Other Changes in Reserves:					
Annuities Awarded	\$ (11,565,665)	\$ 73,145,145	\$ (61,579,480)	\$	\$ -0-
Mortality Loss		1,501,832	(1,501,832)		-0-
Cumulative Effect of Change in Accounting Method Prior to Fiscal Year 1982 (9.)			(145,538)		(145,538)
Total Other Changes	\$(11,565,665)	\$ 74,646,977	\$(63,226,850)	\$	\$ (145,538)
Net Fund Balance Additions	\$ 28,402,384	\$ 72,404,143	\$ 75,562,666	\$	\$ 176,369,193
Unrealized Loss on Marketable Equity Securities				(19,945,171)	(19,945,171)
Change in Unfunded Accrued Liability			34,972,971	(34,972,971)	
Fund Balance, July 1, 1981	280,429,585	341,236,738	813,979,302	(333,797,731)	1,101,847,894
Fund Balance, June 30, 1982	\$308,831,969	\$413,640,881	\$924,514,939	\$(388,715,873)	\$1,258,271,916

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

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Statement of Revenues

Expenses and Changes in Fund Balance

Public Employees Police and Fire Fund

For Fiscal Year Ended June 30, 1982

	Reserves				
	Member	Minnesota Post-Retirement Investment Fund	Benefit	Unreserved Fund Balance	Total
Operating Revenue:					
Member Contribution	\$ 7,973,442	\$	\$	\$	\$ 7,973,442
Employer Contribution			11,946,248		11,946,248
Investment Income			14,981,804		14,981,804
Distributed Income of the Minnesota Post-Retirement Investment Fund (6.c.)		4,056,626			4,056,626
Other	1,624		747,914		749,538
Total Operating Revenues	\$ 7,975,066	\$ 4,056,626	\$ 27,675,966	\$	\$ 39,707,658
Operating Expenses:					
Benefits Paid	\$ 241,715	\$ 3,602,573	\$ 655,580	\$	\$ 4,499,868
Refunds	668,699		59,325		728,024
Administrative Expenses			130,346		130,346
Other	3,589		22,102		25,691
Total Operating Expenses	\$ 914,003	\$ 3,602,573	\$ 867,353	\$	\$ 5,383,929
Other Changes in Reserves:					
Annuities Awarded	\$ (1,019,152)	\$ 8,133,409	\$ (7,114,257)	\$	\$ -0-
Mortality Gain		(35,889)	35,889		-0-
Cumulative Effect of Change in Accounting Method Prior to Fiscal Year 1982 (9.)			(7,925)		(7,925)
Total Other Changes	\$ (1,019,152)	\$ 8,097,520	\$ (7,086,293)	\$	\$ (7,925)
Net Fund Balance Additions	\$ 6,041,911	\$ 8,551,573	\$ 19,722,320	\$	\$ 34,315,804
Unrealized Loss on Marketable Equity Securities				(3,469,714)	(3,469,714)
Change in Unfunded Accrued Liability			222,369	(222,369)	
Fund Balance, July 1, 1981	38,387,197	34,386,733	115,160,367	(13,038,059)	174,896,238
Fund Balance, June 30, 1982	\$ 44,429,108	\$ 42,938,306	\$135,105,056	\$ (16,730,142)	\$205,742,328

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

FINANCIAL SECTION

Schedule of Administrative Expenses

For Fiscal Year Ended June 30, 1982

Personal Services:		
Staff Salaries	\$ 1,308,886	
Social Security	59,580	
Retirement	77,853	
Insurance and Workers' Compensation	82,276	
Total Personal Services		\$1,528,595
Professional Services:		
Actuarial	\$ 24,000	
Audit	28,485	
Legal	78,410	
Management Consultants	6,000	
Investment Consultants	114,675	
Total Professional Services		251,570
Communication:		
Printing	\$ 69,959	
Telephone	19,146	
Postage	183,258	
Travel	38,721	
Mailing Services	8,927	
Total Communication		320,011
Rentals:		
Office Space	\$ 50,997	
Equipment Leasing	23,921	
Total Rentals		74,918
Other:		
Medical Examinations	\$ 32,375	
Stationery and Office Supplies	60,088	
Maintenance Service Contracts	41,324	
Depreciation	113,683	
Education (Employees)	11,053	
Copying Expense	8,610	
Publications and Subscriptions	4,248	
Meeting Expense	6,038	
Vehicle Expense	2,165	
Equipment (\$50 and Under)	125	
Drawing Account - Executive Director	2,080	
Freight	923	
Bonds and Insurance	3,381	
Indirect Cost From State	25,761	
Miscellaneous	851	
Total Other		312,705
Total Administrative Expense		\$2,487,799
Allocation of Administrative Expense:		
Public Employees Retirement Fund		\$ 2,357,453
Public Employees Police and Fire Fund		130,346
Total		\$2,487,799

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

Certification Letter

COMPENSATION & CAPITAL INCORPORATED

125 SOUTH WACKER DRIVE
DAVIS H. ROENISCH, FSA

CHICAGO, ILLINOIS 60606

TELEPHONE 312 332-4420
ACTUARIAL SERVICES

October 1, 1982

Board of Trustees
Public Employees Retirement Association
203 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101

Gentlemen:

We have recently completed our annual actuarial valuation of the Minnesota Public Employees Retirement Association, for the purpose of determining the actuarial status of the Public Employees Retirement Fund and the Public Employees Police and Fire Fund obligations as of June 30, 1982.

The basic financial and employee data used in the actuarial valuation are those submitted to us by the association office. The actuarial valuation was based upon applicable statutory provisions in effect on June 30, 1982, together with the employee census and financial data as of that date.

The valuation was made on the basis of the entry age normal cost (level normal cost) method of financing and the actuarial assumptions as required by statute, with future costs expressed as a percentage of payroll. The contribution requirement of the funds must be sufficient to meet current service costs and to amortize the unfunded liabilities by the year 2009.

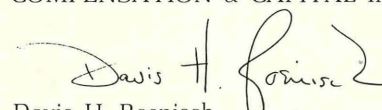
The valuation indicated that the present assets and expected future contributions required by statute, with investment earnings thereon, are sufficient to provide the benefits to be paid in the future. The current funding level of the Public Employees Retirement Fund is 78%, and of the Public Employees Police and Fire Fund 94%.

Recent amendments to the pension laws include: retirement when age and years of service equal 90; reduction in penalty for early retirement; and increase in maximum survivor benefit. These benefits are funded within the current financing levels.

On the basis of the foregoing, and the assumptions indicated therein, we hereby certify that, to the best of our knowledge and belief, the attached statements are true and correct and in accordance with the laws of the State of Minnesota.

Respectfully submitted,

COMPENSATION & CAPITAL INCORPORATED



Davis H. Roenisch
Enrolled Actuary No. 174

Chicago

San Francisco

Los Angeles

Philadelphia

Actuarial Cost Method

And Assumptions

June 30, 1982

Actuarial Cost Method - Entry Age Normal

Public Employees Retirement Fund

Actuarial Assumptions

Retirement	65 for members with less than 30 years' service. If more than 30 years' service, 30% at 65, 15% at 63 and 64, and 100% at 65.
Mortality	1965 Group Annuity.
Disability	PERA Experience. See table below for sample values.
Separation	PERA Experience. See table below for sample values.
Loading for Expense	.148%.
Asset Valuation	Cost.
Investment Return	5% compounded annually.
Earnings Progression	3½% per year.

ANNUAL RATE PER 100 EMPLOYEES

Age	Mortality		Disability	Separation	
	Male	Female	All Employees	Male	Female
20	.05	.03	.07	27.5	38.3
30	.08	.06	.12	16.1	28.1
40	.17	.11	.22	8.2	13.4
50	.54	.26	.46	3.9	6.6
60	1.30	.66	1.07	—	—
65	2.05	1.14	—	—	—

Public Employees Police and Fire Fund

Actuarial Assumptions

Retirement	Age 60.
Mortality	1965 Male Group Annuity.
Disability	PERA Experience. See table below for sample values.
Separation	PERA Experience. See table below for sample values.
Loading for Expense	.089%.
Asset Valuation	Cost.
Investment Return	5% compounded annually.
Earnings Progression	3½% per year.

ANNUAL RATE PER 100 EMPLOYEES

Age	Mortality	Disability	Separation
20	.05	.17	7.00
30	.08	.24	6.58
40	.17	.59	2.45
50	.54	1.77	.50
60	1.30	—	—

Actuarial Tables

June 30, 1982

Progress of Funding

	CENSUS YEAR (6/30)	OBLIGATION FOR SERVICE TO DATE	ASSETS	FUNDED RATIO
Public Employees Retirement Fund	1977	\$ 930,363,154	\$ 613,887,437	66%
	1982	1,646,987,789	1,278,217,087	78
Public Employees Police and Fire Fund	1977	102,297,741	81,962,092	80
	1982	222,472,470	209,212,042	94

Actuarial Present Value of Accumulated Plan Benefits

Public Employees Retirement Fund \$ 1,605,821,619

Public Employees Police and Fire Fund 236,093,691

Recommended Contribution Schedule (applies to total compensation)

	<u>PUBLIC EMPLOYEES RETIREMENT FUND</u>		<u>PUBLIC EMPLOYEES POLICE AND FIRE FUND</u>
	No Social Security	Covered By Social Security	
Member	8%	4%	8%
Employer	10.5%	5.5%	12%

The actual contributions are made in accordance with the recommended contributions as set forth in the laws of the State of Minnesota.

Required Reserves

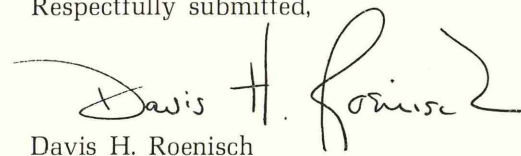
June 30, 1982

	PUBLIC EMPLOYEES RETIREMENT FUND	PUBLIC EMPLOYEES POLICE AND FIRE FUND
For active members		
Retirement benefits:		
Retirement	\$ 920,281,798	\$ 117,539,026
Vesting	<u>104,687,067</u>	<u>9,340,015</u>
	\$ 1,024,968,865	\$ 126,879,041
Disability benefits	45,606,858	32,036,344
Refundment liability due to death or withdrawal	45,452,045	3,108,817
Survivors' benefits	17,740,982	4,819,163
For deferred annuitants	13,557,847	2,018,411
For former members without vested rights	6,329,552	472,219
For annuitants:		
Retirement	413,640,882	42,938,307
Disability annuities	20,129,338	2,930,791
Surviving spouses' annuities	58,342,229	6,923,409
Surviving children's annuities	<u>1,219,191</u>	<u>345,468</u>
Total Required Reserves	<u>\$1,646,987,789</u>	<u>\$222,472,470</u>

Certification

The above exhibit has been prepared in accordance with the provisions of Section 356.20. The required reserves for formula benefits have been computed in accordance with the Entry Age Normal Cost Method.

Respectfully submitted,

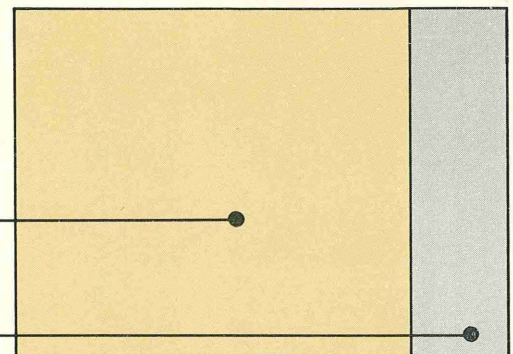

Davis H. Roenisch

Total Reserve Required

Public Employees Retirement Fund \$1,646,987,789

Net Assets
\$1,278,217,087
78% Funded

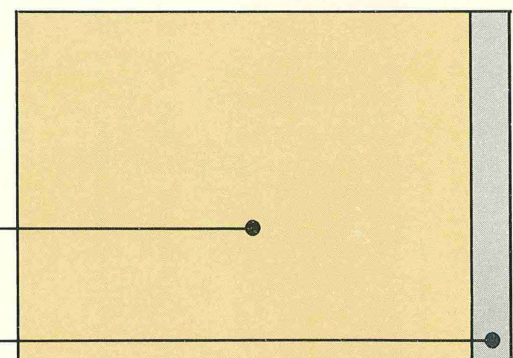
Unfunded Obligation
\$368,770,702
22% Unfunded



Public Employees Police and Fire Fund \$222,472,470

Net Assets
\$209,212,042
94% Funded

Unfunded Obligation
\$13,260,428
6% Unfunded



STATISTICAL SECTION

Revenue By Source

Last Ten Years

Public Employees Retirement Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME*	OTHER	TOTAL
1973	\$ 17,808,595	\$ 25,399,602	\$ 23,078,644	\$ 719,054	\$ 67,005,895
1974	24,807,250	33,433,889	19,840,689	2,072,751	80,154,579
1975	28,294,175	37,917,494	22,303,987	(17,798,397)**	70,717,259
1976	31,666,986	42,516,415	27,812,770	(8,469,156)**	93,527,015
1977	34,401,229	46,399,274	41,717,853	17,351,032**	139,869,388
1978	37,758,756	49,976,384	43,040,144	117,963	130,893,247
1979	39,776,778	53,638,655	50,325,609	18,808,283**	162,549,325
1980	44,050,933	59,580,988	69,171,882	3,019,326	175,823,129
1981	48,714,124	65,984,588	109,797,583	286,987	224,783,282
1982	52,277,226	70,913,313	117,582,773	2,712,379	243,485,691

Public Employees Police and Fire Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME*	OTHER	TOTAL
1973	\$ 2,076,870	\$ 3,469,000	\$ 2,304,931	\$ 674,684	\$ 8,525,485
1974	2,678,794	4,014,226	2,280,324	927,542	9,900,886
1975	3,176,814	4,745,986	2,911,443	(559,927)**	10,274,316
1976	3,723,620	5,568,005	3,542,309	33,015**	12,866,949
1977	4,186,038	6,269,852	5,168,804	1,698,291**	17,322,985
1978	4,970,771	7,130,024	5,844,490	1,004,715	18,950,000
1979	6,234,689	8,433,975	7,491,360	3,875,281**	26,035,305
1980	6,304,756	9,459,826	11,317,334	633,878	27,715,794
1981	7,109,496	10,659,980	17,344,782	637,865	35,752,123
1982	7,973,442	11,946,248	19,038,430	749,538	39,707,658

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

**Includes Gain or Loss From Statutory Valuation of the Minnesota Post-Retirement Investment Fund.

Revenue Ratios By Source of Revenue

Excluding Other Income

Public Employees Retirement Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME	TOTAL REVENUES
1973	26.9%	38.3%	34.8%	100.0%
1974	31.8	42.8	25.4	100.0
1975	32.0	42.8	25.2	100.0
1976	31.0	41.7	27.3	100.0
1977	28.1	37.9	34.0	100.0
1978	28.9	38.2	32.9	100.0
1979	27.7	37.3	35.0	100.0
1980	25.5	34.5	40.0	100.0
1981	21.7	29.4	48.9	100.0
1982	21.7	29.5	48.8	100.0

Public Employees Police and Fire Fund

FISCAL YEAR	MEMBER CONTRIBUTION	EMPLOYER CONTRIBUTION	INVESTMENT INCOME	TOTAL REVENUES
1973	26.5%	44.2%	29.3%	100.0%
1974	29.9	44.7	25.4	100.0
1975	29.3	43.8	26.9	100.0
1976	29.0	43.4	27.6	100.0
1977	26.8	40.1	33.1	100.0
1978	27.7	39.7	32.6	100.0
1979	28.1	38.1	33.8	100.0
1980	23.3	34.9	41.8	100.0
1981	20.2	30.4	49.4	100.0
1982	20.5	30.7	48.8	100.0

STATISTICAL SECTION

Expense By Type

Last Ten Years

Public Employees Retirement Fund

<u>FISCAL YEAR</u>	<u>BENEFIT</u>	<u>ADMINISTRATION</u>	<u>OTHER</u>	<u>TOTAL</u>
1973	\$ 17,912,623	\$ 770,054	\$ 59,755	\$ 18,742,432
1974	22,015,575	808,386	101,968	22,925,929
1975	27,127,719	867,914	31,706	28,027,339
1976	30,567,900	972,832	12,134	31,552,866
1977	36,049,205	1,049,808	35,356	37,134,369
1978	41,054,641	1,122,752	60,101	42,237,494
1979	45,752,228	1,255,900	5,112,567	52,120,695
1980	52,299,773	1,462,549	23,273	53,785,595
1981	56,012,596	1,776,229	155,916	57,944,741
1982	64,612,920	2,357,453	146,125	67,116,498

Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>BENEFIT</u>	<u>ADMINISTRATION</u>	<u>OTHER</u>	<u>TOTAL</u>
1973	\$ 1,018,064	\$ 32,360	\$ 6,216	\$ 1,056,640
1974	1,262,639	35,467	15,109	1,313,215
1975	1,672,431	38,655	9,867	1,720,953
1976	1,883,189	43,013	12,960	1,939,162
1977	2,334,890	46,945	7,057	2,388,892
1978	2,831,743	53,782	11,252	2,896,777
1979	3,469,056	77,071	76,605	3,622,732
1980	4,310,672	76,401	—	4,387,073
1981	4,504,585	92,872	15,037	4,612,494
1982	5,227,892	130,346	33,616	5,391,854

Benefit Expense By Type

Last Ten Years

Public Employees Retirement Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1973	\$ 10,373,286	\$ 2,601,748	\$ 338,716	\$ 4,598,873	\$ 17,912,623
1974	14,112,792	3,018,150	477,003	4,407,630	22,015,575
1975	17,144,091	3,540,726	843,395	5,599,507	27,127,719
1976	19,319,359	4,634,131	1,034,407	5,580,003	30,567,900
1977	22,459,271	4,958,728	1,405,928	7,225,278	36,049,205
1978	26,829,188	4,410,475	1,846,544	7,968,434	41,054,641
1979	28,741,645	4,745,083	2,024,043	10,241,457	45,752,228
1980	33,457,964	5,617,932	2,261,938	10,961,939	52,299,773
1981	37,584,023	5,850,801	2,486,135	10,091,637	56,012,596
1982	43,865,092	6,212,786	2,666,107	11,868,935	64,612,920

Public Employees Police and Fire Fund

<u>FISCAL YEAR</u>	<u>RETIREMENT</u>	<u>SURVIVOR</u>	<u>DISABILITY</u>	<u>REFUND</u>	<u>TOTAL</u>
1973	\$ 525,691	\$ 142,615	\$ 6,749	\$ 343,009	\$ 1,018,064
1974	805,114	188,005	18,836	250,684	1,262,639
1975	1,001,459	238,096	36,230	396,646	1,672,431
1976	1,185,139	284,926	43,743	369,381	1,883,189
1977	1,435,339	318,893	79,082	501,576	2,334,890
1978	1,819,833	331,763	121,540	558,607	2,831,743
1979	2,231,296	378,596	140,260	718,904	3,469,056
1980	2,709,707	451,393	127,206	1,022,366	4,310,672
1981	3,073,171	486,437	157,292	787,685	4,504,585
1982	3,655,955	567,594	276,319	728,024	5,227,892

Additions to Net Assets Available

Last Ten Years

Public Employees Retirement Fund

FISCAL YEAR	REVENUES	EXPENSES	ANNUAL ADDITIONS	NET ASSETS AVAILABLE
1973	\$ 67,005,895	\$ 18,742,432	\$ 48,263,463	\$ 349,259,698
1974	80,154,579	22,925,929	57,228,650	406,488,348
1975	70,717,259	28,027,339	42,689,920	449,178,268
1976	93,527,015	31,552,866	61,974,149	511,152,417
1977	139,869,388	37,134,369	102,735,019	613,887,436
1978	130,893,247	42,237,494	88,655,753	702,543,189
1979	162,549,325	52,120,695	110,428,630	812,971,819
1980	175,823,129	53,785,595	122,037,534	935,009,353
1981	224,783,282	57,944,741	166,838,541	1,101,847,894
1982	243,485,691	67,116,498	176,369,193	1,278,217,087

Public Employees Police and Fire Fund

FISCAL YEAR	REVENUES	EXPENSES	ANNUAL ADDITIONS	NET ASSETS AVAILABLE
1973	\$ 8,525,485	\$ 1,056,640	\$ 7,468,845	\$ 38,959,178
1974	9,900,886	1,313,215	8,587,671	47,546,849
1975	10,274,316	1,720,953	8,553,363	56,100,212
1976	12,866,949	1,939,162	10,927,787	67,027,999
1977	17,322,985	2,388,892	14,934,093	81,962,092
1978	18,950,000	2,896,777	16,053,223	98,015,315
1979	26,035,305	3,622,732	22,412,573	120,427,888
1980	27,715,794	4,387,073	23,328,721	143,756,609
1981	35,752,123	4,612,494	31,139,629	174,896,238
1982	39,707,658	5,391,854	34,315,804	209,212,042

Net Assets and Unfunded Obligations

Last Ten Years

Public Employees Retirement Fund

FISCAL YEAR	NET ASSETS	UNFUNDED OBLIGATION	TOTAL RESERVES REQUIRED	PERCENT FUNDED
1973	\$ 349,259,698	\$ 261,786,936	\$ 611,046,634	57%
1974	406,488,348	278,174,388	684,662,736	59
1975	449,178,268	275,995,599	725,173,867	62
1976	511,152,417	300,200,627	811,353,044	63
1977	613,887,436	316,475,718	930,363,154	66
1978	702,543,189	320,727,250	1,023,270,439	69
1979	812,971,819	324,933,679	1,137,905,498	71
1980	935,009,353	343,094,561	1,278,103,914	73
1981	1,101,847,894	333,797,731	1,435,645,625	77
1982	1,278,217,087	368,770,702	1,646,987,789	78

Public Employees Police and Fire Fund

FISCAL YEAR	NET ASSETS	UNFUNDED OBLIGATION	TOTAL RESERVES REQUIRED	PERCENT FUNDED
1973	\$ 38,959,178	\$ 12,754,531	\$ 51,713,709	75%
1974	47,546,849	12,006,527	59,553,376	80
1975	56,100,212	11,541,020	67,641,232	83
1976	67,027,999	20,021,350	87,049,349	77
1977	81,962,092	20,335,649	102,297,741	80
1978	98,015,315	21,125,817	119,141,132	82
1979	120,427,888	18,911,920	139,339,808	86
1980	143,756,609	18,427,623	162,184,232	89
1981	174,896,238	13,038,059	187,934,297	93
1982	209,212,042	13,260,428	222,472,470	94

STATISTICAL SECTION

Number of Participating Members

And Benefit Recipients

Last Ten Years

Public Employees Retirement Fund

FISCAL YEAR	ACTIVE	DEFERRED	RETIRED	SURVIVOR	DISABILITY	TOTAL
1973	72,981	801	6,836	3,599	300	84,517
1974	76,863	842	7,337	3,662	322	89,026
1975	81,140	911	7,874	3,768	396	94,089
1976	79,334	994	8,434	3,608	458	92,828
1977	82,028	1,094	9,070	3,766	522	96,480
1978	81,328	1,232	9,843	3,668	572	96,643
1979	81,665	1,394	10,422	3,699	628	97,808
1980	85,860	1,539	11,296	3,698	622	103,015
1981	87,857	1,708	12,252	3,739	624	106,180
1982	85,438	1,891	13,739	3,113	677	104,858

Public Employees Police and Fire Fund

FISCAL YEAR	ACTIVE	DEFERRED	RETIRED	SURVIVOR	DISABILITY	TOTAL
1973	3,105	13	251	201	6	3,576
1974	3,393	17	290	215	9	3,924
1975	3,690	22	331	241	12	4,296
1976	3,800	183	359	238	15	4,595
1977	3,958	194	396	251	23	4,822
1978	3,971	200	440	258	28	4,897
1979	4,092	210	515	268	30	5,115
1980	4,185	216	554	262	27	5,244
1981	4,356	213	593	263	33	5,458
1982	4,508	178	670	184	53	5,593

Investment Portfolio

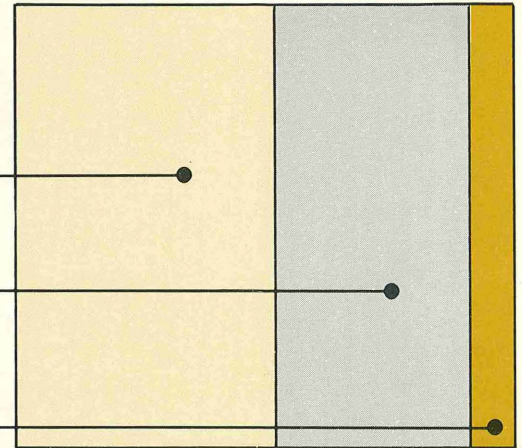
At Market Value

Public Employees Retirement Fund

Equity Securities
\$373,840,984
51.65%

Bonds
\$301,809,139
41.70%

Short-term
Cash Equivalents
\$48,088,106
6.64%

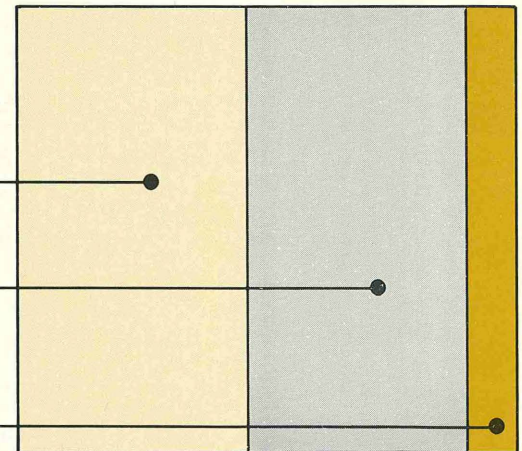


Public Employees Police and Fire Fund

Equity Securities
\$69,763,050
49.63%

Bonds
\$61,199,214
43.54%

Short-term
Cash Equivalents
\$9,599,298
6.83%



Portfolio Summary and Activity

June 30, 1982

Public Employees Retirement Fund

	PAR VALUE	MARKET VALUE	BOOK VALUE	% TO TOTAL BOOK VALUE
Bonds:				
Government	\$ 127,841,838	\$ 108,748,124	\$ 123,467,029	14.6%
Foreign	39,216,500	23,484,607	39,126,154	4.6
Corporate	274,566,580	169,576,408	240,853,800	28.5
Total Bonds	\$441,624,918	\$ 301,809,139	\$ 403,446,983	47.7%
Short-term Cash Equivalents	\$ 48,192,000	\$ 48,088,106	\$ 48,088,106	5.7%
Equity Securities		\$ 373,840,984	\$ 393,786,155	46.6%
Total Portfolio		\$ 723,738,229	\$ 845,321,244	100.0%

	BEGINNING BALANCE JULY 1	ACQUISITIONS	DISPOSITIONS	ENDING BALANCE JUNE 30
Bonds (Par Value):				
Government	\$ 97,001,566	\$ 91,900,000	\$ 61,059,728	\$ 127,841,838
Foreign	48,040,500	-0-	8,824,000	39,216,500
Corporate	254,871,739	32,758,000	13,063,159	274,566,580
Total Bonds	\$ 399,913,805	\$ 124,658,000	\$ 82,946,887	\$ 441,624,918
Short-term Cash Equivalents (Par Value)	\$ 119,187,000	\$ 1,416,517,000	\$ 1,487,512,000	\$ 48,192,000
Equity Securities (Book Value)	\$ 256,641,288	\$ 155,669,873	\$ 18,525,006	\$ 393,786,155

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Public Employees Police and Fire Fund

	<u>PAR VALUE</u>	<u>MARKET VALUE</u>	<u>BOOK VALUE</u>	<u>% TO TOTAL BOOK VALUE</u>
Bonds:				
Government	\$ 23,207,850	\$ 20,538,335	\$ 22,378,446	13.8%
Foreign	8,185,000	4,994,609	8,166,067	5.0
Corporate	56,295,430	35,666,270	48,944,335	30.2
Total Bonds	<u>\$87,688,280</u>	<u>\$ 61,199,214</u>	<u>\$ 79,488,848</u>	<u>49.0%</u>
Short-term Cash Equivalents	<u>\$ 9,620,492</u>	<u>\$ 9,599,298</u>	<u>\$ 9,599,298</u>	<u>5.9%</u>
Equity Securities		<u>\$ 69,763,050</u>	<u>\$ 73,232,764</u>	<u>45.1%</u>
Total Portfolio		<u>\$140,561,562</u>	<u>\$162,320,910</u>	<u>100.0%</u>

	<u>BEGINNING BALANCE JULY 1</u>	<u>ACQUISITIONS</u>	<u>DISPOSITIONS</u>	<u>ENDING BALANCE JUNE 30</u>
Bonds (Par Value):				
Government	\$ 14,852,263	\$ 35,600,000	\$ 27,244,413	\$ 23,207,850
Foreign	8,941,000	-0-	756,000	8,185,000
Corporate	52,670,307	6,293,000	2,667,877	56,295,430
Total Bonds	<u>\$76,463,570</u>	<u>\$ 41,893,000</u>	<u>\$ 30,668,290</u>	<u>\$87,688,280</u>
Short-term Cash Equivalents (Par Value)	<u>\$ 22,788,000</u>	<u>\$ 349,600,492</u>	<u>\$ 362,768,000</u>	<u>\$ 9,620,492</u>
Equity Securities (Book Value)	<u>\$ 44,684,933</u>	<u>\$ 31,739,544</u>	<u>\$ 3,191,713</u>	<u>\$ 73,232,764</u>

STATISTICAL SECTION

Investment Portfolio - Equities

Public Employees Retirement Fund

June 30, 1982

Common Stocks

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Chemicals				
Air Products & Chemicals Inc.	A+	73,100	\$ 2,220,413	\$ 2,470,155
Dow Chemical Company	A	92,792	1,925,434	2,461,383
Du Pont E I De Nemours & Co.	B+	66,000	2,178,000	2,891,267
Hercules Incorporated	B+	124,700	2,260,188	2,949,632
Union Carbide Corporation	B+	113,483	4,808,842	5,576,590
Williams Cos	B+	79,000	1,214,625	2,302,387
Metals and Mining				
Aluminum Co. of America	B+	94,200	2,143,050	2,759,030
Paper				
Union Camp Corporation	A+	46,800	2,135,250	2,234,226
Steel				
Bethlehem Steel	B	130,000	2,047,500	2,637,235
Aerospace				
Boeing Company	A	96,900	1,501,950	2,031,328
General Dynamics	B+	126,600	3,544,800	3,766,987
Dana Corporation	A	67,000	1,809,000	1,988,225
Building-Forest Products				
Champion International Corporation	A-	334,000	4,091,500	7,703,070
Building and Construction				
American Standard Inc.	A	154,500	3,669,375	4,380,445
Owens Corning Fiberglas Corp.	B+	98,800	1,568,450	2,524,886
Electrical Equipment				
General Electric Company	A+	125,500	7,984,938	6,693,640
Westinghouse Electric Company	A	132,100	3,418,088	3,413,310
Machinery				
Caterpillar Tractor Company	A	30,500	1,132,313	1,488,404
Apparel-Textile				
Levi Strauss and Company	A	143,200	3,472,600	5,018,394
Autos and Trucks				
General Motors Corporation	B	109,900	4,904,288	5,866,548
Auto Related				
Goodyear Tire & Rubber Company	B+	236,900	5,804,050	4,876,766
Food Service/Lodging				
ARA Services	A-	60,000	1,650,000	1,850,932
McDonalds Corporation	A-	112,500	8,057,813	4,926,378
Household Furnishings and Appliances				
Whirlpool Corporation	A-	110,900	3,465,625	2,272,052
Leisure Related				
CBS Incorporated	A+	60,700	2,261,075	2,859,718
Disney Walt Productions	A	32,435	1,905,556	1,487,099
Warner Communications	A-	73,788	3,560,271	1,503,882
Photo and Optical				
Eastman Kodak Company	A+	104,500	7,706,875	7,165,638
Printing and Publishing				
Dun & Bradstreet Co's Inc.	A+	32,300	2,172,175	795,178

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Retail-General				
Melville Corporation	A+	51,000	\$2,448,000	\$2,475,475
K Mart Corporation	A-	184,000	3,381,000	3,423,084
Penney J.C. Incorporated	A-	72,900	2,733,750	3,383,154
Revco D.S.	A+	126,050	3,529,400	2,616,459
Beverages				
Pepsico Incorporated	A+	165,100	6,356,350	3,789,965
Containers				
Owens Illinois Inc.	A	205,300	4,773,225	6,309,338
Drugs				
Bristol-Myers Company	A+	64,400	3,582,250	3,034,888
Merck & Company Incorporated	A+	52,100	3,516,750	3,117,079
Smithkline-Beckman Corporation	A+	45,600	2,935,500	2,866,880
Syntex Corporation	A-	168,000	6,237,000	4,809,139
Hospital Supply and Service				
Johnson & Johnson	A+	52,800	2,085,600	1,420,526
Food				
Archer Daniels Midland Co.	A-	353,587	4,773,425	6,660,162
General Mills Incorporated	A+	55,200	2,311,500	1,306,223
General Foods Corporation	A	75,000	2,831,250	2,400,094
Dart & Kraft Inc.	NR	67,100	3,489,200	2,937,006
Pillsbury Company	A+	60,100	2,321,363	2,302,190
Retail-Food				
Super Valu Stores Inc.	A+	98,000	1,764,000	1,616,281
Southland Corporation	A+	116,916	3,916,686	2,674,575
Soaps and Toiletries				
Avon Products Inc.	A	111,000	2,608,500	5,066,759
Gillette Company	A-	92,600	3,229,425	2,511,689
Coal and Gas				
Sonat Inc.	A+	51,000	1,306,875	1,387,668
Texas Oil & Gas Corporation	A	190,000	4,821,250	6,759,616
Oil-Supply and Construction				
Halliburton Inc.	A+	119,900	3,372,188	5,774,615
Dresser Industries	A+	101,000	1,805,375	1,664,271
NL Industries	A-	64,000	1,312,000	1,327,159
Schlumberger LTD	B+	99,400	3,802,050	5,714,327
Oil-Domestic				
Atlantic Richfield	A+	280,500	10,343,438	10,605,429
Getty Oil Company	A	54,300	2,701,425	3,940,156
Phillips Petroleum Co.	A+	188,100	5,595,975	7,215,606
Union Oil of California	A+	193,800	6,250,050	7,051,133
Oil-International				
Exxon Corporation	A+	159,032	4,413,138	3,400,003
Gulf Oil Corporation	A+	121,000	3,297,250	3,751,314
Mobil Corporation	A+	108,800	2,434,400	2,487,262
Royal Dutch Petroleum Gldrs	A	171,200	5,350,000	6,501,793
Standard Oil of California	A+	148,500	4,269,375	3,971,113
Banks				
Bankamerica Corporation	A+	110,000	1,870,000	2,810,086
First Bank System	A+	53,700	1,584,150	2,037,300
Morgan J P & Company Inc.	A+	44,900	2,323,575	2,248,592
Security Pacific Corporation	A+	85,063	2,349,865	2,717,281
Valley National Corporation	A	146,553	2,106,699	3,079,206

STATISTICAL SECTION

Equities (cont'd)

Public Employees Retirement Fund (cont'd)

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Financial Services				
American Express Company	A+	81,800	\$ 3,292,450	\$ 3,747,907
Household International.....	B+	70,300	1,318,125	1,579,747
Insurance				
Aetna Life & Casualty Company	B+	44,150	1,545,250	1,065,910
Cigna Corp. 2.75 CV PFD	A	8,611	189,442	147,780
Chubb Corporation	A-	67,100	2,449,150	2,902,681
Cigna Corporation	A	115,510	3,927,340	4,074,062
Crum & Forster	A	51,600	1,277,100	1,693,631
St. Paul Co's. Inc.	A-	41,400	1,516,275	1,404,038
Travelers Corporation	A-	99,000	2,128,500	2,044,043
Electronics				
Hewlett Packard Company.....	A+	86,000	3,655,000	2,382,234
Motorola Incorporated	A-	40,800	2,499,000	2,739,915
Raytheon Company	A+	46,000	1,673,250	1,249,622
Office Equipment				
Burroughs Corporation	A	65,900	2,075,850	4,857,650
Intl. Business Machines	A+	251,600	15,253,250	15,821,840
Honeywell Incorporated	A	87,400	5,855,800	6,448,627
Utility-Telephone				
American Telephone & Telegraph	A+	258,746	13,196,046	14,137,758
General Telephone & Electric Co.	A	210,300	5,783,250	6,223,272
Utility-Gas Pipeline				
Houston Natural Gas Corporation	A+	194,700	5,962,688	7,930,469
Utility-Electric				
Commonwealth Edison Co.	A-	204,045	4,361,462	4,720,867
Consolidated Edison of N.Y.	A	123,000	4,381,875	3,630,268
Florida Power & Light Company	A	86,895	2,791,502	2,407,728
Houston Industries Inc.	A	285,950	5,290,075	5,445,859
Northern States Power Co. Minn.....	A-	107,592	2,851,188	2,711,030
Texas Utilities Company	A	114,000	2,479,500	2,575,377
Airlines				
Delta Air Lines Inc.	A-	121,800	4,141,200	2,986,202
Railroads				
Norfolk Southern Corporation	A	70,300	3,198,650	2,501,904
Santa Fe Industries	A	103,500	1,552,500	2,791,018
Diversified				
International Telephone & Telegraph	A-	110,743	2,616,303	4,188,131
Gulf & Western Industries	A	310,600	3,998,975	5,004,595
Warrants				
American Express Warrants	—	818	8,691	0
Unit Funds-Real Estate				
Equitable Life Assur. Society	—	2,779	7,452,500	7,100,000
Prudential Real Estate Fund	—	5,515	10,849,621	10,600,000
Aetna Real Estate Fund	—	2,097	3,646,570	3,600,000
Oil and Gas Leases				
American Gas & Oil Investors	—	6,700	5,875,310	5,012,309
Total Public Employees Retirement Fund			\$373,840,984	\$393,786,155

Investment Portfolio - Equities

Public Employees Police and Fire Fund

June 30, 1982

Common Stocks

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Chemicals				
Air Products & Chemicals Inc.	A+	16,200	\$ 492,075	\$ 542,927
Dow Chemical Company	A	16,000	332,000	467,237
Du Pont E I De Nemours & Co	B+	10,180	335,940	468,512
Hercules Incorporated	B+	20,800	377,000	505,850
Union Carbide Corporation	B+	19,536	827,838	919,051
Williams Cos	B+	12,500	192,188	352,580
Metals and Mining				
Aluminum Co. of America	B+	15,700	357,175	410,469
Paper				
Union Camp Corporation	A+	10,500	479,063	497,255
Steel				
Bethlehem Steel	B	31,800	500,850	627,706
Aerospace				
Boeing Company	A	15,975	247,613	343,937
General Dynamics	B+	26,900	753,200	764,441
Dana Corporation	A	15,000	405,000	445,125
Building-Forest Products				
Champion International Corporation	A-	64,000	784,000	1,435,171
Building and Construction				
American Standard Inc.	A	29,800	707,750	866,529
Owens Corning Fiberglas Corporation	B+	18,600	295,275	476,742
Electrical Equipment				
General Electric Company	A+	21,500	1,367,938	1,205,114
Westinghouse Electric Company	A	32,600	843,525	844,849
Machinery				
Caterpillar Tractor Company	A	6,500	241,313	317,011
Apparel-Textile				
Levi Strauss and Company	A	26,400	640,200	922,118
Autos and Trucks				
General Motors Corporation	B	19,800	883,575	1,014,283
Auto Related				
Goodyear Tire & Rubber Company	B+	44,700	1,095,150	880,997
Food Service/Lodging				
ARA Services	A-	14,000	385,000	433,768
McDonalds Corporation	A-	17,800	1,274,925	783,023
Household Furnishings and Appliances				
Whirlpool Corporation	A-	24,200	756,250	491,207
Leisure Related				
CBS Incorporated	A+	12,000	447,000	554,617
Disney Walt Productions	A	6,865	403,319	332,637
Warner Communications	A-	11,864	572,438	224,251
Photo and Optical				
Eastman Kodak Company	A+	21,100	1,556,125	1,448,537
Printing and Publishing				
Dun & Bradstreet Co's. Inc.	A+	3,000	201,750	116,229

STATISTICAL SECTION

Equities (cont'd)

Public Employees Police and Fire Fund (cont'd)

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Retail-General				
Melville Corporation	A+	8,000	\$ 384,000	\$ 388,675
K Mart Corporation	A-	35,500	652,313	672,790
Penney J.C. Incorporated	A-	16,600	622,500	703,579
Revco D.S.	A+	22,000	616,000	453,372
Beverages				
Pepsico Incorporated	A+	31,200	1,201,200	712,943
Containers				
Owens Illinois Inc.	A	36,900	857,925	1,127,114
Drugs				
Bristol-Myers Company	A+	9,500	528,438	441,380
Merck & Company Incorporated	A+	12,300	830,250	734,447
Smithkline-Beckman Corporation	A+	8,300	534,313	521,884
Syntex Corporation	A-	26,000	965,250	755,083
Hospital Supply and Service				
Johnson & Johnson	A+	12,300	485,850	329,701
Food				
Archer Daniels Midland Co.	A-	59,062	797,337	1,114,656
General Mills Incorporated	A+	10,900	456,438	284,733
General Foods Corporation	A	13,000	490,750	416,169
Dart & Kraft Inc.	NR	13,000	676,000	578,724
Pillsbury Company	A+	15,800	610,275	608,040
Retail-Food				
Super Valu Stores Inc.	A+	17,400	313,200	284,097
Southland Corporation	A+	21,616	724,136	481,771
Soaps and Toiletries				
Avon Products Inc.	A	21,000	493,500	947,927
Gillette Company	A-	18,100	631,238	491,928
Coal and Gas				
Sonat Inc.	A+	10,600	271,625	288,977
Texas Oil & Gas Corporation	A	19,600	497,350	706,130
Oil-Supply and Construction				
Halliburton Inc.	A+	22,000	618,750	1,048,529
Dresser Industries	A+	14,000	250,250	248,976
NL Industries	A-	10,000	205,000	207,369
Schlumberger LTD	B+	20,200	772,650	1,160,002
Oil-Domestic				
Atlantic Richfield	A+	57,300	2,112,938	2,497,701
Getty Oil Company	A	9,000	447,750	639,623
Phillips Petroleum Co.	A+	37,200	1,106,700	1,423,229
Union Oil of California	A+	38,400	1,238,400	1,397,137
Oil-International				
Exxon Corporation	A+	32,000	888,000	675,404
Gulf Oil Corporation	A+	19,000	517,750	592,786
Mobil Corporation	A+	14,200	317,725	308,101
Royal Dutch Petroleum Gldrs	A	31,300	978,125	1,173,796
Standard Oil of California	A+	30,400	874,000	809,636
Banks				
Bankamerica Corporation	A+	22,000	374,000	562,112
First Bank System	A+	12,800	377,600	462,722
Morgan J P & Company Inc.	A+	9,400	486,450	470,752
Security Pacific Corporation	A+	22,000	607,750	605,551
Valley National Corporation	A	14,250	204,844	302,100

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

COMPANY	STANDARD & POOR'S RATING	SHARES	MARKET VALUE	BOOK VALUE
Financial Services				
American Express Company	A+	14,000	\$ 563,500	\$ 635,374
Household International.....	B+	9,000	168,750	157,612
Insurance				
Aetna Life & Casualty Company	B+	10,900	381,500	236,118
Cigna Corp. 2.75 CV PFD	A	1,185	26,070	16,454
Chubb Corporation	A-	11,000	401,500	486,000
Cigna Corporation	A	15,900	540,600	600,176
Crum & Forster	A	10,000	247,500	316,185
St. Paul Co.'s Inc.	A-	7,700	282,013	244,458
Travelers Corporation	A-	18,800	404,200	397,023
Electronics				
Hewlett Packard Company	A+	15,000	637,500	362,792
Motorola Incorporated	A-	6,500	398,125	432,160
Raytheon Company	A+	7,000	254,625	188,428
Office Equipment				
Burroughs Corporation	A	12,100	381,150	891,314
Intl. Business Machines	A+	47,000	2,849,375	2,974,961
Honeywell Incorporated	A	16,500	1,105,500	1,305,767
Utility-Telephone				
American Telephone & Telegraph	A+	43,837	2,235,687	2,389,586
General Telephone & Electric Co.	A	36,000	990,000	1,054,984
Utility-Gas Pipeline				
Houston Natural Gas Corporation	A+	38,000	1,163,750	1,428,768
Utility-Electric				
Commonwealth Edison Co.	A-	38,356	819,860	933,303
Consolidated Edison of N.Y.	A	22,400	798,000	655,289
Florida Power & Light Company	A	17,504	562,316	450,406
Houston Industries Inc.	A	32,100	593,850	642,493
Northern States Power Co. Minn.	A-	18,000	477,000	415,080
Texas Utilities Company	A	34,600	752,550	742,789
Airlines				
Delta Air Lines Inc.	A-	26,700	907,800	670,796
Railroads				
Norfolk Southern Corporation	A	11,780	535,990	415,609
Santa Fe Industries.....	A	18,000	270,000	505,967
Diversified				
International Telephone & Telegraph	A-	18,317	432,739	669,837
Gulf & Western Industries.....	A	64,700	833,013	1,035,062
Warrants				
American Express Warrants	—	140	1,488	0
Unit Funds-Real Estate				
Equitable Life Assur. Society	—	606	1,625,122	1,550,000
Prudential Real Estate Fund	—	1,210	2,353,490	2,300,000
Aetna Real Estate Fund	—	466	810,612	800,000
Oil and Gas Leases				
American Gas & Oil Investors	—	1,350	1,183,830	1,006,154
Total Public Employees Police and Fire Fund			\$ 69,763,050	\$ 73,232,764
Total Public Employees Retirement Fund				
and Public Employees Police and Fire Fund			\$443,604,034	\$467,018,919

STATISTICAL SECTION

Fixed Income Securities

Public Employees Retirement Fund

June 30, 1982

Bonds

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
United States Governments						
U.S.A. Treasury Bond	AAA	7.625%	02/15/2007	\$ 8,000,000	\$ 4,840,000	\$ 5,456,037
U.S.A. Treasury Note	AAA	9.000	02/15/1987	3,000,000	2,480,610	2,988,639
U.S.A. Treasury Bond	AAA	12.750	11/15/2010	8,000,000	7,370,000	8,020,903
U.S.A. Treasury Bond	AAA	11.500	11/15/1995	9,000,000	7,638,750	8,414,888
U.S.A. Treasury Bond	AAA	11.750	02/15/2001	3,000,000	2,550,000	2,842,332
U.S.A. Treasury Note	AAA	14.375	11/15/1984	7,000,000	6,956,250	7,030,199
U.S.A. Treasury Bond	AAA	14.000	11/15/2011	5,000,000	5,421,850	5,104,391
U.S.A. Treasury Bond	AAA	9.125	05/15/2009	2,000,000	1,360,000	1,552,413
U.S.A. Treasury Note	AAA	10.750	11/15/1989	2,000,000	1,693,740	2,080,281
U.S.A. Treasury Note	AAA	11.875	09/30/1982	4,000,000	3,980,000	3,997,920
U.S.A. Treasury Note	AAA	11.875	09/30/1982	5,000,000	4,975,000	5,018,750
U.S.A. Treasury Note	AAA	11.875	09/30/1982	2,500,000	2,487,500	2,505,781
U.S.A. Treasury Note	AAA	11.875	09/30/1982	4,500,000	4,477,500	4,510,547
U.S.A. Treasury Note	AAA	11.875	09/30/1982	5,000,000	4,975,000	5,006,875
Total United States Governments				68,000,000	61,206,200	64,529,956
United States Governments Agencies						
Federal Home Loan Mtg.	AAA	12.500	10/01/2009	2,805,844	2,279,748	2,776,044
Federal Home Loan Mtg.	AAA	12.500	01/01/2010	1,888,175	1,534,142	1,836,504
Federal National Mtg. Assn.	AAA	11.100	08/10/1984	4,000,000	3,730,000	3,769,231
Federal Home Loan Mtg.	AAA	10.750	07/01/2010	1,904,293	1,371,091	1,865,970
GNMA Pool #23012	AAA	8.000	03/15/2008	22,190	14,146	21,301
Federal Farm Credit Bank	AAA	13.550	07/01/1982	5,000,000	5,000,000	5,000,000
Federal Farm Credit Bank	AAA	15.450	08/02/1982	2,000,000	2,001,875	2,000,000
Federal Farm Credit Bank	AAA	12.900	12/01/1982	5,000,000	4,968,750	5,000,000
Federal Farm Credit Banks	AAA	10.750	10/20/1986	2,000,000	1,732,500	2,000,000
Federal Farm Credit Banks	AAA	13.250	04/22/1985	4,000,000	3,857,480	4,000,000
Federal Home Loan Bank	AAA	7.850	08/27/1984	3,185,000	2,782,894	3,182,451
Federal Natl. Mtg. Assn.	AAA	10.500	06/10/1988	2,000,000	1,657,500	2,000,000
GNMA Pool #02731	AAA	8.000	02/15/2004	615,801	392,573	597,807
GNMA Pool #03518	AAA	8.000	01/15/2004	1,251,760	797,997	1,209,411
GNMA Pool #04039	AAA	8.250	07/15/2004	756,139	443,906	754,574
GNMA Pool #04281	AAA	8.250	09/15/2004	850,680	499,409	848,917
GNMA Pool #06336	AAA	8.000	06/15/2005	519,666	331,287	516,731
GNMA Pool #07214	AAA	8.000	09/15/2005	564,127	359,631	560,936
GNMA Pool #10943	AAA	8.000	07/15/2006	407,762	259,948	404,808
GNMA Pool #12025	AAA	8.000	10/15/2006	864,129	550,882	829,785
GNMA Pool #12599	AAA	8.000	09/15/2006	673,711	429,491	646,949
GNMA Pool #13099	AAA	8.000	10/15/2006	1,316,130	839,033	1,306,579
GNMA Pool #13262	AAA	8.000	11/15/2006	550,709	351,077	544,160
GNMA Pool #13327	AAA	8.000	11/15/2006	904,543	576,646	899,380
GNMA Pool #14053	AAA	8.000	12/15/2006	1,409,659	898,658	1,394,207
GNMA Pool #14188	AAA	8.000	10/15/2006	872,491	556,213	866,159
GNMA Pool #14919	AAA	8.000	02/15/2007	747,057	476,249	738,157
GNMA Pool #17619	AAA	8.000	08/15/2007	1,726,432	1,100,600	1,646,040
GNMA Pool #18099	AAA	8.000	08/15/2007	786,761	501,560	763,214
GNMA Pool #18542	AAA	8.000	09/15/2007	87,389	55,711	83,898
GNMA Pool #19458	AAA	8.000	08/15/2007	758,137	483,313	728,678
GNMA Pool #20008	AAA	8.000	11/15/2007	1,835,657	1,170,232	1,806,512
GNMA Pool #20289	AAA	8.000	11/15/2007	1,840,570	1,173,364	1,801,497
GNMA Pool #20290	AAA	8.000	12/15/2007	894,493	570,240	870,191
GNMA Pool #20305	AAA	8.000	11/15/2007	900,862	574,300	881,738
GNMA Pool #20916	AAA	8.000	11/15/2007	904,074	576,347	896,058
GNMA Pool #20963	AAA	8.000	11/15/2007	872,859	556,447	865,120
GNMA Pool #21329	AAA	8.000	12/15/2007	858,922	547,563	835,587
GNMA Pool #22832	AAA	8.000	09/15/2007	1,681,816	1,072,157	1,604,479
Total United States Governments Agencies				59,257,838	47,074,960	58,353,073

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
Municipal Bonds						
Aitken Cty ISD #4	BBB	4.400%	02/01/1983	\$ 10,000	\$ 9,694	\$ 10,000
Anoka/Circle Pines	BBB	4.200	01/01/1983	9,000	8,754	9,000
Anoka/Circle Pines	BBB	4.500	01/01/1987	38,000	29,057	38,000
Cass City/Pine River	A	4.700	09/01/1989	65,000	43,829	65,000
Clay Cty ISD #122.....	BBB	4.000	02/01/1984	5,000	4,567	5,000
Crow Wing 46 Minn Bldg.	A	3.100	01/01/1983	4,000	3,865	4,000
Dakota 198 Inver Grove	A	3.900	04/01/1983	5,000	4,780	5,000
Douglas ISD #214 Carlos	BBB	3.900	02/01/1986	5,000	3,963	5,000
Faribault/Freeborn	A	2.750	02/01/1985	25,000	20,416	25,000
Fargo N.D. Water Space Util	A	2.500	07/01/1983	3,000	2,775	3,000
Grant/Ottertail CJSO 8	N/R	3.250	04/01/1983	5,000	4,752	5,000
Kanabec/Vill of Mora	BBB	4.500	11/01/1982	15,000	14,670	15,000
Metro Wtr. Dist. So. Cal	AA	3.500	02/01/1984	40,000	36,378	40,000
Metro Wtr. Dist. So. Cal	AA	4.000	08/01/1985	150,000	126,015	150,000
Mille Lacs SD 4/1 Bock	BBB	3.900	03/01/1989	35,000	22,775	35,000
Morrison/Todd ISD #486	BBB	3.800	02/01/1988	45,000	31,207	45,000
Sherburne/Vill Big Lake	BBB	4.500	07/01/1986	40,000	31,536	40,000
Steele/Freeborn 30.....	A	2.700	01/01/1985	55,000	45,558	55,000
Wabasha/Olmsted 806	BBB	4.100	06/01/1987	30,000	22,373	30,000
Total Municipal Bonds				584,000	466,964	584,000
Corporate Bonds-Financial						
American Express	AA	10.100	07/01/1990	3,000,000	2,305,080	3,000,000
American Investment	BB	6.750	11/01/1986	250,000	173,028	250,000
Deere (John) Credit	AA	7.500	04/30/1998	3,750,000	2,043,975	3,717,087
First Bank System	AAA	8.750	06/30/1983	1,842,000	1,726,838	1,840,602
Ford Leasing Development	A	9.500	03/15/2004	2,000,000	1,278,640	2,000,000
GRC Realty Corporation.....	A	7.700	12/31/1998	2,783,893	1,301,330	2,783,892
Household Finance	AA	7.250	01/01/1990	900,000	574,344	898,265
Dial Financial	A	12.750	07/01/1990	4,000,000	3,440,480	4,000,000
General Motors Accept. Corp.....	AA	6.000	04/01/2011	10,000,000	4,187,500	4,682,208
Honeywell Finance Inc.	A	8.200	12/15/1998	4,000,000	2,255,320	3,947,027
LNM Acceptance Corp	AAA	9.100	12/01/1986	1,715,513	1,521,952	1,715,513
MacMillan Bloedel, LTD	BBB	8.750	07/01/1994	3,403,000	1,796,274	3,403,000
Montgomery Ward Credit	BB	8.375	10/01/2002	4,000,000	1,995,000	3,986,133
Northwest Bancorp	AAA	7.750	03/15/2003	4,000,000	2,097,920	4,000,000
Northwest Bancorp	AAA	7.875	09/15/1986	4,000,000	3,092,320	3,997,899
Uslife Corporation	A	12.500	10/15/1990	3,000,000	2,526,900	2,987,521
Wells Fargo & Company	AA	8.625	11/01/1998	2,500,000	1,470,675	2,500,000
Wells Fargo & Company	AA	11.550	01/15/1983	3,000,000	2,940,600	3,000,000
Total Corporate Bonds-Financial				58,144,406	36,728,176	52,709,147
Corporate Bonds-Industrial						
ACF Industries, Inc.	A	9.000	03/01/1991	2,700,000	2,089,989	2,700,000
Akzona, Inc.	BB	7.500	02/15/1997	2,000,000	945,000	2,000,000
Armco Steel Corporation	A	7.875	12/15/1996	1,762,240	1,246,221	1,762,240
Atlantic Richfield Co.	AAA	9.250	07/15/1996	3,821,182	2,564,816	3,821,182
Atlantic Richfield Co.	AAA	8.750	12/01/2001	1,980,746	1,213,365	1,980,746
B. F. Goodrich Co.	BBB	6.500	11/15/1992	365,000	206,196	365,000
Beatrice Foods Co.	AAA	8.500	08/15/2008	2,000,000	1,210,800	1,937,223
Cities Service Gas Co.	AA	8.250	06/01/1991	1,450,000	1,002,472	1,450,000
Conoco Incorporated	AA	9.000	12/01/2000	923,000	591,348	923,000
Crown Zellbach (S.T.)	A	8.125	05/01/1994	3,189,687	1,961,115	3,189,687
Dow Chemical Company	A	7.875	07/15/2007	3,000,000	1,613,100	1,906,257
Dresser Industries	AA	8.650	05/15/1985	1,057,000	902,593	1,058,393
FMC Corporation	A	9.500	01/15/2000	3,800,000	2,420,676	3,773,041
Firestone Tire & Rubber	BBB	9.250	12/01/2004	4,000,000	2,292,680	4,000,000
Hertz Corporation	A	9.500	02/15/1999	2,300,000	1,479,360	2,300,000

STATISTICAL SECTION

Securities (cont'd)

Public Employees Retirement Fund (cont'd)

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
Int'l Bus. Machines	AAA	9.500%	10/01/1986	\$ 2,000,000	\$ 1,710,780	\$ 1,855,147
Moore Business Forms	AA	7.900	10/01/1996	1,900,000	1,050,681	1,900,000
Martin-Marietta Corp.	AA	7.000	03/15/2011	3,000,000	1,428,750	1,704,862
Gulf Oil Corporation	AAA	6.625	06/15/1993	800,000	477,312	800,000
Norton Simon, Inc.	BBB	9.875	06/01/2004	2,500,000	1,606,225	2,500,000
Plantation Pipe Line	A	7.875	10/01/2001	2,925,000	1,778,400	2,902,591
Marathon Oil Company	AA	8.500	02/01/2000	4,000,000	2,347,440	3,940,528
Monsanto Company	AA	8.750	05/15/2008	3,000,000	1,749,840	2,118,658
Owens Illinois Inc.	A	10.375	06/01/1990	3,000,000	2,273,370	2,988,025
Pfizer Incorporated	AA	9.250	08/15/2000	1,000,000	640,270	995,355
Standard Oil of Calif	AAA	7.700	03/30/1997	522,015	367,958	522,015
Standard Oil of Calif	AAA	7.700	03/02/1997	609,017	385,849	609,017
Standard Oil of Calif	AAA	7.700	02/10/1997	609,017	390,276	609,017
Standard Oil of Calif.	AAA	7.700	09/07/1997	442,670	311,972	442,670
Standard Oil of Calif.	AAA	7.700	09/08/1997	442,670	314,420	442,670
Standard Oil of Calif.	AAA	7.700	11/06/1997	442,670	311,445	442,670
Standard Oil of Calif.	AAA	8.500	07/02/1999	1,850,226	1,139,795	1,850,226
Standard Oil (Indiana)	AAA	7.300	10/01/2000	1,446,699	853,046	1,446,699
Standard Oil (Indiana)	AAA	9.000	10/01/2000	1,456,035	933,843	1,456,035
Standard Oil (Indiana)	AAA	7.500	10/01/2000	1,447,876	873,388	1,447,876
Stauffer Chemical Co.	A	7.500	03/15/1997	2,000,000	1,219,480	2,000,000
Studebaker-Worthington	BBB	9.350	11/15/2003	5,000,000	2,844,550	5,000,000
Texaco, Inc.	AAA	7.750	12/01/2001	1,721,000	997,595	1,721,000
Uarco, Inc.	AAA	6.500	05/01/1988	314,250	259,948	314,250
Union Oil of California	AA	6.500	12/01/1988	274,508	201,777	274,508
Youngstown Sheet Tube	B	4.600	07/01/1995	437,000	239,806	437,000
Total Corporate Bonds-Industrial				77,489,508	48,447,947	73,887,588
Corporate Bonds-Public Utilities						
American Tel. & Tel.	AAA	7.125	12/01/2003	1,000,000	532,040	609,379
American Tel. & Tel.	AAA	6.000	08/01/2000	5,336,600	2,336,600	2,718,240
Bell Tel. Co. of Penna	AAA	6.750	05/01/2008	4,000,000	1,872,080	2,244,084
Bell Tel. of Penna.	AAA	4.750	05/01/2001	1,000,000	377,200	462,372
Bell Tel. Co. Canada	AA	6.900	09/17/1998	800,000	394,240	800,000
Bell Tel. Co. Penna	AAA	8.750	07/15/2015	2,000,000	1,154,180	1,261,285
Calif. Electric Power	AA	5.125	05/01/1990	400,000	227,732	400,577
Chesapeake & Potomac Tel. VA	AAA	9.500	04/15/2019	4,000,000	2,506,840	3,004,264
Commonwealth Edison	A	5.750	11/01/1996	750,000	360,848	739,397
Consolidated Edison	A	9.250	01/01/1996	1,418,544	934,239	1,418,544
Consolidated Natural Gas	AA	12.875	10/01/2000	1,000,000	818,920	961,056
Dayton Power & Light	A	4.450	06/01/1993	500,000	217,050	500,000
Duke Power Company	A	10.125	05/01/2009	2,000,000	1,297,100	1,570,295
Florida Power & Light Co.	A	11.300	05/01/2010	1,000,000	721,610	848,820
Florida Power & Light Co.	A	12.125	11/01/2009	2,000,000	1,522,840	1,791,290
General Tel. Co. NW	A	7.125	06/01/1999	900,000	460,386	878,440
Hawaiian Telephone	AA	13.375	10/01/2010	2,000,000	1,660,620	1,982,899
Houston Lighting & Power	A	12.000	06/01/2010	1,000,000	746,860	899,879
Illinois Bell Tel. & Tel.	AAA	4.375	07/01/2003	1,000,000	348,300	421,218
Indiana Bell Telephone Co.	AAA	8.000	10/01/2014	2,000,000	1,075,460	1,168,304
Kansas Power & Light	AA	8.125	06/01/2007	3,000,000	1,596,540	2,987,507
Mountain States Tel. & Tel.	AAA	7.750	06/01/2013	3,000,000	1,540,260	1,840,836
Mountain States Tel. & Tel.	AAA	8.625	04/01/2018	1,500,000	851,760	1,002,693
N. Brunswick Elec. Power	A	7.875	04/01/1998	3,004,000	1,656,015	3,004,000
N. Brunswick Elec. Power	A	6.000	11/15/1991	500,000	261,625	496,229
New York Telephone Co.	AAA	8.000	07/15/2008	3,500,000	1,904,455	3,359,853
Northwest Natural Gas	A	4.750	01/01/1989	600,000	339,810	600,780
Northwestern Bell Tel. Co.	AAA	4.875	06/01/1998	2,000,000	809,160	995,082
Northwestern Bell Tel. Co.	AAA	9.500	08/15/2016	2,000,000	1,250,900	1,490,613
Northwestern Bell Tel. Co.	AAA	8.125	03/15/2017	3,000,000	1,617,660	1,921,102

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
Ohio Bell Telephone Co.	AAA	9.000%	11/01/2018	\$ 2,000,000	\$ 1,192,140	\$ 1,431,968
Pacific NW Bell Tel. Co.	AAA	8.625	10/01/2010	2,000,000	1,144,820	1,241,316
Pacific Tel. & Tel. Co.	A	15.000	11/01/2020	3,000,000	2,695,260	2,990,296
Public Service Co. of Ind.	A	12.125	09/01/1990	4,000,000	3,386,280	3,978,753
Public Service Co. of Ind.	A	7.625	01/01/2007	4,000,000	2,006,680	3,966,194
Public Service Electric & Gas	AA	8.250	06/01/2007	5,000,000	2,763,850	4,964,751
Rochester Gas & Electric	A	6.700	07/01/1998	800,000	370,880	800,000
Southwestern Bell Tel. & Tel.	AAA	4.625	08/01/1995	1,000,000	428,010	522,294
Southern Bell Tel. & Tel.	AAA	12.875	10/05/2020	2,000,000	1,667,780	1,887,406
Southern Bell Tel. & Tel.	AAA	10.900	12/01/2019	3,000,000	2,161,980	2,467,304
Southern Bell Tel. & Tel.	AAA	8.250	04/15/2016	8,000,000	4,412,240	4,747,019
Southern Bell Tel. & Tel.	AAA	7.625	03/15/2013	6,500,000	3,553,285	5,509,425
South Central Bell Tel.	AAA	8.250	11/01/2015	3,000,000	1,649,700	1,900,125
Southwestern Bell Tel. Co.	AAA	8.750	09/01/2018	2,000,000	1,147,920	1,395,883
South Central Bell Tel.	AAA	8.250	08/01/2013	3,500,000	1,929,445	2,209,656
Springfield Gas Light	BBB	4.875	01/15/1987	321,000	211,475	321,000
Texas Power & Light	AAA	8.600	01/01/2006	2,000,000	1,171,160	1,367,636
Texas Power & Light	AAA	9.375	02/01/2009	3,000,000	1,876,230	2,248,177
United Tel. Co. Ohio	A	6.875	07/01/1998	696,000	329,576	696,000
Total Corporate Bonds-Public Utilities				111,689,544	65,292,041	87,024,241
Corporate Bonds-Transportation						
Burlington Northern	AA	8.750	09/01/1993	2,411,895	1,426,588	2,411,896
Burlington Northern	A	9.250	06/15/1998	4,000,000	2,333,720	4,000,000
Del & Hudson (Guar GE)	A	10.500	09/01/1985	454,760	398,952	454,760
Delta Steamship Lines	AAA	5.500	03/01/1986	114,000	85,974	114,000
Grace Line, Inc.	AA	5.100	02/01/1992	734,000	382,524	734,000
Louisville & Nashville	A	6.875	01/15/1986	240,000	203,558	238,907
Louisville & Nashville	A	9.000	10/20/1991	1,245,219	846,301	1,245,219
Louisville & Nashville	A	8.375	04/20/1992	2,350,581	1,683,838	2,350,581
Louisville & Nashville	A	4.875	12/01/1987	500,000	320,050	498,777
Missouri Pacific RR	AA	12.750	06/01/1995	1,733,333	1,593,939	1,733,333
Missouri Pacific RR	AA	9.750	06/01/1994	3,200,000	2,307,200	3,200,000
Moore-McCormack Lines	AAA	5.750	04/01/1987	316,000	298,503	316,000
Lachmar (Hull 54)	AAA	14.000	09/25/1988	1,790,000	1,654,873	1,790,000
Seafirst Corporation	AA	10.500	06/01/1990	2,000,000	1,526,640	1,992,017
Southern Pacific Trans	AA	8.250	10/01/1992	2,566,667	1,698,492	2,566,667
St. Louis-SF Railway	A	7.250	12/15/1983	106,667	95,124	106,667
Union Tank Car	A	9.500	12/15/1995	3,000,000	1,982,280	3,000,000
Western Maryland RR	BBB	4.850	10/01/1989	480,000	269,688	480,000
Total Corporate Bonds-Transportation				27,243,122	19,108,244	27,232,824
Foreign Bonds						
Aluminum Co. of Canada	A	9.500	03/01/1995	3,860,000	2,492,749	3,823,634
Bell Tel. Co. Canada	AA	9.500	06/01/2004	4,000,000	2,586,200	4,000,000
British Columbia Hydro	AAA	9.625	07/15/1996	2,551,500	1,687,613	2,551,500
Manitoba Hydro Elec. Bd	AA	7.650	10/15/1997	3,500,000	1,908,200	3,500,000
Manitoba, Province of	AA	6.875	11/01/1993	800,000	443,688	798,904
Nova Scotia Power Comm	A	8.125	07/15/1998	1,500,000	837,615	1,497,400
Nova Scotia Power Comm	A	7.750	03/15/1997	1,500,000	841,680	1,495,144
Nova Scotia Power Corp.	A	9.625	06/01/2008	1,000,000	618,750	991,361
Nova Scotia, Province	A	7.250	08/01/1993	800,000	441,912	802,088
Ontario Hydro	AAA	9.500	03/15/1996	4,005,000	2,630,644	4,005,000
Ontario, Province of	AAA	6.875	12/01/1997	700,000	355,446	696,341
Ontario, Province of	AAA	7.850	05/15/2001	1,500,000	812,055	1,500,000
Ontario, Province of	AAA	7.300	12/15/2002	3,500,000	1,765,645	3,500,000
Ontario, Province of	AAA	9.375	06/01/2008	1,000,000	614,510	1,000,000
Ontario, Province of	AAA	9.375	11/30/2008	4,000,000	2,460,400	3,964,782
Saskatch, Province of	AA	9.250	04/15/2008	5,000,000	2,987,500	5,000,000
Total Foreign Bonds				39,216,500	23,484,607	39,126,154
Total Public Employees Retirement Fund				\$441,624,918	\$301,809,139	\$403,446,983

STATISTICAL SECTION

Fixed Income Securities

Public Employees Police and Fire Fund

June 30, 1982

Bonds

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
United States Governments						
U.S.A. Treasury Bond	AAA	7.625%	02/15/2007	\$ 2,000,000	\$ 1,210,000	\$ 1,364,009
U.S.A. Treasury Note	AAA	9.000	02/15/1987	500,000	413,435	499,840
U.S.A. Treasury Bond	AAA	12.750	11/15/2010	3,000,000	2,763,750	2,974,317
U.S.A. Treasury Bond	AAA	11.500	11/15/1995	900,000	763,875	841,152
U.S.A. Treasury Note	AAA	14.375	11/15/1984	1,000,000	993,750	1,004,132
U.S.A. Treasury Note	AAA	11.875	09/30/1982	2,000,000	1,990,000	2,007,250
U.S.A. Treasury Note	AAA	11.875	09/30/1982	1,600,000	1,592,000	1,603,750
Total United States Governments				11,000,000	9,726,810	10,294,450
United States Governments Agencies						
Federal Home Loan Mtg.	AAA	12.500	01/01/2010	944,087	767,071	918,252
Federal National Mtg. Assn.	AAA	11.100	08/10/1984	1,000,000	932,500	942,308
Federal Farm Credit Bank	AAA	13.550	07/01/1982	3,000,000	3,000,000	3,000,000
Federal Farm Credit Bank	AAA	15.450	08/02/1982	1,000,000	1,000,938	1,000,000
Federal Farm Credit Bank	AAA	15.450	08/02/1982	1,000,000	1,000,938	1,000,000
Federal Farm Credit Banks	AAA	13.250	04/22/1985	1,000,000	964,370	1,000,000
Federal Home Loan Bank	AAA	12.250	08/25/1983	1,000,000	973,120	1,000,000
Federal Home Loan Bank	AAA	7.850	08/27/1984	105,000	91,744	105,000
Federal Natl. Mtg. Assn.	AAA	10.500	06/10/1988	500,000	414,375	500,000
GNMA Pool #04064	AAA	8.250	08/15/2004	485,536	285,044	484,539
GNMA Pool #08550	AAA	8.250	03/15/2006	23,308	13,683	23,258
GNMA Pool #10249	AAA	8.000	11/15/2006	538,079	343,025	535,007
GNMA Pool #10743	AAA	8.250	05/15/2006	56,111	32,941	55,993
GNMA Pool #11828	AAA	8.000	09/15/2006	654,007	416,930	649,263
GNMA Pool #16051	AAA	8.000	01/15/2008	901,722	574,848	870,376
Total United States Governments Agencies				12,207,850	10,811,525	12,083,996
Corporate Bonds-Financial						
American Investment	BB	6.750	11/01/1986	50,000	34,605	50,000
American Investment	BB	5.250	01/01/1991	74,000	33,971	74,000
Deere (John) Credit	AA	7.500	04/30/1998	500,000	272,530	498,433
Dial Financial	A	12.750	07/01/1990	785,000	675,194	785,000
General Motors Accept. Corp.	AA	6.000	04/01/2011	1,000,000	418,750	468,221
LNM Acceptance Corp.	AAA	9.100	12/01/1986	857,757	760,976	857,757
MacMillan Bloedel, LTD	BBB	8.750	07/01/1994	656,000	346,270	656,000
Montgomery Ward Credit	BB	8.375	10/01/2002	850,000	423,938	847,867
Northwest Bancorp	AAA	7.750	03/15/2003	500,000	262,240	500,000
Northwest Bancorp	AAA	7.875	09/15/1986	800,000	618,464	799,580
Uslife Corp.	A	12.500	10/15/1990	1,000,000	842,300	995,840
Wells Fargo & Company	AA	8.625	11/01/1998	800,000	470,616	800,000
Wells Fargo & Company	AA	11.550	01/15/1983	1,000,000	980,200	1,000,000
Total Corporate Bonds-Financial				8,872,757	6,140,054	8,332,698
Corporate Bonds-Industrial						
ACF Industries, Inc.	A	9.000	03/01/1991	720,000	557,330	720,000
Akzona, Inc.	BB	7.500	02/15/1997	500,000	236,250	500,000
Armco Steel Corp.	A	7.875	12/15/1996	403,765	285,535	403,765
Atlantic Richfield Co.	AAA	9.250	07/15/1996	764,236	512,963	764,236
Atlantic Richfield Co.	AAA	8.750	12/01/2001	693,261	424,678	693,261
Cities Service Gas Co.	AA	8.250	06/01/1991	300,000	207,408	300,000
Conoco Inc.	AA	9.000	12/01/2000	192,000	123,011	192,000
Crown Zellbach, (S.T.)	A	8.125	05/01/1994	622,379	382,657	622,379
Dow Chemical Company	A	7.875	07/15/2007	1,000,000	537,700	637,876
FMC Corp.	A	9.500	01/15/2000	800,000	509,616	794,325
Firestone Tire & Rubber	BBB	9.250	12/01/2004	800,000	458,536	800,000
Hertz Corporation	A	9.500	02/15/1999	400,000	257,280	400,000

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
Moore Business Forms	AA	7.900%	10/01/1996	\$ 475,000	\$ 262,670	\$ 475,000
Gulf Oil Corporation	AAA	6.625	06/15/1993	200,000	119,328	200,000
Plantation Pipe Line	A	7.875	10/01/2001	293,000	178,144	293,000
Marathon Oil Company	AA	8.500	02/01/2000	800,000	469,488	796,441
Monsanto Company	AA	8.750	05/15/2008	500,000	291,640	352,898
Owens Illinois Inc.	A	10.375	06/01/1990	500,000	378,895	498,004
Standard Oil of Calif.	AAA	7.700	03/30/1997	130,504	91,989	130,504
Standard Oil of Calif.	AAA	6.000	12/01/1992	82,000	50,229	81,488
Standard Oil of Calif.	AAA	7.700	03/02/1997	130,504	82,682	130,504
Standard Oil of Calif.	AAA	7.700	02/10/1997	174,005	111,508	174,005
Standard Oil of Calif.	AAA	7.700	09/07/1997	88,534	62,394	88,534
Standard Oil of Calif.	AAA	7.700	09/08/1997	88,534	62,884	88,534
Standard Oil of Calif.	AAA	7.700	11/06/1997	88,534	62,289	88,534
Standard Oil (Indiana)	AAA	7.300	10/01/2000	289,340	170,609	289,340
Standard Oil (Indiana)	AAA	9.000	10/01/2000	242,673	155,640	242,673
Standard Oil (Indiana)	AAA	7.500	10/01/2000	241,313	145,565	241,313
Stauffer Chemical Co.	A	7.500	03/15/1997	500,000	304,870	500,000
Studebaker-Worthington	BBB	9.350	11/15/2003	1,000,000	568,910	1,000,000
Union Oil of California	AA	6.500	12/01/1988	52,632	38,688	52,633
Youngstown Sheet Tube	B	4.600	07/01/1995	134,000	73,534	117,597
Total Corporate Bonds-Industrial				13,206,214	8,174,920	12,668,844
Corporate Bonds-Non-Profit Org.						
N. Brunswick H. Educ.	A	7.000	04/15/1993	200,000	108,868	198,492
Total Corporate Bonds-Non Profit Org.				200,000	108,868	198,492
Corporate Bonds-Public Utilities						
American Telephone & Tel.	AAA	6.000	08/01/2000	2,000,000	934,640	1,087,296
Bell Tel. Co. of Penna.	AAA	6.750	05/01/2008	800,000	374,416	448,817
Chesapeake & Potomac Tel. VA	AAA	9.500	04/15/2019	2,000,000	1,253,420	1,503,808
Commonwealth Edison	A	5.750	11/01/1996	100,000	48,113	100,000
Commonwealth Edison	A	10.000	04/01/1999	700,000	512,302	700,000
Consolidated Edison	A	9.250	01/01/1996	236,424	155,706	236,424
Consolidated Natural Gas	AA	12.875	10/01/2000	500,000	409,460	480,446
Duke Power Company	A	10.125	05/01/2009	1,000,000	648,550	785,148
Florida Power & Light Company	A	12.125	11/01/2009	1,000,000	761,420	895,645
Hawaiian Telephone	AA	13.375	10/01/2010	1,000,000	830,310	991,450
Houston Lighting & Power	A	12.000	06/01/2010	1,000,000	746,860	899,879
Kansas Power & Light	AA	8.125	06/01/2007	750,000	399,135	746,877
Minnesota Power & Light	A	8.700	09/01/2006	800,000	449,616	800,000
Mountain States Tel & Tel.	AAA	7.750	06/01/2013	1,000,000	513,420	613,612
N. Brunswick Elec. Power	A	7.875	04/01/1998	429,000	236,495	429,000
New York Telephone Company	AAA	8.000	07/15/2008	800,000	435,304	766,333
Northern States Power Co. MN	AA	8.375	01/01/2004	800,000	411,760	776,526
Northwestern Bell Tel. Co.	AAA	4.875	06/01/1998	420,000	169,924	208,967
Northwestern Bell Tel. Co.	AAA	9.500	08/15/2016	1,500,000	938,175	1,116,963
Pacific Northwest Bell Tel. Co.	AAA	8.625	10/01/2010	500,000	286,205	309,508
Pacific Tel. & Tel. Co.	A	15.000	11/01/2020	500,000	449,210	499,401
Public Service Co. of Ind.	A	12.125	09/01/1990	1,000,000	846,570	1,000,000
Public Service Co. of Ind.	A	7.625	01/01/2007	540,000	270,902	535,957
Public Service Elec. & Gas	AA	8.250	06/01/2007	800,000	442,216	752,962
Rochester Gas & Elec.	A	6.700	07/01/1998	150,000	69,540	150,000
Southwestern Bell Tel. & Tel.	AAA	4.625	08/01/1995	750,000	321,008	391,720
Southern Bell Tel. & Tel.	AAA	12.875	10/05/2020	800,000	667,112	754,962
Southern Bell Tel. & Tel.	AAA	10.900	12/01/2019	500,000	360,330	407,514
Southern Bell Tel. & Tel.	AAA	8.250	04/15/2016	2,000,000	1,103,060	1,251,900
Southern Bell Tel. & Tel.	AAA	7.625	03/15/2013	1,600,000	825,424	1,210,916

STATISTICAL SECTION

Securities (cont'd)

Public Employees Police and Fire Fund (cont'd)

COMPANY	MOODY'S RATING	INTEREST RATE	MATURITY DATE	PAR VALUE	MARKET VALUE	BOOK VALUE
South Central Bell Telephone.....	AAA	8.250%	11/01/2015	\$ 1,000,000	\$ 549,900	\$ 580,029
South Central Bell Telephone.....	AAA	8.250	08/01/2013	1,000,000	551,270	589,506
Texas Power & Light	AAA	8.600	01/01/2006	1,000,000	585,579	683,818
Total Corporate Bonds-Public Utilities				28,975,424	17,557,352	22,705,384
Corporate Bonds-Transportation						
Burlington Northern.....	AA	8.750	09/01/1993	528,203	312,423	528,204
Chesapeake & Ohio RY	AA	8.750	03/15/1989	202,216	159,744	202,216
Del & Hudson (Guar GE)	A	10.500	09/01/1985	91,717	80,461	91,717
Grace Line, Inc.	AA	5.100	02/01/1992	99,000	51,594	99,000
Louisville & Nashville	A	9.000	10/20/1991	455,568	309,622	455,568
Louisville & Nashville	A	4.875	12/01/1987	50,000	32,005	49,877
Missouri Pacific RR	AA	12.750	06/01/1995	866,667	796,969	866,667
Missouri Pacific RR	AA	9.750	06/01/1994	800,000	576,800	800,000
Moore-McCormack Lines	AAA	5.750	04/01/1987	65,000	61,401	65,000
Seaboard Coast Line RR	A	9.000	04/01/1992	787,331	532,669	787,331
Seafirst Corporation.....	AA	10.500	06/01/1990	500,000	381,660	498,004
Southern Pacific Trans	AA	8.250	10/01/1992	513,333	339,698	513,333
St. Louis-SF Railway	A	6.750	01/01/1983	10,000	9,576	10,000
Western Maryland RR	BBB	4.850	10/01/1989	72,000	40,454	72,000
Total Corporate Bonds-Transportation				5,041,035	3,685,076	5,038,917
Foreign Bonds						
Aluminum Co. of Canada	A	9.500	03/01/1995	800,000	516,632	778,171
Bell Tel. Co. Canada	AA	9.500	06/01/2004	800,000	517,240	800,000
British Columbia Hydro	AAA	9.625	07/15/1996	945,000	625,042	943,709
Manitoba Hydro Elec. Bd.	AA	7.650	10/15/1997	500,000	272,600	500,000
Nova Scotia, Province	A	7.250	08/01/1993	250,000	138,098	250,652
Ontario Hydro	AAA	9.500	03/15/1996	890,000	584,588	890,000
Ontario, Province of	AAA	7.850	05/15/2001	300,000	162,411	300,000
Ontario, Province of	AAA	7.300	12/15/2002	500,000	252,235	500,000
Ontario, Province of	AAA	9.375	06/01/2008	500,000	307,255	500,000
Ontario, Province of	AAA	9.375	11/30/2008	800,000	492,080	792,956
Ontario, Province of	AAA	5.625	04/15/1997	100,000	44,378	100,000
Saskatch, Province of	AA	9.250	04/15/2008	800,000	478,000	800,000
Ontario Province of Canada.....	AAA	9.125	06/16/2005	1,000,000	604,050	1,010,579
Total Foreign Bonds				8,185,000	4,994,609	8,166,067
Total Public Employees Police and Fire Fund				\$ 87,688,280	\$ 61,199,214	\$ 79,488,848
Total Public Employees Retirement Fund and Public Employees Police and Fire Fund				<u>\$529,313,198</u>	<u>\$363,008,353</u>	<u>\$482,935,831</u>

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Short-term Cash Equivalents

June 30, 1982

Public Employees Retirement Fund

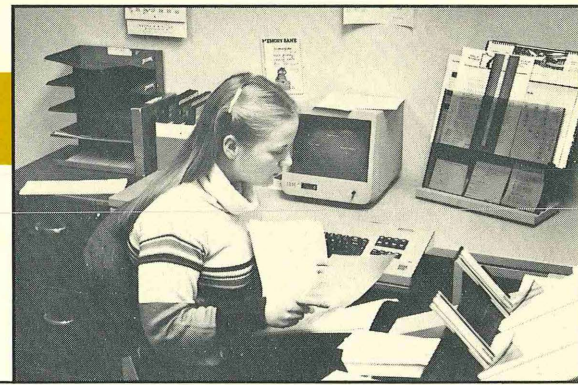
	MATURITY DATE	YIELD	PAR VALUE
Bank:			
Republic National Bank BA-DISC	7/26/82	13.250%	\$ 3,000,000
Union Bank of LA BA-DISC	8/26/82	13.450	3,500,000
Commercial Paper:			
Sears Roebuck Acceptance Corporation	7/02/82	14.375	742,000
State Board of Investment C.D.	7/16/82	13.580	8,500,000
State Board of Investment C.D.	7/16/82	14.540	3,500,000
State Board of Investment C.D.	7/16/82	14.540	2,100,000
State Board of Investment C.D.	7/16/82	14.540	1,300,000
Sears Roebuck Acceptance Corporation	7/22/82	13.125	3,413,000
Union Oil Credit Company	7/30/82	14.250	3,744,000
State Board of Investment C.D.	10/18/82	14.470	1,000,000
State Board of Investment C.D.	10/18/82	14.470	1,700,000
State Board of Investment C.D.	10/18/82	14.470	3,000,000
Repurchase Agreement:			
Repurchase Agreement	7/01/82	13.500	721,000
Repurchase Agreement	7/01/82	14.600	34,000
Repurchase Agreement	7/07/82	14.770	3,693,000
Repurchase Agreement	7/07/82	15.000	8,166,000
Repurchase Agreement	7/07/82	13.500	79,000
			\$48,192,000
Less: Unamortized Discounts			(103,894)
Subtotal			\$48,088,106

Public Employees Police and Fire Fund

Bank:			
Union Bank of LA BA-DISC	8/25/82	13.550	1,005,492
Commercial Paper:			
Sears Roebuck Acceptance Corporation	7/02/82	14.375	191,000
American Express Credit Corporation	7/07/82	14.375	560,000
State Board of Investment C.D.	7/16/82	14.540	1,200,000
Sears Roebuck Acceptance Corporation	7/22/82	13.125	2,116,000
Association Corporation of N.A.	7/30/82	14.375	1,232,000
State Board of Investment C.D.	10/18/82	14.470	200,000
Repurchase Agreement:			
Repurchase Agreement	7/01/82	13.500	77,000
Repurchase Agreement	7/01/82	14.600	37,000
Repurchase Agreement	7/07/82	15.000	2,983,000
Repurchase Agreement	7/07/82	13.250	19,000
			\$ 9,620,492
Less: Unamortized Discount			(21,194)
Subtotal			\$ 9,599,298
Total			\$57,687,404

STATISTICAL SECTION

Participating Employers



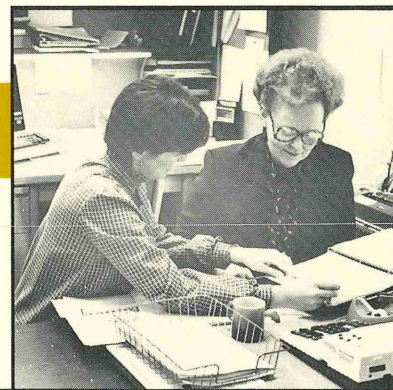
Cities and Townships

Ada	Bird Island	Clear Lake	Eagle Lake	Gilbert	Hollywood
Adams	Biscay	Clearbrook	East Bethel	Gilman	Home
Adrian	Blwabik	Clearwater	East Grand Forks	Glencoe	Hopkins
Aitkin	Blackduck	Clements	Easton	Glenville	Houston
Akeley	Blaine	Cleveland	Echo	Glenwood	Howard Lake
Albany	Blooming Prairie	Clinton	Eden Prairie	Glyndon	Hoyt Lakes
Albert Lea	Bloomington	Clontarf	Eden Valley	Golden Valley	Hugo
Albertville	Blue Earth	Cloquet	Edgerton	Conville	Hutchinson
Albion	Bovey	Cokato	Edina	Good Thunder	Ideal
Alden	Boyd	Cold Spring	Elbow Lake	Goodhue	Independence
Alexandria	Braham	Coleraine	Elgin	Goodridge	International Falls
Alpha	Brainerd	Cologne	Elizabeth	Goodview	Inver Grove Heights
Altura	Branch	Columbia Heights	Elk River	Graceville	Iona
Alvarado	Brandon	Columbus	Elko	Grand Marais	Iron Range
Amboy	Breckenridge	Comfrey	Ellendale	Grand Meadow	Irondale
Andover	Breezy Point	Concord	Ellsworth	Grand Rapids	Ironton
Annandale	Breitung	Conger	Elmdale	Granada	Isanti
Anoka	Brewster	Cook	Elmore	Granite Falls	Isle
Antrim	Bricelyn	Coon Rapids	Ely	Grasston	Ivanhoe
Appleton	Bristol	Corcoran	Elysian	Great Scott	Jackson
Apple Valley	Brook Park	Corinna	Embarrass	Green Isle	Janesville
Arden Hills	Brooklyn Center	Cosmos	Emily	Greenbush	Jasper
Argyle	Brooklyn Park	Cottage Grove	Emmons	Greenfield	Jeffers
Arlington	Broton	Cottonwood	Empire	Greenway	Jenkins
Ashby	Browerville	Courtland	Erhard	Grey Eagle	Johnsonville
Ashland	Browns Valley	Cromwell	Erskine	Grove City	Jordan
Askov	Brownsdale	Crookston	Evansville	Grygla	Kandiyohi
Atwater	Brownston	Crosby	Eveleth	Hackensack	Karlstad
Audubon	Buffalo	Crosslake	Excelsior	Hadley	Kasota
Aurora	Buffalo Lake	Crow River	Eyota	Hallock	Kasson
Austin	Buhl	Crystal	Fairfax	Halstad	Keewatin
Avoca	Burnsville	Crystal Bay	Fairmont	Ham Lake	Kelliher
Avon	Butterfield	Currie	Falcon Heights	Hamburg	Kellogg
Babbitt	Byron	Cyrus	Fall Lake	Hancock	Kennedy
Backus	Caledonia	Dahlgren	Faribault	Hanley Falls	Kensington
Badger	Callaway	Dalton	Farmington	Hanover	Kenyon
Bagley	Calumet	Danube	Fayal	Hanska	Kerkhoven
Balaton	Cambridge	Danvers	Felton	Harmony	Kettle River
Balkan	Camden	Darwin	Fergus Falls	Harris	Kiester
Barnesville	Campbell	Dassel	Fertile	Hartland	Kimball
Barnum	Canby	Dawson	Fifty Lakes	Hassan	Kinney
Barrett	Cannon Falls	Dayton	Finlayson	Hastings	Krain
Bashaw	Canton	Deephaven	Fish Lake	Hawley	La Crescent
Bassbrook	Carlos	Deer Creek	Fisher	Hayfield	Lafayette
Battle Lake	Carlton	Deer River	Flensburg	Hazelton	La Grande
Baudette	Carver	Deerwood	Floodwood	Hector	Lake Benton
Baxter	Cass Lake	DeGraff	Foley	Henderson	Lake Bronson
Bayport	Cedar Mills	Delano	Forest Lake	Hendricks	Lake City
Beardsley	Center City	Delavan	Foreston	Hendrum	Lake Crystal
Beaver Bay	Centerville	Dellwood	Fosston	Henning	Lake Edward
Beaver Creek	Ceylon	Dent	Fountain	Herman	Lake Elmo
Becker	Champlin	Detroit Lakes	Franconia	Hermantown	Lake Hanska
Belgrade	Chandler	Dewald	Frankfort	Heron Lake	Lake Lillian
Belle Creek	Chanhasen	Dexter	Franklin	Hewitt	Lake Park
Belle Plaine	Chaska	Dilworth	Frazee	Hibbing	Lake Shore
Bellingham	Chatfield	Dodge Center	Freeborn	Hill City	Lake View
Belview	Chisago City	Donnelly	Freeport	Hills	Lake Wilson
Bemidji	Chisago Lake	Dovray	French Lake	Hilltop	Lakefield
Benson	Chisholm	Duluth	Fridley	Hinckley	Lakeland
Benton	Chokio	Dumont	Frost	Hitterdal	Laketown
Bertha	Circle Pines	Dundas	Fulda	Hoffman	Lakeville
Big Falls	Clara City	Dundee	Garvin	Hokah	Lakin
Big Lake	Claremont	Dunn	Gary	Holding	Lamberton
Bigelow	Clarissa	Dunnell	Gaylord	Holdingford	Lancaster
Bigfork	Clarkfield	Eagan	Ghent	Holland	Landfall
Birchwood	Clarks Grove	Eagle Bend	Gibbon	Holloway	Lanesboro

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

LaPrairie	Milaca	Ogilvie	Rush City	Sverdrup	Willmar
Lauderdale	Milan	Okabena	Rushford	Swanville	Wilmont
Le Center	Millerville	Oklee	Rushmore	Sylvan	Windom
Le Roy	Millville	Olivia	Russell	Taconite	Winger
Le Sueur	Millroy	Onamia	Ruthton	Tailors Falls	Winnebago
Lengby	Milton	Orono	Rutland	Thief River Falls	Winona
Leon	Miltona	Oronoco	Sacred Heart	Thomson	Winsted
Lester Prairie	Minneapolis	Orr	St. Anthony	Tintah	Winthrop
Lewiston	Minneota	Ortonville	St. Bonifacius	Tonka Bay	Winton
Lewisville	Minnesota Lake	Osakis	St. Charles	Tower	Wolf Lake
Lexington	Minnetonka	Oslo	St. Clair	Tracy	Wolverton
Linden	Minnetonka Beach	Osseo	St. Cloud	Trimont	Wood Lake
Lindstrom	Minnetrista	Otsego	St. Francis	Truman	Woodbury
Lino Lakes	Montevideo	Ostrander	St. Hilaire	Twin Lakes	Woodland
Linwood	Montgomery	Owatonna	St. James	Twin Valley	Worthington
Lismore	Monticello	Palisade	St. Joseph	Two Harbors	Wrenshall
Litchfield	Montrose	Park Rapids	St. Leo	Tyler	Wyanett
Little Canada	Moorhead	Parkers Prairie	St. Louis Park	Ulen	Wykoff
Little Falls	Moose Lake	Paynesville	St. Michael	Underwood	Wyoming
Littlefork	Mora	Pelican	St. Paul	Upsala	York
Livonia	Morgan	Pelican Rapids	St. Paul Park	Vadnais Heights	Young America
Long Lake	Morris	Pequot Lakes	St. Peter	Vasa	Yucatan
Long Prairie	Morristown	Perham	Sanborn	Vergas	Zimmerman
Longville	Morse	Pierz	Sandstone	Vermillion	Zumbrota
Lonsdale	Morton	Pine City	Sargeant	Verndale	
Lucan	Motley	Pine Island	Sartell	Vernon	
Luverne	Mound	Pine River	Sauk Centre	Vernon Center	
Lyle	Mounds View	Pipestone	Sauk Rapids	Vesta	
Lynd	Mountain Iron	Plainview	Savage	Victor	
Mabel	Mountain Lake	Plato	Scandia Valley	Victoria	
Madelia	Murdock	Plummer	Scanlon	Virginia	
Madison	Nashwauk	Plymouth	Sebekka	Wabasha	
Madison Lake	Nessel	Preble	Shakopee	Wabasso	
Magnolia	Nevis	Preston	Shamrock	Waconia	
Mahnomen	New Brighton	Princeton	Sherburn	Wadena	
Mahtomedi	New Germany	Prinsburg	Shoreview	Wahkon	
Mankato	New Hope	Prior Lake	Shorewood	Waite Park	
Mantorville	New London	Proctor	Silver Bay	Waldorf	
Maple Grove	New Munich	Quincy	Silver Creek	Walker	
Maple Lake	New Prague	Ramsey	Silver Lake	Walnut Grove	
Maple Plain	New Richland	Randall	Slayton	Waltham	
Mapleton	New Scandia	Randolph	Sleepy Eye	Wanamingo	
Mapleview	New Ulm	Ranier	South International Falls	Wanda	
Maplewood	New York Mills	Raymond	South St. Paul	Warren	
Marble	Newburg	Red Lake Falls	South Bend	Warroad	
Marietta	Newfolden	Red Wing	South Branch	Warsaw	
Marine on St. Croix	Newport	Redwood Falls	South Haven	Waseca	
Marshall	Nicollet	Remer	Southside	Watertown	
Martin	Nisswa	Renville	Spencer	Waterville	
Marysville	Nordland	Rice Lake	Spicer	Watkins	
May	North Branch	Richfield	Spring Grove	Watson	
Mayer	North Hero	Richmond	Spring Lake Park	Waubun	
Maynard	North Mankato	Robbinsdale	Spring Park	Waverly	
Mazeppa	North Oaks	Rochester	Spring Valley	Wayzata	
McKinley	North St. Paul	Rock Creek	Springfield	Welcome	
McGrath	Northfield	Rockford	Stacy	Wells	
McGregor	Northome	Rogers	Stanford	Wendell	
McIntosh	Northrop	Rollingstone	Staples	West Concord	
Medford	Norway	Roosevelt	Star Lake	West St. Paul	
Medina	Norwood	Rose Creek	Starbuck	Westbrook	
Melrose	Oak Grove	Roseau	Stephen	Wheaton	
Menahga	Oak Lawn	Rosemount	Stewart	White	
Mendota Heights	Oak Park Heights	Roseville	Stewartville	White Bear	
Mentor	Oakdale	Rothsay	Stillwater	White Bear Lake	
Middle River	Odessa	Round Lake	Stockholm	Willernie	
Middleville	Ogema	Royalton	Storden	Williams	

Employers (cont'd)



Counties

Aitkin
Anoka
Becker
Beltrami
Benton
Big Stone
Blue Earth
Brown
Carlton
Carver
Cass
Chippewa
Chisago
Clay
Clearwater
Cook
Cottonwood
Crow Wing
Dakota
Dodge
Douglas
Faribault
Fillmore
Freeborn
Goodhue
Grant
Hennepin
Houston
Hubbard
Isanti
Itasca
Jackson
Kanabec
Kandiyohi
Kittson
Koochiching
Lac qui Parle
Lake
Lake of the Woods
Le Sueur
Lincoln
Lyon
Mahnomon
Marshall
Martin
McLeod
Meeker
Mille Lacs
Morrison
Mower
Murray
Nicollet
Nobles
Norman
Olmsted
Ottertail
Pennington
Pine
Pipestone
Polk
Pope
Ramsey
Red Lake
Redwood
Renville
Rice
Rock

Roseau
St. Louis
Scott
Sherburne
Sibley
Stearns
Steele
Stevens
Swift
Todd
Traverse
Wabasha
Wadena
Waseca
Washington
Watsonwan
Wilkin
Winona
Wright
Yellow Medicine

School Districts

Ada #521
Adrian #511
Aitkin #1
Akeley #301
Albany #745
Albert Lea #241
Alden #242
Alexandria #206
Alvarado #436
Amboy-Good Thunder #79
Annandale #876
Anoka-Hennepin #11
Anoka-Isanti #15
Appleton #784
Argyle #437
Arlington-Green Isle #731
Ashby #261
Askov #566
Atwater #341
Audubon #21
Aurora-Hoyt Lakes #691
Austin #492
Babbitt #692
Backus #114
Badger #676
Bagley #162
Balaton #411
Barnesville #146
Barnum #91
Barrett #262
Battle Lake #542
Beardsley #57
Becker #726
Belgrade #736
Belle Plaine #716
Bellingham #371
Belview #631
Bemidji #31
Benson #777
Bertha-Hewitt #786
Big Lake #727
Bird Island #646
Biwabik #693
Blackduck #32
Blooming Prairie #756
Bloomington #271
Blue Earth #240
Borup #522
Braham #314
Brainerd #181
Brandon #207
Breckenridge #846
Brewster #513
Brownton #421
Browerville #787
Browns Valley #801
Brownton #421
Buffalo #877
Buffalo Lake #647
Buhl #694
Burnsville #191
Butterfield #836
Byron #531
Caledonia #299
Cambridge #911
Cambell-Tintah #852
Canby #891
Cannon Falls #252
Carlton #93
Cass Lake #115
Ceylon #451
Chaska #112
Chatfield #227
Chisholm #695
Chokio #771
Circle Pines #12
Clara City #126
Claremont #201
Clarissa #789
Clarkfield #892
Clearbrook #161
Cleveland #391
Climax #592
Clinton #58
Cloquet #94
Cold Spring #750
Coleraine #316
Columbia Heights #13
Comfrey #81
Cosmos #461
Cottonwood #412
Cromwell #95
Crookston #593
Crosby-Ironton #182
Cyrus #611
Dakota County Vo Tech
Danube #648
Dassel-Cokato #466
Dawson #378
Deer Creek #543
Deer River #317
Delano #879
Delavan #218
Detroit Lakes #22
Dilworth #147
Dodge Center #202
Duluth #709
Eagle Bend #790
East Chain #453

East Grand Forks #595
Echo #893
Eden Prairie #272
Eden Valley-Watkins #463
Edgerton #581
Edina #273
Elbow Lake-Wendell #263
Elgin #806
Elk River #728
Ellendale #762
Ellsworth #514
Elmore #219
Ely #696
Emmons #243
Erskine #597
Esko #99
Evansville #208
Eveleth #697
Eyota-Dover #533
Fairfax #649
Fairmont #454
Faribault #656
Farmington #192
Fergus Falls #544
Fergus Falls #935
Fertile #599
Finlayson #570
Fisher #600
Floodwood #698
Foley #51
Forest Lake #831
Fosston #601
Franklin #650
Frazee #23
Freeborn #244
Fridley #14
Fulda #505
Garden City #78
Gary #523
Gaylord #732
Gibbon #733
Gilbert #699
Glencoe #422
Glenville #245
Glenwood #612
Glyndon-Felton #145
Gonvick #158
Goodhue #253
Goodridge #561
Graceville #60
Granada-Huntley #460
Grand Marais #166
Grand Meadow #495
Grand Rapids #318
Granite Falls #894
Greenbush #678
Grey Eagle #791
Grove City #464
Grygla #447
Hallock #351
Halstad #524
Hancock #768
Harmony #228
Hastings #200
Hawley #150
Hayfield #203
Hector #651

Henderson #734
Hendricks #402
Hendrum #525
Henning #545
Herman #264
Hermantown #700
Heron Lake-Okabena #330
Hibbing #701
Hill City #2
Hills-Beaver Creek #671
Hinckley #573
Hoffman #265
Holdingford #738
Hopkins #270
Houston #294
Howard Lake #880
Humboldt #352
Hutchinson #423
International Falls #361
Inver Grove Heights #199
Isle #473
Ivanhoe #403
Jackson #324
Janesville #830
Jasper #582
Jeffers-Storden #178
Jordan #717
Karlstad #353
Kasson #204
Kelliher #36
Kennedy #354
Kensington #209
Kenyon #254
Kerkhoven-Murdock-Sunburg #775
Kiester #222
Kimball #739
La Crescent #300
Lake County #381
Lake Benton #404
Lake City #813
Lake Crystal #70
Lake Park #24
Lake Wilson-Chandler #918
Lake of the Woods #390
Lakefield #325
Lakeville #194
Lamberton #633
Lancaster #356
Lanesboro #229
Laporte #306
LeCenter #392
LeRoy-Ostrander #499
LeSueur #393
Lester Prairie #424
Lewiston #857
Lindstrom-Chisago Lakes #141
Litchfield #465
Little Falls #482
Littlefork-Big Falls #362
Long Prairie #792
Lyle #497
Lynd #415
Mabel-Canton #238
Madelia #837
Madison #377
Magnolia #669

MINNESOTA PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Mahnomen #432
 Mahtomedi #832
 Mankato #77
 Maple Lake #881
 Mapleton #72
 Marietta #376
 Marshall #413
 Maynard #127
 Mazeppa #809
 McGregor #4
 McIntosh #603
 Medford #763
 Melrose #740
 Menahga #821
 Mentor #604
 Middle River #440
 Milaca #912
 Milan #128
 Milroy #635
 Minneapolis #15
 Minneota #414
 Minnesota Lake #223
 Minnesota River Valley #993
 Minnetonka #276
 Montevideo #129
 Montgomery #394
 Monticello #882
 Moorhead #152
 Moose Lake #97
 Mora #332
 Morgan #636
 Morris #769
 Morristown #657
 Morton #652
 Motley #483
 Mound #277
 Mounds View #621
 Mountain Iron #703
 Mountain Lake #173
 Nashwauk-Keewatin #319
 Nett Lake #707
 Nevis #308
 New London-Spicer #345
 New Prague #721
 New Richland #827
 New Ulm-Hanska #88
 New York Mills #553
 Newfolden #441
 Nicollet #507
 North Branch #138
 North St. Paul-Maplewood #622
 Northfield #659
 Norwood-Young America #108
 Ogilvie #333
 Oklee #627
 Olivia #653
 Onamia #480
 Orono #278
 Ortonville #62
 Osakis #213
 Oslo #442
 Osseo #279
 Owatonna #761
 Park Rapids #309
 Parkers Prairie #547
 Paynesville #741
 Pelican Rapids #548

Pequot Lakes #186
 Perham #549
 Peterson #232
 Pierz #484
 Pillager #116
 Pine City #578
 Pine City Vo Tech
 Pine Island #255
 Pine River #117
 Pipestone #583
 Plainview #810
 Plummer #628
 Preston #233
 Princeton #477
 Prior Lake #719
 Proctor #704
 Randolph #195
 Raymond #346
 Red Lake #38
 Red Lake Falls #630
 Red Wing #256
 Redwood Falls #637
 Remer #118
 Renville #654
 Richfield #280
 Robbinsdale #281
 Rochester #535
 Rock County #670
 Rockford #883
 Roseau #682
 Rosemount #196
 Roseville #623
 Rothsay #850
 Round Lake #516
 Royalton #485
 Rush City #139
 Rushford #234
 Russell #418
 Ruthton #584
 Sacred Heart #655
 St. Anthony #282
 St. Charles #858
 St. Clair #75
 St. Cloud #742
 St. James #840
 St. Louis County #710
 St. Louis Park #283
 St. Michael-Albertville #885
 St. Paul #625
 St. Peter #508
 Sanborn #638
 Sandstone #576
 Sartell #748
 Sauk Centre #743
 Sauk Rapids #47
 Sebeka #820
 Shakopee #720
 Sherburn #456
 Silver Lake #425
 Sioux Valley #328
 Slayton #504
 Sleepy Eye #84
 South Koochiching County-
 Rainy River
 Southland #500
 South St. Paul #6
 South Washington County #833

Spring Grove #297
 Spring Lake Park #16
 Spring Valley #237
 Springfield #85
 Staples #793
 Starbuck #614
 Stephen #443
 Stewart #426
 Stewartville #534
 Stillwater #834
 Strandquist #444
 Suburban Hennepin Vo Tech
 Swanville #486
 Taylors Falls #140
 Thief River Falls #564
 Tower-Soudan #708
 Tracy #417
 Trimont #457
 Truman #458
 Twin Valley #526
 Tyler #409
 Ulen-Hitterdal #914
 Underwood #550
 Upsala #487
 Verdi #408
 Verndale #818
 Villard #615
 Virginia #706
 Wabasha-Kellogg #811
 Wabasso #640
 Waconia #110
 Wadena #819
 Wadena Vo Tech
 Waldorf-Pemberton #913
 Walker #119
 Walnut Grove #641
 Wanamingo #258
 Warren #446
 Warroad #690
 Waseca #829
 Watertown-Mayer #111
 Waterville-Elysian #395
 Waubun-Ogema-White Earth #435
 Wayzata #284
 Welcome #459
 Wellcome Memorial-Garden
 City #78
 Wells #224
 West Concord #205
 West St. Paul #197
 Westbrook #175
 Wheaton #803
 White Bear Lake #624
 White Bear Lake Vo Tech #916
 Willmar #347
 Willow River #577
 Windom #177
 Winnebago #225
 Winona #861
 Winsted #427
 Winthrop #735
 Wood Lake #896
 Worthington #518
 Wrenshall #100
 Wykoff #236
 Zumbrota #260

Miscellaneous

Adams Health Care Center
 Agassiz Valley Vocational Center
 Aitkin County Soil and Water
 Alexandria Lake Area Sanitary District
 Ambulatory Care Center of Lamberton
 Arrowhead Library System
 Arrowhead Regional Development
 Association of Minnesota Counties
 Battle Lake Area Landfill Association
 Battle Lake Motor
 Becker Water and Soil
 Beltrami County Water and Soil
 Bemidji Regional Interdistrict Council
 Benton County Water and Soil
 Benton-Stearns Special Education Co-op
 Big Stone Water and Soil
 Blue Earth County Water and Soil
 Blue Mound Co-op Center #9
 Bonanza Valley Co-op Center
 Boundary Waters Special Education Co-op
 Bovey-Coleraine Joint Tri Plant Commission
 Brown County Water and Soil
 Brown Nicollet Human Service Board
 Burns-Homer-Pleasant Water and Soil
 Carlton County Water and Soil
 Carver County Water and Soil
 Carver-Scott Co-op Center
 Cass County Water and Soil
 Central Minnesota ERDC
 Central Minnesota Libraries Extension
 Central Minnesota Regional Development
 Chisago Water and Soil
 Circle Pines-Lexington Joint Police Commission
 Clay County Vocational Center
 Clay County Water and Soil
 Clearwater County Nursing Service
 Clearwater County Water and Soil
 Cottonwood County Water and Soil
 Cottonwood River Vocational Center
 Crow River Regional Library
 Crow Wing County Water and Soil
 Dakota County Water and Soil
 Des Moines Valley Nursing Service
 Dodge Center Water and Soil
 Douglas County Water and Soil
 Dover-Eyota St. Charles Sanitation
 East Agassiz Water and Soil
 East Central Co-op Center
 East Central Regional Development Commission
 East Central Regional Library
 East Ottertail Water and Soil
 East Polk Water and Soil
 East Range Vocational Center
 Educational Co-op Service
 Educational Co-op Service Unit
 Faribault County Water and Soil
 Faribault Martin Watonwan Human Service Bd.
 Freeborn County Water and Soil
 Glacial Ridge Co-op Center
 Goodhue County Water and Soil
 Government Training Service
 Governor's Office State Central Payroll
 Grant County Water and Soil
 Great River Regional Library
 Greenway Joint Recreation Association
 Headwaters Regional Development Commission
 Highland Vocational Co-op Center #1

Employers (cont'd)

Hubbard County Water and Soil
Hudson Sanitary Landfill Authority
Inter County Nursing Service
Interdistrict Special Ed Co-op
Interdistrict Vocational Center
International Union Operating Engineers
Itasca County Water and Soil
Joint Powers Board
Kanabec County Water and Soil
Kandiyohi Water and Soil
Kitchigami Regional Library
Kittson County Water and Soil
Kittson-Marshall Rural Water System
Koochiching County Water and Soil
Lac qui Parle County Water and Soil
Lake Agassiz Regional Library
Lake Agassiz Special Ed Co-op
Lake Minnetonka Conservation District
Leaf River Valley Vo Tech Center
League of Minnesota Cities
Lincoln County Joint Cities Committee
Lincoln County Water and Soil
Local Government Information Systems
Long Lake Conservation Center
Low Income Energy Assistance
Lyon County Water and Soil
Mahnomen County Water and Soil
Marshall-Beltrami Water and Soil
Marshall County Water and Soil
Marshall-Polk Water System
Martin County Water and Soil
McLeod County Water and Soil
Meeker County Water and Soil
Meeker-Wright County Special Ed Co-op
Metronet
Metropolitan Airports Commission
Metropolitan Council
Metropolitan Inter County Association
Metropolitan Library Service Agency
Metropolitan Mosquito District
Metropolitan Sports Facility Commission
Metropolitan Transit Commission
Metropolitan Waste Control Commission
Middle River-Snake River Watershed District
Mid-Range Special Ed Co-op
Midwest Special Ed Co-op District 5
Mille Lacs Vocational Center
Mille Lacs County Water and Soil
Minneapolis Community Development Agency
Minnesota Municipal Utilities Association
Minnesota School Districts Data Processing Jt. Bd.
Minnesota Valley Co-op
Minnesota Valley Regional Library
Minnesota Valley Vocational Center
Moose Lake-Windemere Sewer District
Morrison County Water and Soil
Motor Patrol
Mower County Water and Soil
Mower Education Service Co-op
Multi County Nursing Service
New Richland Care Center
Nicollet County Water and Soil
Nobles County Water and Soil
North Country Vocational Co-op Center
North Country Library Co-op
Northeast Ed Co-op Service Unit

North Kittson Rural Water System
North St. Louis Water and Soil
Northwest ECSU
Northwest Hennepin Human Services
Northwest Regional Development Commission
Northwest Regional Interdistrict Council
Northwest Suburban Cable Community Comm.
Oak Terrace Nursing Home
Olmsted County Water and Soil
Pelican Valley Health Center
Pennington County Water and Soil
Pine County Water and Soil
Pine Point Exp. School
Pine River Sanitary District
Pine to Prairie Co-op Center
Pipestone County Water and Soil
Plum Creek Library System
Pope County Water and Soil
Prior Lake-Spring Lake Watershed District
Public Employees Retirement Association
Range Association of Municipalities
Red Lake County Water and Soil
Red Lake Falls Special Ed Co-op
Red Lake Watershed District
Red River Co-op Center
Redwood County Water and Soil
Region Eight N. Welfare Board
Region Five Computer Service
Region Five Development Commission
Region Nine Regional Development Commission
Region One Elementary Secondary Vocational
Region Three Comp. Employees and Train Cons.
Renville County Water and Soil
Rice County Water and Soil
Rice Creek Watershed District
River Bend Special Service Co-op
Rock County Rural Water System
Rock County Water and Soil
Roseau County Energy Assistance Program
Roseau County Water and Soil
Runestone Co-op Center
Runestone Community Center
Rural Fire Association
Scott County Water and Soil
Sherburne Water and Soil
Sibley County Co-op Center
Sibley Water and Soil
Six East Regional Development Commission
South Central Ed Co-op Service
Southeast Minnesota Ed Co-op Service Unit
Southern Minnesota Municipal Power Agency
South Lake Minnetonka Public Safety Dept.
South St. Louis County Water and Soil
Southwest and West Central Ed. Service
Southwest Multi-County Interlibrary Ex.
Southwest Regional Development Commission
Spring Grove Ambulance Corp.
State Community Colleges
State Court Administration Judicial Districts
St. Bonifacius-Minnetrissa Police Commission
St. Cloud Area Planning Organization
St. Cloud Metro Transit Commission
Stearns County Water and Soil
Steele County Water and Soil
Stevens County Water and Soil
Suburban School Employees #284

Sunnyside Nursing Home
Swift County Water and Soil
Todd County Water and Soil
Township Main Association
Traverse County Water and Soil
Traverse Des Sioux Regional Library
Tri County Co-op Center
United Auto Workers
University of Minnesota Police Officers
Upper Minnesota Valley Reg. Dev. Comm.
Viking Library System
Viking Vocational Center
Wabasha County Water and Soil
Wadena County Water and Soil
Waseca County Water and Soil
Washington County Water and Soil
Watsonwan Water and Soil
West Central Area on Aging
West Central ECSU
West Central Migrant Region
West Central Regional Development
Western Plains Library System
West Hennepin County Human Services
West Hennepin Public Safety Department
West Lake Superior Sanitation District
West Ottertail County Water and Soil
West Polk Water and Soil
Wilkin County Water and Soil
Windom Area Hospital Inc.
Winona County Water and Soil
Woodland Co-op Center
Wright County Water and Soil
Wright Vo Tech Center
Yellow Medicine Water and Soil

Cover art portrays the many men and women whose special services to the public qualify them for membership in the Public Employees Retirement Association. Illustration/Design by S.G. Rummel, White Bear, MN.