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STATE
RETIREMENT
SYSTEM



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COMPREHENSIVE ANNUAL REPORT
July 1, 1990 — June 30, 1991

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT
of the
MINNESOTA STATE RETIREMENT SYSTEM**

July 1, 1990 — June 30, 1991

**Douglas Mewhorter
Acting Executive Director
Minnesota State Retirement System
175 West Lafayette Frontage Road
St. Paul, MN 55107**

**MINNESOTA STATE RETIREMENT SYSTEM
COMPREHENSIVE ANNUAL REPORT
FISCAL YEAR ENDED JUNE 30, 1991**

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MINNESOTA STATE RETIREMENT SYSTEM

175 WEST LAFAYETTE FRONTAGE ROAD
ST. PAUL, MINNESOTA 55107-1425
(612) 296-2761
FAX (612) 297-5238

LETTER OF TRANSMITTAL

To the Board of Directors
Minnesota State Retirement System

The Minnesota State Retirement System (MSRS) is proud to submit the comprehensive annual report for the fiscal year ended June 30, 1991. This report includes a summary of the System, financial statements, actuarial reports and statistical data. The information should be useful in understanding the System and its current status.

Accounting System and Reports

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

Our internal accounting controls are designed to provide reasonable assurance regarding the safekeeping and reliability of all financial records. Transactions are reported on the accrual basis of accounting.

A summary of this report is included in a newsletter sent to all active and retired members of the plans.

Revenues

Employee contributions, employer contributions, and investment income provide the funding for the System. Contributions and investment income for fiscal year 1991 were \$359.9 million. This represents a 10.0% decrease from fiscal year 1990 due to decreased realized investment earnings.

Expenses

The expenses of the System consist of annuity benefits, refunds of contributions, interest on refunds, and administrative expenses. Expenses for fiscal year 1991 were \$120.7 million, an increase of 11.1% from fiscal year 1990. Revenues exceeded expenses by \$239.2 million.

OFFICERS

Executive Director

Assistant Directors

Douglas Mewhorter
Arvin Herman

BOARD OF DIRECTORS

Elected Members

Francis C. Marshall, Chair
General Plan
Department of Transportation
419 Transportation Building
St. Paul, MN 55155

Richard K. Hull
State Patrol Plan
MN State Patrol, Dist. 2400
3489 Hadley Avenue No.
Oakdale, MN 55128

John Johnson
MTC Representative
312 Central Avenue, Room 438
Minneapolis, MN 55414

Abigail Robles
General Plan
Department of Revenue
10 River Park Plaza
St. Paul, MN 55146

Luther Thompson
General Plan
Department of Public Service
American Center Building
160 E. Kellogg Blvd.
St. Paul, MN 55101

Robert A. Whitaker
Retiree Representative
1303 Watson Avenue
St. Paul, MN 55116

Allen D. Willie
General Plan
University of Minnesota
1919 University Ave., Room 290
St. Paul, MN 55104

Kenneth Yozamp
Correctional Plan
Minnesota Correctional Facility
Box B
St. Cloud, MN 56302

Appointed Members

Commissioner Dana Badgerow
Department of Administration
2nd Floor, Administration Bldg.
St. Paul, MN 55155

Otto Bang
American Agency, Inc.
5851 Cedar Lake Road
St. Louis Park, MN 55416

Mel Hansen
4505 - 28th Avenue So.
Minneapolis, MN 55406

Investments

The assets of MSRS are invested by the State Board of Investment. The overall time weighted rate of return for the basic funds was 6.7%. Investment income contributed \$216.4 million or 60.1% of the total income of the System. Of the total investment income, 57% is from the basic retirement funds and the remaining 43% is from the participation in the Minnesota Post Retirement Investment Fund.

Funding

For Fiscal Year 1991, all funded plans made progress toward full funding by the required year 2020. The State Employees Plan was 79.91% funded, the Correctional Plan 94.43% funded, and the State Patrol Plan 89.30% funded. The actuarial valuation has determined that the current contributions are sufficient for the State Employees Plan, the Correctional Plan and State Patrol Plan. The actuarial section of this report has the detailed actuarial results.

The Judges Plan and the Legislative Plan are partially on a terminal funding basis and partially on a "pay-as-you-go" basis. The Elective Officers Plan is on a "pay-as-you-go" basis. The Unclassified and Deferred Compensation Plans are defined contribution plans and consequently, are totally funded.

Professional Services

Actuarial services are provided for MSRS by DeLoitte and Touche. The actuarial valuation data included in this report is provided by Milliman & Robertson, Inc., under contract with the Legislative Commission on Pensions and Retirement. Legal counsel is provided by the State Attorney General's Office. The System's medical advisor is the State Department of Health. The annual financial audit is conducted by the State Legislative Auditor.

Administration

Continued effort was made to bring the highest quality of service to the covered employees. This year, a comprehensive benefit statement was issued to each participant. The statement provided employee service credit, benefits earned to date, and retirement benefits at various projected retirement dates.

Acknowledgments

This report 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 assets contributed by the members and their employers.

I would like to take this opportunity to express my gratitude to the Board of Directors, staff, the advisors, and to the many people who worked so diligently to assure the successful operation of the System.

Respectfully submitted,


Douglas Mewhorter
Acting Executive Director

**MINNESOTA STATE RETIREMENT SYSTEM
ADMINISTRATIVE ORGANIZATION
JUNE 30, 1991**

BOARD OF DIRECTORS

Francis Marshall, Chairman
Department of Transportation
6300 South Concord Avenue
Edina, Minnesota 55424
Telephone 612/296-3420
Term: March 7, 1988-March 2, 1992
Elected — State Employee

Kenneth Yozamp, Vice-Chair
Department of Corrections
HCR 67, Box 330
Onamia, Minnesota 56359
Telephone 612/255-5000
Term: March 7, 1988-March 2, 1992
Elected — Correctional Plan Member

Dana Badgerow, Commissioner
Department of Administration
1812 Humboldt Avenue So.
Minneapolis, MN 55403
Telephone: (612) 296-3862
Term: April 7, 1991-January 2, 1995
Appointed — State Official

Otto T. Bang
5200 Duggan Plaza
Edina, Minnesota 55439
Telephone 612/593-8703
Term: April 7, 1991-January 2, 1995
Appointed — Public Member

Mel Hansen
4505 — 28th Avenue South
Minneapolis, Minnesota 55406
Telephone 612/722-2182
Term: January 2, 1989-January 4, 1993
Appointed — Public Member

Richard K. Hull
Minnesota State Patrol
623 Nightingale Blvd.
Stillwater, MN 55082
Telephone 612/779-1254
Term: March 5, 1990-March 7, 1994
Elected — State Patrol Member

John Johnson
Metropolitan Transit Commission
12857 Polk Street Northeast
Blaine, Minnesota 55434
Telephone 612/379-2914
Term: March 7, 1988-March 2, 1992
Appointed — MTC/TOD Designate

Abigail Robles
Department of Revenue
1171 Kruse
West St. Paul, Minnesota 55118
Telephone 612/297-1835
Term: July 19-March 2, 1992
Appointed — State Employee

Luther Thompson
Department of Public Service
6148 Valley Creek Road
Woodbury, Minnesota 55125
Telephone 612/296-1065
Term: March 5, 1990-March 7, 1994
Elected — State Employee

Robert A. Whitaker
1303 Watson Avenue
St. Paul, Minnesota 55116
Telephone 612/298-3315
Term: March 5, 1990-March 2, 1992
Elected — Retired State Employee

Allen D. Willie
11967 Radisson Road N.E.
Blaine, Minnesota 55434
Telephone 612/625-5898
Term: March 5, 1990-March 7, 1994
Elected — State Employee

OFFICERS

Douglas Mewhorter, Acting Executive Director

Assistant Directors

Douglas Mewhorter, Employee Services and Records
Arvin L. Herman, Finance and Systems



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175 WEST LAFAYETTE FRONTAGE ROAD
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Executive Director

Assistant Directors

Douglas Mewhorter
Arvin Herman

TO: Members and Annuitants of the
Minnesota State Retirement System

This year has been one of change for MSRS. The System moved to a new office location after 20 years at the previous location. The System's Executive Director, Paul Groschen, also retired after many years of service to the System. The Board is in the process of selecting a permanent Executive Director.

The year has also been one of financial stability and improvement for the Minnesota State Retirement System. The funding level (projected assets versus projected liabilities for future retirements) generally improved or changed little for all funded plans. The funded plans contribution rates did not change and were also sufficient to fully fund the plans by the year 2020. The Judges Plan' funding was changed from terminal funding at retirement to actuarial funding with the addition of an employer contribution of 22%.

Retirees will receive a 4.295% increase in January 1992 and received a 5.1% increase in January 1991. The five year average increase is 5.7%. These increases are provided by investment earnings in excess of the 5% required earnings of the Minnesota Post Retirement Investment Fund.

Increases to retirees are projected to be lower in the future because interest rates have declined significantly. The Board has endorsed the proposal to change the post retirement increase formula that allows diversification of post retirement assets and the adding of a cost of living factor into the increase formula.

We welcome new board member Dana Badgerow, Commissioner of Administration, who was appointed to replace State Treasurer Michael McGrath. We thank Treasurer McGrath for his years of service to the Board. As the current chair, I look forward to working with the board, MSRS staff, and participants to insure a sound and secure retirement future.

Sincerely,

Francis C. Marshall, Chair
MSRS Board of Directors

BOARD OF DIRECTORS

Elected Members

Francis C. Marshall, Chair
General Plan
Department of Transportation
419 Transportation Building
St. Paul, MN 55155

Richard K. Hull
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Minnesota Correctional Facility
Box B
St. Cloud, MN 56302

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Department of Administration
2nd Floor, Administration Bldg.
St. Paul, MN 55155

Otto Bang
American Agency, Inc.
5851 Cedar Lake Road
St. Louis Park, MN 55416

Mel Hansen
4505 - 28th Avenue So.
Minneapolis, MN 55406

SUMMARY OF RETIREMENT PLANS

PURPOSE

The Minnesota State Retirement System was established by the State Legislature in 1929 to provide retirement benefits to State employees. The System currently administers seven defined benefit plans and two defined contribution plans for most State employees and selected other public employees.

ADMINISTRATION

The administration of the System is governed by an eleven member Board of Directors. The Board includes four elected General Plan members, one elected State Patrol plan member, one elected Correctional Plan member, one elected retired member, one designated Metropolitan Transit Commission employee and three appointed by the Governor.

The management of the System is vested with the Executive Director who administers the plans in accordance with Minnesota Law and the policies of the Board. The following is a description of plans included in this report.

Defined Benefit Plans

General Employees Plan

- (a) Coverage and Contributions — Most state employees, and selected metropolitan agency employees. Contributions are 4.15% employee and 4.29% employer.
- (b) Benefit Formula
 - 1% of high five year salary for first 10 years plus 1½% for each year over 10 with subsidized early retirement adjustment.
 - or, 1½% for all years of service with actuarial equivalent early retirement reduction.
- (c) Retirement age and years of service
 - Age 65 with one year service — no reduction.
 - Age 62 with 30 years service — no reduction.
 - Rule of 90 — no reduction.
 - Age 55 with 3 years service — reduced from age 65.
 - At any age with 30 years service — reduced from age 62.
 - Total and permanent disability with 3 years service.
- (d) Surviving Spouse Benefit
 - If employee was at least age 50 with 3 years of service at date of death, generally, the spouse is eligible for a 100% joint and survivor annuity starting when the employee would have attained age 55, or a refund.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Options
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 15 year period certain and life thereafter.

SUMMARY OF RETIREMENT PLANS (Continued)**Military Affairs and Transportation Pilots Plans**
Provisions different from General Plan.

- (a) Coverage and Contributions
 - Employees required to retire from federal military status at age 60 or 62 and pilots. Contributions are 5.75% employees and 5.89% employers.
- (b) Retirement Age and Years of Service
 - Age 60, 62 for pilots, with at least 5 years of service — no reduction.
- (c) Disability
 - Unable to perform job disability with 5 years service
 - Formula as general plan with no reduction.
 - Pilots get 75% of salary for maximum of 5 years.

State Patrol Retirement Plan

- (a) Coverage and Contributions
 - State of Minnesota Highway Patrolmen, conservation officers and crime bureau officers. Contributions are 8.5% employee and 14.88% employer.
- (b) Benefit Formula
 - 2½% of high five successive years salary for each year of service.
- (c) Retirement Age and Years of Service
 - Age 55 with 3 years of service — no reduction.
 - Age 50 with 3 years service — reduced from age 55.
 - Disability same as Correctional Officers Plan.
- (d) Survivor Benefits
 - Death of member in service — spouse gets 20% of final average salary. With 10 or more years of service, changes to a 100% joint and survivor annuity amount as of the date the employee would have attained age 55.
 - Children get 10% of final average salary per child plus \$20 per month prorated equally to such children until age 18 or 23 if a student, or until married. Total benefit limited to 40% of final average salary.
 - Refund with 6% interest if no survivor benefit payable.
- (e) Refunds
 - Contributions with 6% interest.
- (f) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.

SUMMARY OF RETIREMENT PLANS (Continued)**Correctional Employees Plan**

Provisions different from General Plan

(a) Coverage and Contributions

- State employees who have direct contact with inmates at Minnesota Correctional Facilities. Contributions are 4.9% employee and 6.27% employer.

(b) Benefit Formula

- $2\frac{1}{2}\%$ of high five year average salary for each year of service to a maximum of 75%, payable for 84 months or until age 65, then reverts to General Plan formula.

(c) Retirement Age and Years of Service

- Age 55 with 3 years service
- Age 50 with 3 years service, reduced from age 55.
- Unable to perform job disability with 3 years service.
- If disability is job related, benefit is equal to 50% of high five average salary plus $2\frac{1}{2}\%$ for each year in excess of 20.

Judges Retirement Plan

(a) Coverage and Contributions

- All Minnesota District, Appellate and Supreme Court Judges. Non-Social Security judges pay 8.15%. Social Security judges pay 4.00%. Employer contributions are 22%.

(b) Benefit Formula

- $2\frac{1}{2}\%$ of high five years average salary within the last 10 years of service for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.
- Benefit is reduced by 50% of primary benefit amount payable from Social Security.

(c) Retirement Age and Years of Service

- Age 70 with 1 year service — no reduction.
- Age 65 with 5 years service — no reduction.
- Age 62 with 5 years service — reduced from age 65.

(d) Disability

- Unable to perform the duties.
- Continuation of full salary for two years, then as computed under the formula with no reduction, subject to minimum of 25% of high five year salary. Benefit is reduced by 50% of primary amount payable from Social Security.

(e) Survivor Benefits

- Spouse eligible for 60% of normal annuity subject to a minimum of 25% of final average salary. If covered by Social Security, normal annuity amount is reduced by 50% of judge's primary benefit amount from Social Security.

(f) Refunds

- Contributions with 5% interest.

(g) Annuity and Disability Options

- 100% joint and survivor, with or without bounce back.
- 50% joint and survivor, with or without bounce back.
- 10 year certain and life thereafter.
- 15 year certain and life thereafter.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)**General Fund****Legislators Retirement Plan**

- (a) Coverage and Contributions
 - All legislators. Contributions are 9% employee and as needed from general fund appropriation for employer.
- (b) Benefit Formula
 - 2½% of high five year average salary.
- (c) Retirement age and years of service
 - Age 62 with 6 years of service — No reduction.
 - Age 60 with 6 years of service — Reduced from age 62.
- (d) Survivor benefits
 - Spouse gets 50% of benefit.
 - First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.
- (e) Refunds
 - Contributions with 6% interest.

Elective Officers Plan

- (a) Coverage and Contributions
 - Elected Constitutional Officers. Contributions are 9% employee and as needed from general fund appropriation for employer.
- (b) Benefit Formula
 - 2½% of high five year average salary.
- (c) Retirement age and years of service
 - Age 62 with 8 years of service — No reduction.
 - Age 60 with 8 years of service — Reduced from age 62.
- (d) Survivor benefits
 - Spouse gets 50% of benefit.
 - First child gets 25%, the next two children get 12.5% for a maximum of 100% of member benefit.
- (e) Refunds
 - Contributions with 6% interest.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)**Defined Contribution Plan****Unclassified Employees Plan**

- (a) Coverage and Contributions
 - Certain specified employees of the State of Minnesota in unclassified positions. Contributions are 4% employee and 6% employer.
- (b) Benefits
 - Withdrawal of account balance or annuity benefit based on age and 5% interest assumption.
- (c) Retirement Age and Years of Service
 - Age 55 with any length of service.
- (d) Refunds
 - Value of account.
- (e) Annuity and Disability Option
 - 100% joint and survivor with bounce back.
 - 50% joint and survivor with bounce back.
 - 15 year period certain.

Agency Fund**Deferred Compensation Plan — IRS Code 457**

- (a) Coverage and Contributions
 - Optional for all State employees and employees of political subdivisions. Contributions are tax deferred with a \$10 per pay period minimum and a 25% of gross compensation or \$7,500 maximum.
- (b) Investment Selection
 - Minnesota Supplemental Investment Fund
 - Income Share Account.
 - Growth Share Account.
 - Money Market Account.
 - Common Stock Index Account.
 - Guaranteed Return Account.
 - Bond Market Account
 - Minnesota Mutual Life Insurance Company
 - Fixed annuity contract.
 - Variable annuity contract with stock, bond, money market, managed, mortgage securities and index accounts.
 - Great West Life Assurance Company
 - Daily Interest Guarantee Fund.
 - Guaranteed Certificate Fund — 30, 60 and 84 month.
 - Growth Fund.
 - Bond Fund
 - Money Market
- (c) Withdrawal Events
 - Termination of service or death.
 - Unforeseeable emergency.

SUMMARY OF RETIREMENT SYSTEM PLANS (Continued)**(d) Withdrawal Options**

- Minnesota Supplemental Investment Fund
 - Lump sum.
 - Lump sum purchase of a fixed or variable annuity contract from insurance company.
 - Monthly installment over a period specified.
- Insurance Companies
 - The life of the participant.
 - The life of the participant or a period certain, whichever is greater.
 - The joint lifetime of the participant and a named beneficiary.
 - Term certain payment.

These summary plan descriptions are not intended to be all inclusive, they are provided for general information purposes only.



STATE OF MINNESOTA

OFFICE OF THE LEGISLATIVE AUDITOR

CENTENNIAL BUILDING, ST. PAUL, MN 55155 • 612/296-4708

JAMES R. NOBLES, LEGISLATIVE AUDITOR

INDEPENDENT AUDITOR'S REPORT

Members of the Board
and
Executive Director
Minnesota State Retirement System

We have audited the accompanying financial statements of the Minnesota State Retirement System and the combining and individual fund financial statements of the system as of and for the year ended June 30, 1991, as presented in the financial section of this report. These financial statements are the responsibility of the system's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As explained in Note 2, investments are valued at cost or amortized cost as required by generally accepted accounting principles. Minnesota statutes require valuation of all securities at cost plus one-third of unrealized capital gains or losses. Since the statutory provision deviates from generally accepted accounting principles, the basic statements are not in compliance with the statute. Note 8 contains the disclosures which must be considered together with the basic financial statements to achieve statutory reporting requirements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Minnesota State Retirement System at June 30, 1991, and the results of its operations for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of the individual funds of the Minnesota State Retirement System at June 30, 1991, and the results of operations of such funds for the year then ended, in conformity with generally accepted accounting principles. In addition, except for the valuation of securities, as discussed in the preceding paragraph, the aforementioned financial statements are in compliance with the reporting requirements of Minn. Stat. Section 356.20.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole and on the combining and individual fund financial statements. The supplemental schedule of administrative expenses, which is the responsibility of the system's management is presented for purposes of additional analysis and is not a required part of the financial statements of the Minnesota State Retirement System. The information has been subjected to the auditing procedures applied in the audit of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the respective individual funds taken as a whole.

Handwritten signature of James R. Nobles in blue ink.

James R. Nobles
Legislative Auditor

Handwritten signature of John Asmussen in blue ink.

John Asmussen, CPA
Deputy Legislative Auditor

November 27, 1991

COMBINED BALANCE SHEET
JUNE 30, 1991
(In Thousands)

		Defined Contribution Fund	Agency Fund	Memorandum Only	
	Defined Benefit Funds	Unclassified Retirement Fund	Deferred Compensation Fund	1991 Totals	1990 Totals
ASSETS					
Cash	\$ 148	\$ 15	\$ 52	\$ 215	\$ 155
Short-term investments (at cost)	48,431	866	1,368	50,665	26,178
Accounts receivable:					
Member contributions	2,148	88	1,525	3,761	4,935
Employer contributions	1,990	132	0	2,122	2,250
Other	9	0	60	69	60
Accrued Interest	7	0	1	8	98
Due from MPRI fund	1,182	0	0	1,182	1,811
Due from other plans	316	0	0	316	366
Due from other funds	4,805	0	0	4,805	4,505
Fixed Investments (at cost)	417,652	0	0	417,652	414,429
Equity Investments (at cost)	1,099,837	0	0	1,099,837	1,022,109
Deposits with Insurance Companies	0	0	410,421	410,421	330,334
Fixed Assets	93	0	0	93	100
Restricted Assets	1,043,795	82,017	173,845	1,299,657	1,146,639
	<u>\$2,620,413</u>	<u>\$ 83,118</u>	<u>\$ 587,272</u>	<u>\$3,290,803</u>	<u>\$2,953,969</u>
LIABILITIES					
Accounts Payable					
Accrued expenses	\$ 374	\$ 7	\$ 11	\$ 392	\$ 389
Deferred Revenue	15	0	0	15	29
Due to MPRI fund	2,319	0	0	2,319	673
Due to other plans	291	16	8	315	366
	<u>\$ 2,999</u>	<u>\$ 23</u>	<u>\$ 19</u>	<u>\$ 3,041</u>	<u>\$ 1,457</u>
RESERVES					
MPRI Fund reserve	\$1,043,795	\$ 0	\$ 0	\$1,043,795	\$ 916,720
Member reserve	438,918	83,095	587,253	1,109,266	964,632
NonMPRI Fund reserve	26,750	0	0	26,750	31,310
State reserve	1,819,593	0	0	1,819,593	1,771,394
	<u>\$3,329,056</u>	<u>\$ 83,095</u>	<u>\$ 587,253</u>	<u>\$3,999,404</u>	<u>\$3,684,056</u>
Total Required Reserves	<u>\$3,329,056</u>	<u>\$ 83,095</u>	<u>\$ 587,253</u>	<u>\$3,999,404</u>	<u>\$3,684,056</u>
Unfunded accrued liability (at cost)	(711,642)	0	0	(711,642)	(733,544)
Net Reserves	<u>\$2,617,414</u>	<u>\$ 83,098</u>	<u>\$ 587,253</u>	<u>\$3,287,765</u>	<u>\$2,950,512</u>
Total Liabilities and Reserves	<u>\$2,620,413</u>	<u>\$ 83,118</u>	<u>\$ 587,272</u>	<u>\$3,290,803</u>	<u>\$2,951,969</u>

See notes to Financial Statements.

**COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)**

		Defined Contribution Fund		Memorandum Only
	Defined Benefit Funds	Unclassified Retirement Fund	1991 Totals	1990 Totals
Operating Revenues:				
Member contributions	\$ 63,249	\$ 0	\$ 63,249	\$ 61,526
Employer contributions	65,542	0	65,542	66,318
General Fund appropriations	7,829	0	7,829	6,063
Investment income	101,496	58	101,554	142,114
MPRI Fund income	92,647	0	92,647	74,909
Gain/Loss on Investments	16,461	5,748	22,209	35,383
Realized and unrealized gains	0	0	0	6,941
Other Income	24	0	24	72
Total Operating Revenues	<u>\$ 347,248</u>	<u>\$ 5,806</u>	<u>\$ 353,054</u>	<u>\$ 393,326</u>
Operating Expenses:				
Annuity benefits	\$ 103,854	\$ 0	\$ 103,854	\$ 92,293
Refunds	6,740	0	6,740	7,085
Interest on refunds	1,467	0	1,467	1,424
Interest to MPRI Fund	1,528	0	1,528	1,205
Administrative expenses	1,829	202	2,031	2,038
Investment fees	2,060	0	2,060	2,463
Total Operating Expenses	<u>\$ 117,478</u>	<u>\$ 202</u>	<u>\$ 117,680</u>	<u>\$ 106,508</u>
Other Changes in Reserves:				
Member contributions	\$ 0	\$ 2,810	\$ 2,810	\$ 3,018
Employer contributions	0	4,057	4,057	4,004
Member withdrawals	0	(2,993)	(2,993)	(2,131)
Transfers to General Fund	0	0	0	0
Total Other Charges	<u>\$ 671</u>	<u>\$ 3,203</u>	<u>\$ 3,874</u>	<u>\$ 4,891</u>
Net Reserve Additions	<u>230,441</u>	<u>8,807</u>	<u>239,248</u>	<u>291,709</u>
Reserve Balance at June 30, 1989	<u>\$2,386,973</u>	<u>\$ 74,288</u>	<u>\$2,461,261</u>	<u>\$2,169,552</u>
Reserve Balance at June 30, 1990	<u>\$2,617,414</u>	<u>\$ 83,095</u>	<u>\$2,700,509</u>	<u>\$2,461,261</u>

See notes to Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF THE SYSTEM

The Minnesota State Retirement System is the administrator of a multiple-employer, cost-sharing public employee retirement system. It consists of five defined benefit funds, one defined contribution fund and one agency fund. The System is a part of the State of Minnesota's reporting entity and is included with their fiduciary funds. At June 30, 1991, the number of employers participating in the various funds was:

State of Minnesota	1
University of Minnesota	1
Counties	23
Cities	55
School Districts	87
Other Employers	58
	<u>225</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

The basic financial statements were prepared using the accrual basis of accounting in accordance with the National Council of Governmental Accounting, Statement 1, "Governmental Accounting and Financial Reporting Principles."

(b) Investments

Short-term and equity investments are reported at cost. Fixed income securities are reported at amortized cost. Market value at June 30, 1991 was \$1.95 billion. At June 30, 1990, the market value of all investments was \$1.8 billion. Space restrictions make it impractical to print the entire investment portfolio in this report. However a portfolio list is available upon request.

(c) Risk Categories

Investments are classified according to their level of risk into the following categories:

- 1 — Investments which are insured or registered, or for which the securities are held by the state or its agent in the state's name.
- 2 — Investments which are uninsured or unregistered, and for which the securities are held by a broker or dealer's trust department or agent in the state's name.
- 3 — Same as Category 2 but the securities are not held in the state's name.

(d) Restricted Assets

Restricted assets are the MSRS funds' participation in various investment trust funds administered by the State Board of Investment. For the defined benefit funds, these amounts are invested in the MPRI Fund. For the defined contribution and agency funds, these amounts are invested in the Minnesota Supplemental Investment (MSI) Fund.

(e) Fixed Assets

Fixed assets consist entirely of office equipment and fixtures which were capitalized at cost at the time of acquisition. Depreciation is computed on the straight-line method over estimated useful lives ranging from 3-20 years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(f) Reserves

(1) Employee Reserve

The Employee reserve is credited with the cumulative employee contributions. Upon retirement these contributions are combined with the necessary state reserve funds and transferred to the MPRI Fund to provide an annuity. Employees who terminate their employment prior to retirement may elect to receive a refund of their contributions plus interest or a deferred annuity.

(2) State Reserve

The State reserve is credited with all investment earnings and employer contributions. Also included in this reserve is the unfunded accrued liability which is the actuarially determined amount necessary to place the retirement fund on a fully funded basis.

(3) MPRI Fund Reserve

The MPRI Fund reserve equals the corresponding assets invested in the MPRI Fund, the proceeds from which are used to pay the monthly pension benefits of eligible retirees. This amount is adjusted annually to fully fund the actuarial value of benefits remaining.

(4) NonMPRI Fund Reserve

The NonMPRI Fund reserve is the unfunded actuarial value of future benefits to be paid to retirees and beneficiaries who are not eligible to participate in the MPRI Fund.

(g) Deposits with Insurance Companies

Deposits with Insurance Companies is the Deferred Compensation Fund combined participant account balances and annuity contracts held by authorized insurance companies.

(h) Actuarial Valuations

Actuarial valuations and experience studies are performed annually. The entry age normal method, a projected benefit cost method, is used to value the funds with contributions being made as a level percentage of covered employee salaries. A salary scale of 6½% and interest assumption of 8½% are prescribed by statute.

3. CASH AND INVESTMENTS

(a) Cash

MSRS cash is deposited into state treasury accounts. At June 30, 1991 and throughout the fiscal year then ended, these accounts were secured by pledged collateral and deposit insurance to the extent required by Minnesota statutes.

(b) Investment Policies

Pursuant to Minnesota statutes, the assets of the MSRS funds are pooled with those of other funds and invested by the State Board of Investment. These investments are restricted to obligations and stocks of the United States and Canadian governments, their agencies and their registered corporations; short-term obligations of specific high quality; and various alternative investments prescribed in statute are limited to 35% of the fund pool.

(c) Investment Risk

All MSRS investments were classified as Risk Category 1.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(d) Investment Values

Market values and costs of investments were as follows (In Thousands):

	<u>Total</u>	<u>State Employees Fund</u>	<u>State Patrol Fund</u>	<u>Correctional Employees Fund</u>	<u>Judges Fund</u>
At Market:					
Short-Term	\$ 48,431	\$ 42,448	\$ 3,338	\$ 2,382	\$ 263
Debt Security	416,681	369,312	27,233	18,461	1,675
Pooled Equity	<u>1,225,167</u>	<u>1,086,053</u>	<u>80,155</u>	<u>54,337</u>	<u>4,622</u>
Total	\$1,690,279	\$1,497,813	\$110,726	\$75,180	\$6,560
At Cost:					
Short-Term	\$ 48,431	\$ 42,448	\$ 3,338	\$ 2,382	\$ 263
Debt Security	417,652	370,083	27,356	18,480	1,733
Pooled Equity	<u>1,099,837</u>	<u>974,450</u>	<u>72,336</u>	<u>48,487</u>	<u>4,564</u>
Total	\$1,565,920	\$1,386,981	\$103,030	\$69,349	\$6,560

4. CAPITAL EQUIPMENT

Cost of Equipment and Fixtures	\$328,026
Less: Accumulated Depreciation	(235,463)
Undepreciated Cost	<u>\$ 92,563</u>

5. MINNESOTA POST RETIREMENT INVESTMENT FUND (MPRI Fund)

- (a) MPRI Fund is a joint investment fund for retired members. When members retire, the money required to pay the annuity for the expected life is transferred to the MPRI Fund. Participation in the MPRI Fund is shown as the required reserves as determined by the actuary.
- (b) MPRI Fund income represents the 5% earnings on the required reserves for fiscal year 1991 plus the 1990 income used to pay the January, 1991 benefit increase. Income in excess of 5% was distributed according to Minnesota Statutes, Section 11A.18, Subdivision 9.

6. DEFERRED COMPENSATION FUND

All member contributions to the Deferred Compensation Fund remain the property and responsibility of the participating employers. MSRS is responsible for exercising due care in the administration of the fund.

7. LEASES

The office facilities are leased by an agreement through September 30, 1996. Annual rent by fiscal year is as follows:

Fiscal Year	1992	\$133,523
	1993	149,377
	1994	155,814
	1995	162,644
	1996	169,278

8. ACTUARIAL VALUATIONS

Minnesota Statutes require annual actuarial valuations using the entry age normal cost method with an 8½% interest rate assumption and a 6½% salary increase assumption.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Minnesota Statutes also provide that actuarial valuations include one third of unrealized market value gains or losses. The lower of cost or market is required on the balance sheet. The following shows the unfunded liability with each method.

	Unfunded Liability (In Thousands)			
	Cost Basis		Actuarial Basis	
	1991	1990	1991	1990
State Employees Retirement Fund	\$616,235	\$640,280	\$579,291	\$599,758
State Patrol Retirement Fund	26,530	24,377	23,965	21,644
Correctional Employees Retirement Fund	8,189	7,202	6,245	5,272
Judges Retirement Fund	43,039	41,191	43,039	41,280
Legislative Retirement Fund	15,709	18,574	15,709	18,574
Elective State Officers Retirement Fund	1,941	1,920	1,941	1,920

9. PENSION BENEFIT OBLIGATION

The pension benefit obligation is a standardized measure of the actuarial present value of credited projected benefits. It is intended to help statement users to assess the funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems. The assumptions are the same as those of the statutory method, however the method of computation is different. These valuations are as of June 30, 1991.

	(In Thousands)					
	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Fund	Elective State Officers Retirement Fund
Retirees and beneficiaries receiving benefits and terminated employees not receiving benefits	\$ 927,418	\$103,061	\$ 39,095	\$38,317	\$18,642	\$1,479
Current Employees:						
Accumulated employee contributions including allocated investment income	374,874	22,570	13,767	5,078	3,130	194
Employee financed-vested	1,200,195	87,552	41,028	28,465	7,066	460
Employer financed-nonvested	17,555	1,443	1,207	2,584	803	27
Total Pension Benefit Obligation	2,520,042	214,626	95,097	74,444	29,641	2,160
Net assets available for benefits (Cost Basis)	2,267,368	197,503	103,982	33,559	14,694	308
Unfunded (Assets in Excess of) Pension Benefit	\$ 252,674	\$ 17,123	\$(8,885)	\$40,885	\$14,947	\$1,852

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. COMPARISON OF CONTRIBUTIONS

The contribution rates for each of the defined benefit funds are not actuarially determined but rather are set by statute. These rates are intended to be sufficient to fully fund the actuarial liabilities by the year 2020. Annual reviews are made by the actuary to determine their sufficiency. Comparisons of the actual to the actuarially required contributions are as follows:

	(In Thousands)					
Year Ended June 30, 1991:	State Employees Retirement Fund	State Patrol Retirement Fund	Correctional Employees Retirement Fund	Judges Retirement Fund	Legislative Retirement Plan	Elective State Officers Retirement Plan
Employee Contributions	\$ 56,895	\$2,751	\$2,128	\$ 799	\$ 637	\$ 38
as a % of payroll	4.15%	8.50%	4.90%	4.30%	9.00%	9.00%
Employer Contributions	\$ 57,986	\$4,825	\$2,731	\$ 0	\$ 0	\$ 0
as a % of payroll	4.29%	14.88%	6.27%	N/A	N/A	N/A
Total Contributions Made	\$114,881	\$7,576	\$4,859	\$799	\$637	\$ 38
as a % of payroll	8.44%	27.40%	13.60%	4.30%	9.00%	9.00%
Required Contributions (per actuary)	\$110,314	\$7,160	\$4,640	\$4,874	\$2,188	\$148
as a % of payroll	8.17%	22.15%	10.73%	23.59%	32.62%	34.84%
Funding Surplus (Deficit)	\$4,567	\$416	\$219	\$(4,075)	\$(1,551)	\$(110)

11. DESCRIPTIONS OF INDIVIDUAL DEFINED BENEFIT FUNDS

(a) State Employees Retirement Fund

The State Employees Retirement Fund includes the General Employees Plan, a multiple-employer, cost-sharing plan, and the Military Affairs and Transportation Pilots Plan, a single-employer plan. Only certain employees of the Departments of Military Affairs and Transportation are eligible to be members of the Military Affairs and Transportation Pilots Plan, but all state employees who are not members of another plan are members of the General Employees Plan.

Membership statistics at June 30, 1991 were as follows:

Members receiving benefits:	
Retirees	13,061
Beneficiaries	946
Terminated members:	
Vested, not receiving benefits	2,216
Nonvested	4,152
Active members:	
Vested	37,279
Nonvested	12,439
Total	70,093
Annualized Payroll (06/30/91)	\$1,612,238,000

Minnesota Statutes, Section 352.04 require that eligible employees contribute 4.15% of their total compensation with a matching employer contribution of 4.29%. Retirement benefits may be computed by two methods: the step formula and the level formula. Step formula benefits are 1% of the high five year average salary plus 1½% for each year over ten. It also includes full benefits under the "Rule of 90." In contrast, the level formula does not include the "Rule of 90," benefits are 1½% of the high five year average salary for all years of service and full benefits are available at the "normal retirement age."

At the time of retirement, members first employed prior to July 1, 1989 will have their benefit computed under the method providing the higher amount. Those employed July 1 or later are only eligible for the level formula method.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(b) State Patrol Retirement Fund

The State Patrol Retirement Fund includes only the State Patrol Retirement Plan, a single-employer plan. Membership is limited to only those state employees who are state troopers, conservation officers, or crime bureau officers.

Membership statistics at June 30, 1991 were as follows:

Members receiving benefits:	
Retirees	378
Beneficiaries	109
Terminated members:	
Vested, not receiving benefits	15
Nonvested	0
Active members:	
Vested	682
Nonvested	127
Total	1,311
Annualized Payroll (06/30/91)	\$37,777,000

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 8.50% of their total compensation; the employer contribution is 14.88%. Members become eligible for normal retirement benefits upon reaching the age of 55 with a minimum of three years of service. The benefit is 2½% of the high five year average salary for each year of service.

(c) Correctional Employees Retirement Fund

The Correctional Employees Retirement Fund includes only the Correctional Plan, a single-employer plan. Membership is limited to only those state employees who have direct responsibility for inmates at Minnesota correctional facilities.

Membership statistics at June 30, 1991 were as follows:

Members receiving benefits:	
Retirees	370
Beneficiaries	13
Terminated members:	
Vested, not receiving benefits	157
Nonvested	48
Active members:	
Vested	1,042
Nonvested	425
Total	2,055
Annualized Payroll (06/30/91)	\$50,821,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Minnesota Statutes, Section 352.91 requires that eligible employees contribute 4.90% of their total compensation; the matching employer contribution is 6.27%.

Members become eligible for normal retirement benefits at age 55 with a minimum of three years of service. The benefit is 2½% of the high five year average salary for each year of service for 84 months or until age 65. At age 65 or after 84 months, benefits revert to those of the General Employees Plan.

(d) Judges Retirement Fund

The Judges Retirement Fund includes only the Judges Retirement Plan, a single-employer plan. Active membership is limited to Minnesota district, appellate and Supreme Court judges. Retirees also include municipal and county court judges.

Membership statistics at June 30, 1991 were as follows:

Members receiving benefits:	
Retirees	118
Beneficiaries	64
Terminated members:	
Vested, not receiving benefits	3
Nonvested	0
Active members:	
Vested	182
Nonvested	89
Total	456
Annualized Payroll (06/30/91)	\$21,570,000

Minnesota Statutes, Section 490.123 requires that eligible employees covered by Social Security contribute 4.00% of the total compensation, employees not covered by Social Security contribute 8.15%. The matching employer contribution is 22.00% for all employees.

Members become eligible for retirement benefits upon reaching the age of 65 with five years of service, 62 with 5 years of service and a reduced benefit, or mandatory retirement at age 70 and one year of service. The benefit is 2½% of the high five year average salary within the last 10 years for each year of service prior to July 1, 1980 plus 3% of same average salary for service after June 30, 1980.

(e) General Fund Plans

The General Fund Plans include the Legislative Retirement Plan and the Elective State Officers Plan, both of which are single-employer plans. Members of the Minnesota House of Representatives and Senate are included in the Legislative Retirement Plan; the Elective State Officers Plan includes only the elected constitutional officers.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Membership statistics at June 30, 1991 were as follows:

	Legislative Retirement Plan	Elective State Officers Plan
Members receiving benefits:		
Retirees	134	3
Beneficiaries	43	4
Terminated members:		
Vested, not receiving benefits	123	7
Nonvested	3	0
Active members:		
Vested	116	3
Nonvested	85	3
Totals	504	20
Annualized Payroll (06/30/91)	\$7,554,000	\$440,000

Minnesota Statutes, Sections 3A.03 and 352C.09 require that legislators contribute 9.00% of their regular salary, including certain per diem payments and elected officers contribute 9.00% of their salary. These plans are funded by annual appropriations from the state's General Fund.

Legislators become eligible for retirement benefits upon reaching the age of 62 with 6 years of service or for a reduced benefit at age 60 with the same service. The benefit is 2½% of the high five year average salary but not to exceed their final salary. The Elective State Officers Plan has the same benefit eligibility requirements except 8 years of service is required.

12. DEFINED CONTRIBUTION PLAN

The Unclassified Fund includes only the Unclassified Employees Retirement Plan, a multiple-employer defined contribution plan. Membership is limited to certain specified employees of the State of Minnesota and various other statutorily specified entities. Membership statistics at June 30, 1991 were as follows:

Active members	1,815
Inactive members	573
Annualized Payroll (06/30/91)	\$75,368,000

Minnesota Statutes, Section 352D.01-.12 authorize creation of this plan and specify contribution rates of 4% for the employee and 6% for the employer. Member benefits vest only to the extent of the value of their accounts; i.e., cumulative employee contributions and employer contributions plus investment income less administrative expenses. Retirement and disability benefits are available through conversion, at the member's option, to the General Employee Plan provided they have at least 10 years of service.

13. CONTINGENT LIABILITIES — LITIGATION

Phyllis Kahn, et. al. v. Kohlberg, Kravis, Roberts & Co., et. al., United States District Court, Southern District of New York. Plaintiffs claim that defendant Kohlberg, Kravis, Roberts & Co. (KKR) has, among other things, violated the federal Investment Advisors Act by charging excessive fees to its clients, including the State of Minnesota. Plaintiffs allege that their succeeding in the lawsuit would not result in any outlay of funds by the State. However, defendant KKR alleges that if plaintiff prevails, and the agreement between the State Board of Investment and KKR is rescinded, there will be a negative impact on the three statewide pension systems of approximately \$200 million. The case was dismissed on statute of limitation grounds but the time for appeal has not yet expired.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14. OPTIONAL RETIREMENT ANNUITIES**

In the defined benefit funds, two joint and survivor annuity options are available. Either 50% or 100% joint and survivor options may be elected. Annuities take the form of joint and survivor options with reversion to the single-life amount if the beneficiary predeceases. A fifteen year certain and life thereafter option is available, and for the Judges Plan a 10 year certain option is provided. Legislative and Elective State Officer plans have no options but automatically provide a 50% continuance to a surviving spouse.

15. REQUIRED SUPPLEMENTAL INFORMATION

Ten-year historical trend information designed to provide information about progress in accumulating sufficient assets to pay benefits when due is presented on the pages which follow. Certain information was not available for all funds.

**SUPPLEMENTAL INFORMATION
ANALYSIS OF FUNDING PROGRESS
(IN THOUSANDS)
Unaudited**

<u>Fiscal Year</u>	<u>Net Assets Available for Benefits (Cost)</u>	<u>Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Unfunded Pension Benefit Obligation</u>	<u>Annual Covered Payroll (Historical)</u>	<u>Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll</u>
STATE EMPLOYEES RETIREMENT FUND:						
1987*	\$1,585,971	\$1,650,993	96.1	\$ 65,022	\$1,058,471	6.1
1988	1,609,381	1,775,445	90.6	166,064	1,091,511	15.2
1989	1,824,416	2,109,272	86.5	284,856	1,163,800	24.5
1990	2,067,688	2,328,167	88.8	260,479	1,254,991	20.8
1991	2,267,368	2,520,042	90.0	252,674	1,390,183	18.2

*Note: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

1987	\$136,397	\$153,107	89.1	\$16,710	\$25,132	66.5
1988	146,068	167,349	87.3	21,281	26,085	81.6
1989	164,033	184,250	89.0	20,217	27,765	72.8
1990	182,966	198,359	92.2	15,393	30,150	51.1
1991	197,502	214,626	92.0	17,124	32,323	53.0

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

1988*	\$ 72,446	\$69,142	104.8	\$ (3,304)	\$33,155	(10.0)
1989	83,206	79,143	105.1	(4,063)	35,475	(11.5)
1990	95,015	87,554	108.5	(7,461)	38,999	(19.1)
1991	103,982	95,097	109.3	(8,885)	43,247	(20.5)

**Note: Prior years were included in the State Employees Retirement Fund until July 1, 1987.

JUDGES RETIREMENT FUND:

1987	\$18,781	\$53,677	35.0	\$34,896	\$15,644	223.1
1988	20,774	59,389	35.0	38,615	16,102	239.8
1989	23,325	64,106	36.4	40,781	18,006	226.5
1990	28,205	68,487	41.2	40,282	19,134	210.5
1991	33,559	74,444	45.1	40,885	20,660	197.9

LEGISLATIVE RETIREMENT PLAN:

1987	\$11,158	\$21,950	50.8	\$10,792	\$4,786	225.5
1988	11,857	23,758	49.9	11,901	4,386	271.3
1989	12,317	26,998	45.6	14,629	4,668	313.4
1990	12,748	29,654	43.0	16,906	5,859	288.5
1991	14,694	29,641	49.6	14,947	6,707	222.9

ELECTED STATE OFFICERS RETIREMENT PLAN:

1987	\$246	\$1,619	15.2	\$1,373	\$355	386.8
1988	281	1,757	16.0	1,476	365	404.4
1989	314	1,938	16.2	1,624	387	419.6
1990	351	2,108	16.7	1,757	404	434.9
1991	308	2,160	14.3	1,852	425	435.8

**SUPPLEMENTAL INFORMATION
REVENUES BY SOURCES
(IN THOUSANDS)**

STATE EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1982*	\$28,388	\$45,335	\$ 91,972	\$1,823	\$167,518
1983*	37,306	29,137	91,100	1,952	159,495
1984*	33,343	50,640	83,322	1,355	168,660
1985*	35,220	37,625	108,531	1,331	182,707
1986*	38,356	40,565	161,728	1,299	241,948
1987*	40,625	42,911	192,178	1,245	276,959
1988	41,632	42,951	136,396	1,201	222,180
1989	43,957	45,401	205,180	1,099	295,637
1990	55,671	57,200	220,092	29	332,992
1991	56,895	57,986	182,747	4	297,632

*Note: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1982	\$1,341	\$4,009	\$ 6,260	\$ 63	\$11,673
1983	1,961	3,909	7,585	70	13,525
1984	1,877	4,638	6,776	59	13,350
1985	1,964	4,362	9,145	63	15,534
1986	2,062	4,598	13,686	62	20,408
1987	2,164	4,778	16,462	63	23,467
1988	2,244	4,971	12,976	62	20,253
1989	2,367	5,256	17,746	59	25,428
1990	2,568	5,706	18,870	3	27,147
1991	2,751	4,825	16,013	0	23,589

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1988*	\$1,753	\$3,089	\$5,721	\$0	\$10,563
1989	1,748	3,084	9,254	0	14,086
1990	1,925	3,412	10,133	0	15,470
1991	2,128	2,731	8,035	0	12,894

*Note: Prior years were included in the State Employees Retirement Fund until July 1, 1987.

**SUPPLEMENTAL INFORMATION
REVENUES BY SOURCES
(IN THOUSANDS)**

JUDGES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1982	\$469	\$ 525	\$ 858	\$ 0	\$1,852
1983	527	2,624	976	0	4,127
1984	466	1,671	951	86	3,174
1985	501	2,226	1,219	84	4,030
1986	562	2,173	1,661	81	4,477
1987	563	2,405	2,699	62	5,729
1988	565	2,650	1,980	57	5,252
1989	733	2,875	2,443	44	6,095
1990	779	5,500	2,494	39	8,812
1991	799	5,900	2,927	20	9,646

LEGISLATIVE RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1982	\$263	\$0	\$167	\$ 769	\$1,199
1983	377	0	243	1,681	2,301
1984	331	0	305	794	1,430
1985	357	0	620	604	1,581
1986	387	0	749	981	2,117
1987	430	0	979	1,847	3,256
1988	397	0	976	925	2,298
1989	431	0	980	860	2,271
1990	546	0	764	451	1,761
1991	637	0	882	1,889	3,408

ELECTIVE STATE OFFICERS RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>	<u>Investment Income</u>	<u>Other</u>	<u>Total</u>
1982	\$24	\$0	\$0	\$ 86	\$110
1983	26	0	0	135	161
1984	27	0	0	101	128
1985	29	0	0	95	124
1986	31	0	0	101	132
1987	32	0	0	132	164
1988	34	0	0	132	166
1989	35	0	0	141	176
1990	36	0	0	112	148
1991	38	0	0	40	78

**SUPPLEMENTAL INFORMATION
EXPENSES BY TYPE
(IN THOUSANDS)**

STATE EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1982*	\$28,783	\$ 955	\$ 9,310	\$ 1	\$39,049
1983*	33,420	933	6,048	227	40,628
1984*	37,137	1,406	14,800	11,563	64,906
1985*	42,957	1,372	7,500	1,266	53,095
1986*	49,432	1,357	7,724	1,374	59,887
1987*	57,057	1,449	7,996	1,475	67,977
1988	63,697	1,550	7,490	1,958	74,695
1989	69,603	1,166	7,898	1,969	80,636
1990	76,040	1,542	8,203	3,230	89,015
1991	85,977	1,531	7,912	3,199	98,619

*Note: Includes the Correctional Employees Retirement Fund.

STATE PATROL RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1982	\$2,082	\$41	\$ 87	\$ 0	\$2,210
1983	2,826	41	49	17	2,933
1984	3,431	47	279	802	4,559
1985	3,970	54	6	80	4,110
1986	4,646	59	52	88	4,845
1987	5,431	74	99	93	5,697
1988	6,263	58	9	178	6,508
1989	7,186	66	78	137	7,467
1990	7,847	76	27	264	8,214
1991	8,720	79	18	236	9,053

CORRECTIONAL EMPLOYEES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1988*	\$2,678	\$ 82	\$196	\$ 50	\$3,006
1989	2,964	87	270	91	3,412
1990	3,187	116	248	141	3,692
1991	3,493	113	200	125	3,931

*Note: Prior years were included in the State Employees Retirement Fund.

**SUPPLEMENTAL INFORMATION
EXPENSES BY TYPE
(IN THOUSANDS)**

JUDGES RETIREMENT FUND:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1982	\$1,574	\$26	\$ 26	\$ 0	\$1,626
1983	1,769	26	23	1	1,819
1984	1,979	28	108	262	2,377
1985	2,158	29	1	6	2,194
1986	2,391	32	0	6	2,429
1987	2,726	34	0	7	2,767
1988	3,110	38	6	14	3,168
1989	3,451	47	24	21	3,543
1990	3,846	55	1	30	3,932
1991	4,183	62	30	17	4,292

LEGISLATIVE RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1982	\$ 526	\$15	\$ 12	\$ 0	\$ 553
1983	601	21	96	0	718
1984	696	27	53	0	776
1985	784	31	119	0	934
1986	885	29	3	63	980
1987	1,038	34	130	0	1,202
1988	1,149	31	19	2	1,201
1989	1,211	36	15	1	1,263
1990	1,263	37	30	1	1,331
1991	1,362	42	47	11	1,462

ELECTIVE STATE OFFICERS RETIREMENT PLAN:

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Administrative Expenses</u>	<u>Refunds</u>	<u>Other</u>	<u>Total</u>
1982	\$ 86	\$ 0	\$ 0	\$0	\$ 86
1983	89	1	44	0	134
1984	95	3	3	0	101
1985	102	4	17	0	123
1986	99	2	0	2	103
1987	97	2	17	0	116
1988	97	2	0	0	99
1989	105	1	0	0	106
1990	111	1	0	0	112
1991	119	2	0	0	121

**COMBINING BALANCE SHEET
DEFINED BENEFIT FUNDS**

JUNE 30, 1991

(In Thousands)

	<u>State Employees</u>	<u>State Patrol</u>	<u>Correctional Employees</u>	<u>Judges</u>	<u>Legislators</u>	<u>Elected State Officers</u>	<u>Memorandum Only</u> <u>1991 Totals</u>
ASSETS							
Cash	\$ 133	\$ 5	\$ 5	\$ 5	\$ 0	\$ 0	\$ 148
Short-term investments (cost)	42,448	3,338	2,382	263	0	0	48,431
Accounts receivable							
Member contributions	1,994	81	72	0	0	1	2,148
Employer contributions	1,761	142	87	0	0	0	1,990
Other	3	4	0	0	0	2	9
Accrued Interest	5	1	1	0	0	0	1
Due from MPRI fund	0	0	813	0	369	0	1,182
Due from other plans	316	0	0	0	0	0	316
Due from other funds	0	0	0	0	4,498	307	4,805
Fixed investments (at cost)	370,083	27,356	18,480	1,733	0	0	417,652
Equity Investments (at cost)	974,449	72,337	48,487	4,564	0	0	1,099,837
Fixed Assets	93	0	0	0			93
Restricted Assets	877,416	94,638	33,768	28,104	9,869	0	1,043,795
	<u>\$2,268,701</u>	<u>\$197,902</u>	<u>\$104,095</u>	<u>\$34,669</u>	<u>\$14,736</u>	<u>\$ 310</u>	<u>\$2,620,413</u>
LIABILITIES							
Accounts Payable							
Accrued expenses	\$ 367	\$ 4	\$ 3	\$ 0	\$ 0	\$ 0	\$ 374
Deferred Revenue	0	0	0	15	0	0	15
Due to MPRI fund	0	0	0	496	178	0	674
Due to other plans	966	318	0	15	0	0	15
	<u>\$ 1,333</u>	<u>\$ 399</u>	<u>\$ 113</u>	<u>\$ 1,110</u>	<u>\$ 42</u>	<u>\$ 2</u>	<u>\$ 2,999</u>
RESERVES							
MRPI Fund reserve	\$877,416	\$ 94,638	\$33,768	\$28,104	\$ 9,869	\$ 0	\$ 916,720
Member reserve	391,070	22,980	14,975	5,125	4,462	306	438,918
NonMPRI Fund reserve	6,673	6,994	0	10,001	2,130	952	26,750
State reserve	1,608,444	99,421	63,427	33,368	13,942	991	1,819,593
Total Required Reserves	<u>\$2,883,603</u>	<u>\$224,033</u>	<u>\$112,170</u>	<u>\$76,598</u>	<u>\$30,403</u>	<u>\$2,249</u>	<u>\$3,329,056</u>
Unfunded accrued liability (at cost)	(616,235)	(26,530)	(8,188)	(43,039)	(15,709)	(1,941)	(711,642)
Net Reserves	<u>\$2,267,368</u>	<u>\$197,503</u>	<u>\$103,982</u>	<u>\$33,559</u>	<u>\$14,694</u>	<u>\$ 308</u>	<u>\$2,617,414</u>
Total Liabilities and Reserves	<u>\$2,268,701</u>	<u>\$197,902</u>	<u>\$104,095</u>	<u>\$34,669</u>	<u>\$14,736</u>	<u>\$ 310</u>	<u>\$2,620,413</u>

See notes to Financial Statements.

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RESERVES
DEFINED BENEFIT FUNDS
YEAR ENDED JUNE 30, 1991
(In Thousands)**

						Memorandum Only
	State Employees	State Patrol	Correctional Employees	Judges	Legislators	Elected State Officers
						1991 Totals
Operating Revenues:						
Member contributions	\$ 56,895	\$ 2,752	\$ 2,128	\$ 799	\$ 637	\$ 38
Employer contributions	57,986	4,825	2,731	0	0	0
General Fund appropriations	0	0	0	5,900	1,889	40
Investment income	89,705	6,704	4,526	561	0	0
MPRI Fund income	77,825	8,507	3,092	2,341	882	0
Gain/Loss on Investments	15,217	802	417	25	0	0
Other income	4	0	0	20	0	0
Total Operating Revenues	<u>\$ 297,632</u>	<u>\$ 23,590</u>	<u>\$12,894</u>	<u>\$ 9,646</u>	<u>\$ 3,408</u>	<u>\$ 78</u>
Operating Expenses:						
Annuity benefits	\$ 85,977	\$ 8,720	\$ 3,493	\$ 4,183	\$ 1,362	\$ 119
Refunds	6,497	16	164	27	36	0
Interest on refunds	1,415	2	36	3	11	0
Interest to MPRI Fund	1,376	100	33	8	11	0
Administrative expenses	1,531	79	113	62	42	2
Investment fees	1,823	136	92	9	0	0
Total Operating Expenses	<u>\$ 98,619</u>	<u>\$ 9,053</u>	<u>\$ 3,931</u>	<u>\$ 4,292</u>	<u>\$1,462</u>	<u>\$ 121</u>
Other Changes in Reserves:						
Transfers to General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Plan transfers	\$ 667	\$ 0	\$ 4	\$ 0	\$ 0	\$ 0
Total Other Changes	<u>\$ 667</u>	<u>\$ 0</u>	<u>\$ 4</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Reserve Additions	\$ 199,680	\$ 14,537	\$8,967	\$ 5,354	\$ 1,946	(43)
Reserve Balance at June 30, 1990	<u>\$2,067,688</u>	<u>\$182,966</u>	<u>\$95,015</u>	<u>\$28,205</u>	<u>\$12,748</u>	<u>\$ 351</u>
Reserve Balance at June 30, 1991	<u>\$2,267,368</u>	<u>\$197,503</u>	<u>\$103,982</u>	<u>\$33,559</u>	<u>\$14,694</u>	<u>\$ 308</u>

See notes to Financial Statements.

STATE EMPLOYEES RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non- MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 56,895	\$ 56,336	\$ 0	\$ 0	\$ 559
Employer Contributions	57,986	0	0	0	57,986
General Fund appropriations	0	0	0	0	0
Investment Income	89,705	0	0	0	89,705
MPRI Fund Income	77,824	0	0	77,824	0
Gain (Loss) in Investments	15,217	0	0	0	15,217
Other income	4	0	0	0	4
Total Operating Revenues	<u>\$ 297,631</u>	<u>\$ 56,336</u>	<u>\$ 0</u>	<u>\$ 77,824</u>	<u>\$ 163,471</u>
Operating Expenses:					
Annuity Benefits	\$ 85,977	\$ 0	\$ 1,275	\$ 84,702	\$ 0
Refunds	6,497	6,497	0	0	0
Interest on Refunds	1,415	0	0	0	1,415
Interest to MPRI Fund	1,376	0	0	0	1,376
Administrative Expenses	1,531	0	0	0	1,531
Investment Fees	1,823	0	0	0	1,823
Total Operating Expenses	<u>\$ 98,619</u>	<u>\$ 6,497</u>	<u>\$ 1,275</u>	<u>\$ 84,702</u>	<u>\$ 6,145</u>
Other Changes in Reserves:					
Actuarial Transfers	\$ 3	\$ 0	\$ 1,233	\$ 970	\$ (2,200)
Inactive Employee Transfers	0	(36)	0	0	36
New Annuity Transfers	0	(14,007)	0	116,537	(102,530)
Plan Transfers	(667)	(57)	0	0	(610)
Total Other Changes	<u>\$ (670)</u>	<u>\$ (13,986)</u>	<u>\$ 1,233</u>	<u>\$ 117,607</u>	<u>\$ (104,084)</u>
Net Reserve Additions	<u>\$ 199,682</u>	<u>\$ 35,853</u>	<u>\$ (42)</u>	<u>\$ 110,629</u>	<u>\$ 53,242</u>
Balance June 30, 1990*	<u>\$2,067,688</u>	<u>\$355,216</u>	<u>\$ 6,715</u>	<u>\$766,790</u>	<u>\$ 938,967</u>
Balance June 30, 1991**	<u><u>\$2,267,370</u></u>	<u><u>\$391,069</u></u>	<u><u>\$ 6,673</u></u>	<u><u>\$877,419</u></u>	<u><u>\$ 992,209</u></u>

*Includes a reduction for Unfunded Liabilities of \$640,280,000. FY 1990 Unfunded Liability increase was \$8,010,000.

**Includes a reduction for Unfunded Liabilities of \$616,235,000. FY 1991 Unfunded Liability increase was \$24,045,000.

See notes to Financial Statements.

STATE PATROL RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non- MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 2,752	\$ 2,752	\$ 0	\$ 0	\$ 0
Employer Contributions	4,825	0	0	0	4,825
General Fund Appropriations	0	0	0	0	0
Investment Income	6,704	0	0	0	6,704
MPRI Fund Income	8,507	0	0	8,507	0
Gain (Loss) on Investments	802	0	0	0	802
Other Income	2	0	0	0	2
Total Operating Revenues	<u>\$ 23,590</u>	<u>\$ 2,752</u>	<u>\$0</u>	<u>\$ 8,507</u>	<u>\$12,331</u>
Operating Expenses:					
Annuity Benefits	\$ 8,720	\$ 0	\$ 524	\$ 8,196	\$ 0
Refunds	16	16	0	0	0
Interest on Refunds	2	0	0	0	2
Interest to MPRI Fund	100	0	0	0	100
Administrative Expenses	79	0	0	0	79
Investment Fees	136	0	0	0	136
Total Operating Expenses	<u>\$ 9,053</u>	<u>\$ 16</u>	<u>\$ 524</u>	<u>\$ 8,196</u>	<u>\$ 317</u>
Other Changes in Reserves:					
Actuarial Adjustments	\$ 0	\$ 0	\$(1,345)	319	\$ 1,026
Inactive Employee Transfers	0	(5)	0	0	5
New Annuity Transfers	0	(1,027)	0	9,077	(8,050)
Plan Transfers	0	0	0	0	0
Total Other Changes	<u>\$ 0</u>	<u>\$(1,032)</u>	<u>\$(1,345)</u>	<u>\$ 9,396</u>	<u>\$(7,019)</u>
Net Reserve Additions	<u>\$ 14,437</u>	<u>\$ 1,704</u>	<u>\$(1,869)</u>	<u>\$ 9,707</u>	<u>\$ 4,995</u>
Balance June 30, 1990*	<u>\$182,966</u>	<u>\$21,276</u>	<u>\$ 8,863</u>	<u>\$84,931</u>	<u>\$67,896</u>
Balance June 30, 1991**	<u>\$197,503</u>	<u>\$22,980</u>	<u>\$ 6,994</u>	<u>\$94,638</u>	<u>\$72,891</u>

*Includes a reduction for Unfunded Liabilities of \$24,377,000. FY 1990 Unfunded Liability decrease was \$6,023,000.

**Includes a reduction for Unfunded Liabilities of \$26,530,000. FY 1991 Unfunded Liability decrease was \$2,153,000.

See notes to Financial Statements.

CORRECTIONAL EMPLOYEES RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:				
Member Contributions	\$ 2,128	\$ 2,128	\$ 0	\$ 0
Employer Contributions	2,732	0	0	2,732
Investment Income	6,132	0	0	6,132
General Fund appropriations	0	0	0	0
Investment Income	4,525	0	0	4,525
MPRI Fund Income	3,092	0	3,092	0
Gain (Loss) on Investments	417	0	0	417
Other Income	0	0	0	0
Total Operating Revenues	<u>\$ 12,894</u>	<u>\$ 2,128</u>	<u>\$ 3,092</u>	<u>\$ 7,674</u>
Operating Expenses:				
Annuity Benefits	\$ 3,493	\$ 0	\$ 3,493	\$ 0
Refunds	164	164	0	0
Interest on Refunds	36	0	0	36
Interest to MPRI Fund	33	0	0	33
Administrative Expense	113	0	0	113
Investment Fees	92	0	0	92
Total Operating Expenses	<u>\$ 3,931</u>	<u>\$ 164</u>	<u>\$ 3,493</u>	<u>\$ 274</u>
Other Changes in Reserves:				
Actuarial Transfers	\$ 0	\$ 0	\$ (813)	\$ 813
Inactive Employee Transfers	0	6	0	(6)
New Annuity Transfers	0	(446)	3,741	(3,295)
Plan Transfers	4	0	0	4
Total Other Changes	<u>\$ 4</u>	<u>\$ (440)</u>	<u>\$ 2,928</u>	<u>\$(2,484)</u>
Net Reserve Additions	\$ 8,966	\$ 1,523	\$ 2,527	\$ 4,916
Balance June 30, 1990*	\$ 95,015	\$13,452	\$31,241	\$50,322
Balance June 30, 1991**	<u>\$103,981</u>	<u>\$14,975</u>	<u>\$33,768</u>	<u>\$55,238</u>

*Includes a reduction for Unfunded Liabilities of \$7,202,000. FY 1990 Unfunded Liability increase was \$2,275,000.

**Includes a reduction for Unfunded Liabilities of \$8,188,000. FY 1991 Unfunded Liability decrease was \$986,000.

See notes to Financial Statements.

JUDGES RETIREMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non- MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 800	\$ 792	\$ 0	\$ 0	\$ 8
General Fund Appropriations	5,900	0	0	0	5,900
Investment Income	561	0	0	0	561
MPRI Fund Income	2,340	0	0	2,340	0
Gain (Loss) on Investments	25	0	0	0	25
Other Income	20	0	0	0	20
Total Operating Revenues	<u>\$ 9,646</u>	<u>\$ 792</u>	<u>\$ 0</u>	<u>\$ 2,340</u>	<u>\$ 6,514</u>
Operating Expenses:					
Annuity Benefits	4,183	0	1,351	2,832	0
Refunds	27	27	0	0	0
Interest on Refunds	3	0	0	0	3
Interest to MPRI Fund	8	0	0	0	8
Administrative Expenses	62	0	0	0	62
Investment Fees	9	0	0	0	9
Total Operating Expenses	<u>\$ 4,292</u>	<u>\$ 27</u>	<u>\$ 1,351</u>	<u>\$ 2,832</u>	<u>\$ 82</u>
Other Changes in Reserves:					
Actuarial Adjustments	0	0	181	1,034	(1,215)
Survivor Contribution					
Transfers	0	(4)	0	0	4
New Annuity Transfers	0	(319)	0	2,613	(2,294)
Total Other Changes	<u>\$ 0</u>	<u>\$ (323)</u>	<u>\$ 181</u>	<u>\$ 3,647</u>	<u>\$(3,505)</u>
Net Reserve Additions	\$ 5,354	\$ 442	\$ (1,170)	\$ 3,155	\$ 2,927
Balance June 30, 1990*	\$ 28,205	\$ 4,683	\$ 11,171	\$ 24,949	\$(12,598)
Balance June 30, 1991**	<u>\$ 33,559</u>	<u>\$ 5,125</u>	<u>\$ 10,001</u>	<u>\$ 28,104</u>	<u>\$(9,671)</u>

*Includes a reduction for Unfunded Liabilities of \$41,191,000. FY 1990 Unfunded Liability increase was \$338,000.

**Includes a reduction for Unfunded Liabilities of \$43,039,000. FY 1991 Unfunded Liability decrease was \$1,848,000.

See notes to Financial Statements.

LEGISLATIVE RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non-MPRIF Reserve</u>	<u>MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:					
Member Contributions	\$ 627	\$ 627	\$ 0	\$ 0	\$ 0
General Fund Appropriations	1,889	0	0	0	1,889
MPRI Fund Income	882	0	0	882	0
Other Income	10	0	0	0	10
Total Revenues	<u>\$ 3,408</u>	<u>\$ 627</u>	<u>\$ 0</u>	<u>\$ 882</u>	<u>\$ 1,899</u>
Operating Expenses:					
Annuity Benefits	\$ 1,163	\$ 0	\$ 0	\$ 1,163	\$ 0
Survivor Benefits	199	0	199	0	0
Refunds	36	36	0	0	0
Refunds Upon Death	0	0	0	0	0
Interest on Refunds	11	0	0	0	11
Interest to MPRI Fund	11	0	0	0	11
Administrative Expenses	42	0	0	0	42
Total Expenses	<u>\$ 1,462</u>	<u>\$ 36</u>	<u>\$ 199</u>	<u>\$ 1,163</u>	<u>\$ 64</u>
Other Changes in Reserves:					
Actuarial Transfers	0	0	(1,523)	(369)	1,892
Inactive Employee Transfers	0	2	0	0	(2)
New Annuity Transfers	0	(249)	0	1,710	(1,461)
Transfer To General Fund	0	0	0	0	0
Total Other Changes	<u>\$ 0</u>	<u>\$ (247)</u>	<u>\$ (1,523)</u>	<u>\$ 1,341</u>	<u>\$ 429</u>
Net Reserve Additions	<u>\$1,946</u>	<u>\$ 344</u>	<u>\$ (1,722)</u>	<u>\$ 1,060</u>	<u>\$ 2,264</u>
Balance June 30, 1990*	<u>\$ 12,748</u>	<u>\$ 4,117</u>	<u>\$ 3,852</u>	<u>8,809</u>	<u>\$ (4,030)</u>
Balance June 30, 1991**	<u>\$ 14,694</u>	<u>\$ 4,461</u>	<u>\$ 2,130</u>	<u>\$ 9,869</u>	<u>\$ (1,766)</u>

*Includes a reduction for Unfunded Liabilities of \$18,574,000. FY 1990 Unfunded Liability increase was \$2,070,000.

**Includes a reduction for Unfunded Liabilities of \$15,709,000. FY 1991 Unfunded Liability increase was \$2,865,000.

See notes to Financial Statements.

ELECTIVE STATE OFFICERS RETIREMENT PLAN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Total</u>	<u>Member Reserve</u>	<u>Non- MPRIF Reserve</u>	<u>State Reserve</u>
Operating Revenues:				
Member Contributions	\$ 38	\$ 38	\$ 0	\$ 0
General Fund Appropriations	40	0	0	40
Total Revenues	<u>\$ 78</u>	<u>\$ 38</u>	<u>\$ 0</u>	<u>\$ 40</u>
Operating Expenses:				
Annuity Benefits	\$ 119	\$ 0	\$ 119	\$ 0
Survivor Benefits	0	0	0	0
Refunds	0	0	0	0
Interest on Refunds	0	0	0	0
Administrative Expenses	2	0	0	2
Total Expenses	<u>\$ 121</u>	<u>\$ 0</u>	<u>\$ 119</u>	<u>\$ 2</u>
Other Changes in Reserves:				
Actuarial Adjustments	\$ 0	\$ 0	\$ (47)	\$ 47
Transfers to General Fund	0	(82)	409	(327)
Total Other Changes	<u>\$ 0</u>	<u>\$ (82)</u>	<u>\$ 362</u>	<u>\$ (280)</u>
Net Reserve Additions	\$ (43)	\$ (44)	\$ 243	\$ (242)
Balance June 30, 1990*	\$ 0	\$ 350	\$ 709	\$ (708)
Balance June 30, 1991**	<u>\$ 308</u>	<u>\$ 306</u>	<u>\$ 952</u>	<u>\$ (950)</u>

*Includes a reduction for Unfunded Liabilities of \$1,920,000. FY 1990 Unfunded Liability increase was \$133,000.

**Includes a reduction for Unfunded Liabilities of \$1,941,000. FY 1991 Unfunded Liability increase was \$133,000.

See Notes to Financial Statements.

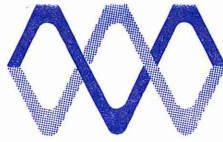
DEFERRED COMPENSATION FUND
STATEMENT OF CHANGES IN ASSETS, LIABILITIES AND RESERVES
YEAR ENDED JUNE 30, 1991
(In Thousands)

	<u>Balance</u> <u>July 1, 1990</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 1991</u>
ASSETS				
Cash	\$ 95	\$ 47,853	\$ 47,896	\$ 52
Short-term investments (at cost)	1,574	17,134	17,340	1,368
Accounts Receivable:				
Member contributions	2,702	1,525	2,702	1,525
Accrued Investment Income	1	1	1	1
Other	51	60	51	60
Deposits With Insurance Companies	330,334	112,999	32,912	410,421
Restricted Assets	156,552	98,593	81,300	173,845
TOTAL ASSETS	<u>\$491,309</u>	<u>\$278,165</u>	<u>\$182,202</u>	<u>\$587,272</u>
LIABILITIES AND RESERVES				
Accounts Payable — Accrued Expenses	\$ 12	\$ 11	\$ 12	\$ 11
Due to Other Funds	46	8	46	8
Member Reserves	491,251	131,190	35,189	587,253
TOTAL LIABILITIES AND RESERVES	<u>\$491,309</u>	<u>\$131,209</u>	<u>\$ 35,247</u>	<u>\$587,272</u>

See notes to Financial Statements

**MINNESOTA STATE RETIREMENT SYSTEM
SCHEDULE OF ADMINISTRATIVE EXPENSES
YEAR ENDED JUNE 30, 1991
(In Thousands)**

	<u>1991</u>	<u>1990</u>
Personal Services:		
Staff salaries	\$1,251	\$1,226
Social Security	93	87
Retirement	56	55
Insurance	113	93
Total	<u>\$1,513</u>	<u>\$1,461</u>
Professional Services:		
Actuarial	\$ 111	\$ 146
Data processing	256	146
Disability examinations	17	14
Legal counsel	6	12
Other professional services	129	107
Total	<u>\$ 519</u>	<u>\$ 503</u>
Communication:		
Printing	\$ 14	\$ 63
Telephone	8	10
Postage	90	81
Travel	4	3
Subscriptions and memberships	5	4
Total	<u>\$ 121</u>	<u>\$ 161</u>
Rentals:		
Office space	\$ 101	\$ 98
Total	<u>\$ 101</u>	<u>\$ 98</u>
Miscellaneous:		
Utilities	\$ 15	\$ 15
Supplies	29	40
Repairs and maintenance agreements	20	18
Department head and board member expense	7	19
Statewide indirect cost	79	71
Depreciation	30	27
Other purchased services	6	27
Total	<u>\$ 186</u>	<u>\$ 198</u>
Total Operating Expenses	<u><u>\$2,440</u></u>	<u><u>\$2,421</u></u>
Expenses Distributed by Fund:		
State Employees	\$1,531	\$1,542
State Patrol	79	76
Correctional	114	116
Judges Retirement	62	55
Unclassified Employees	202	212
Deferred Compensation	408	383
Legislators	42	36
Elected Officials	2	1
Total Distribution	<u><u>\$2,440</u></u>	<u><u>\$2,421</u></u>



MILLIMAN & ROBERTSON, INC.

Actuaries and Consultants

Suite 400
15700 Bluemound Road
Brookfield, Wisconsin 53005
Telephone: 414/784-2250
Fax: 414/784-4116

January 16, 1992

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

Members of the Board:

We have completed our annual actuarial valuation of the Minnesota State Retirement System to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the State Employees Retirement Fund (SERF), the State Patrol Retirement Fund (SPRF), the Correctional Employees Retirement Fund (CERF), the Legislators Retirement Fund (LRF), the Elective State Officers Retirement Fund (ESORF) and the Judges Retirement Fund (JRF) as of July 1, 1991.

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

The results of the valuation indicate that the SERF, SPRF, CERF and JRF are either ahead of or on schedule to meet the required dates for full funding. The valuation of the LRF and ESORF resulted in a deficiency in the current funding level. The deficiency of 18.67% and 24.18% respectively of payroll was the result of the actuarial contribution requirements of 27.67 and 33.28% respectively exceeding the statutory employee contribution of 9.00%. It should be noted that with respect to the LRF and ESORF, the employer is required to fund the portion of the benefit liabilities which are not funded by the member's accumulated contribution at the time of benefit commencement.

The actuarial valuation was based upon applicable statutory provisions and the Standards for Actuarial Work in effect on July 1, 1991. In the aggregate, the basic financial and membership data provided to us by the association office appears reasonable in comparison to last year, and we have relied upon the data as submitted in performing the actuarial valuation. It is our understanding that the data has subsequently been audited with no significant changes made.

Albany • Atlanta • Boston • Chicago • Cincinnati • Dallas • Denver • Hartford • Houston
Indianapolis • Los Angeles • Milwaukee • Minneapolis • New York • Omaha • Philadelphia
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U.S.A., U.K., Canada, Netherlands, Australia, West Indies, Spain, Belgium, Denmark, Ireland, Norway and Mexico

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


Effective for the July 1, 1991 valuation, legislative activity since the last actuarial valuation resulted in a change to the employer's funding requirement for the JRF. As a result of this change, the employer is now required to fund 22% of payroll annually.

The following table shows the date for full funding for each of the five plans and the funding percentage for the 1991 valuation. The funding percentage expresses current assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

Fund	Funding Date	Funded Percentage
SERF	2020	80%
SPRF	2020	89
CERF	2020	94
LRF	2020	48
ESORF	2020	14
JRF	2020	44

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

Respectfully submitted,


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

TKC/bh

MILLIMAN & ROBERTSON, INC.

COST METHOD AND ASSUMPTIONS

Actuarial Cost Method

Entry Age Normal with costs allocated as level percentage of payroll.

Assumptions

1. Retirement
State Employees Plan, Graded rates from age 58 with 25% of those eligible for Rule of 90 retiring each year; Correctional Plan, age 58; State Patrol, age 58 if hired after June 30, 1961, age 63 if hired before July 1, 1961; Judges Plan, age 68; Elective Officers and Legislators, age 62.
2. Mortality
1971 Group Annuity Mortality Table with a 8 year set back for females. The Combined Annuity Table for disabilitants.
3. Separation
Graded rates based on actual experiences.
4. Expense
Prior year expenses expressed as a percentage of prior year payroll.
5. Interest
8.5% pre-retirement — 5% post-retirement
6. Salary increases
6.5% per year
7. Contribution Refund
Employees withdrawing are assumed to take the larger of a refund or a deferred benefit.
8. Social Security
Correctional Plan, based on the present law and 6.5% salary scale. Only state service earning used. Judges Plan, \$1,027 per month primary amount, 7.65% contribution rate with \$53,400 covered salary.
9. Asset Valuation
Cost plus $\frac{1}{3}$ unrealized gains or losses.

REQUIRED RESERVES
JULY 1, 1991
(In Thousands)

	<u>State Employees Fund</u>	<u>Correctional Fund</u>	<u>State Patrol Fund</u>	<u>Judges Fund</u>	<u>Elective Officers Plan</u>	<u>Legislative Plan</u>
Active Members						
Retirement Annuities	\$1,639,092	\$57,450	\$102,135	\$33,407	\$10,434	\$ 599
Disability Benefits	53,977	1,469	6,451	1,554	0	0
Survivors Benefits	61,736	2,006	6,697	3,180	286	12
Deferred Retirements	238,914	12,347	6,553	0	1,207	178
Refunds	(37,534)	(196)	(764)	140	(166)	(19)
Total	<u>\$1,956,185</u>	<u>\$ 73,076</u>	<u>\$120,972</u>	<u>\$38,281</u>	<u>\$11,761</u>	<u>\$ 770</u>
Deferred Retirements	\$ 41,026	\$ 5,174	\$ 1,429	\$ 212	\$ 6,620	\$ 527
Former Members Not Vested	2,303	153	0	0	23	0
Annuitants in MPRIF	877,416	33,768	94,638	28,104	9,869	0
Annuitants Not in MPRIF	<u>6,673</u>	<u>0</u>	<u>6,994</u>	<u>10,001</u>	<u>2,130</u>	<u>952</u>
Total Required Reserves	<u><u>\$2,883,603</u></u>	<u><u>\$112,171</u></u>	<u><u>\$224,033</u></u>	<u><u>\$76,598</u></u>	<u><u>\$30,403</u></u>	<u><u>\$ 2,249</u></u>

ACTUAL COMPARED TO RECOMMENDED RATES

	<u>Actual Contribution Rates</u>			<u>Recommended Rate</u>
	<u>Employee</u>	<u>Employer</u>	<u>Total</u>	
State Employees Fund	4.15%	4.29%	8.44%	7.86%
Correctional Fund	4.90	6.27	11.17	10.82
State Patrol Fund	8.50	14.88	23.38	22.58
Judges Fund	4.34 (1)	22.0	26.0	24.73
Elected Officers Plan	9.00	0.0 (2)	9.00	27.67
Legislative Plan	9.00	0.0 (2)	9.00	33.28

(1) Represents average rate of receipts.

(2) Employer contributions are appropriated directly from State General Fund as needed.

SOLVENCY TEST — FUNDING RATIO
(In Thousands)

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	Reported Assets	Portion Covered By Reported Assets			Funding Ratio Ratio
					(1)	(2)	(3)	
STATE EMPLOYEES RETIREMENT FUND								
	Aggregate Accrued Liabilities							
6-30-82	\$165,800	\$282,185	\$ 590,922	\$ 783,650	100	100	56.8	75.4
6-30-83	192,707	313,795	660,622	902,506	100	100	59.9	77.3
6-30-84	205,711	356,599	749,240	966,003	100	100	57.9	75.9
6-30-85	225,879	424,798	868,262	1,158,383	100	100	58.5	76.3
6-30-86	248,006	497,345	993,546	1,370,049	100	100	62.9	78.8
6-30-87	271,658	586,695	1,107,870	1,585,971	100	100	65.7	80.7
6-30-88*	286,714	649,064	1,179,698	1,644,145	100	100	60.0	77.7
6-30-89	316,302	714,269	1,426,115	1,871,542	100	100	58.9	76.2
6-30-90	355,216	773,505	1,579,247	2,108,210	100	100	62.0	77.8
6-30-91	391,070	884,089	1,608,444	2,304,312	100	100	64.0	79.9
CORRECTIONAL PLAN								
6-30-88*	\$10,965	\$25,435	\$45,054	\$74,065	100	100	83.6	90.9
6-30-89	12,053	28,492	52,139	85,441	100	100	86.1	92.2
6-30-90	13,452	31,241	57,524	96,945	100	100	90.8	94.8
6-30-91	14,975	33,768	63,428	105,926	100	100	90.2	94.4
STATE PATROL RETIREMENT FUND								
6-30-82	\$10,955	\$25,504	\$74,997	\$ 68,183	100	100	42.3	61.2
6-30-83	12,172	31,992	88,010	78,775	100	100	39.3	59.6
6-30-84	12,762	41,150	65,770	86,785	100	100	50.0	72.5
6-30-85	14,213	50,657	69,569	100,486	100	100	51.2	74.7
6-30-86	15,361	61,006	72,157	118,175	100	100	57.9	79.6
6-30-87	16,856	68,457	75,315	136,397	100	100	67.8	84.9
6-30-88	17,863	80,185	77,014	148,355	100	100	65.3	84.7
6-30-89	19,583	87,385	87,466	167,271	100	100	68.9	86.0
6-30-90	21,276	93,794	92,273	185,699	100	100	76.5	89.6
6-30-91	22,980	101,632	99,421	200,068	100	100	75.9	89.3
JUDGES RETIREMENT FUND								
6-30-82	\$2,535	\$14,817	\$17,875	\$ 8,740	100	41.9	0	24.8
6-30-83	2,858	16,973	20,725	11,049	100	48.3	0	27.2
6-30-84	3,063	18,181	21,134	11,792	100	52.0	0	27.8
6-30-85	3,310	20,218	23,315	13,784	100	51.8	0	29.4
6-30-86	3,670	21,786	25,645	15,983	100	56.5	0	31.3
6-30-87	3,829	26,595	23,610	18,781	100	56.2	0	34.8
6-30-88	4,018	29,949	25,741	20,670	100	55.9	0	34.8
6-30-89	4,477	32,564	27,813	23,352	100	70.3	0	36.0
6-30-90	4,683	36,120	28,593	28,116	100	64.9	0	40.5
6-30-91	5,125	38,105	33,368	33,559	100	74.6	0	43.8

*The Correctional Plan was included with the State Employees Retirement Plan until July 1, 1987.

SOLVENCY TEST — FUNDING RATIO

(In Thousands)

Valuation Date	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Employer Financed Portion	Reported Assets	Portion Covered By Reported Assets			Funding Ratio Ratio
					(1)	(2)	(3)	
ELECTIVE OFFICERS PLAN								
6-30-85	\$197	\$917	\$ 631	\$197	100	0	0	11.3
6-30-86	228	741	737	230	100	0	0	13.5
6-30-87	245	718	837	246	100	0	0	13.7
6-30-88	278	720	931	281	100	0	0	14.6
6-30-89	313	710	1,078	315	100	0	0	15.0
6-30-90	349	709	1,213	351	100	0	0	15.5
6-30-91	306	952	991	308	100	0	0	13.7
LEGISLATIVE PLAN								
6-30-85	\$2,417	\$ 8,384	\$ 7,344	\$ 8,398	100	71.3	0	46.3
6-30-86	2,742	9,593	9,256	9,535	100	70.8	0	44.2
6-30-87	2,937	11,354	8,792	11,158	100	72.4	0	48.3
6-30-88	3,296	12,009	9,577	11,857	100	71.3	0	47.7
6-30-89	3,622	12,410	12,789	12,317	100	70.0	0	42.7
6-30-90	4,117	12,661	14,544	12,748	100	68.2	0	40.7
6-30-91	4,462	11,999	13,942	14,694	100	85.2	0	48.3

UNFUNDED ACCRUED LIABILITY (UAL)

(In Thousands)

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities</u>	<u>Reported Assets</u>	<u>UAL</u>	<u>Member Payroll</u>	<u>UAL As a % Payroll</u>
STATE EMPLOYEES RETIREMENT FUND					
6-30-82	\$1,038,907	\$ 783,650	\$255,258	\$ 830,395	30.7
6-30-83	1,167,124	902,506	264,618	893,430	29.6
6-30-84	1,311,550	996,003	315,547	949,951	33.2
6-30-85	1,518,939	1,158,383	360,556	1,079,715	33.4
6-30-86	1,738,897	1,370,049	368,848	1,169,240	31.5
6-30-87	1,966,223	1,585,971	380,252	1,243,198	30.6
6-30-88	2,115,476	1,644,145	471,331	1,316,671	35.8
6-30-89	2,456,686	1,871,542	585,144	1,418,160	41.3
6-30-90	2,707,968	2,108,210	599,758	1,513,522	39.6
6-30-91	2,883,603	2,304,312	579,291	1,612,238	35.9
CORRECTIONAL PLAN					
6-30-88*	\$ 81,454	\$ 74,065	\$ 7,389	\$ 38,807	19.0
6-30-89	92,684	85,441	7,243	41,976	17.3
6-30-90	102,217	96,945	5,272	47,075	11.2
6-30-91	112,171	105,926	6,245	50,821	12.3
STATE PATROL RETIREMENT FUND					
6-30-82	\$ 111,456	\$ 68,183	\$ 43,272	\$ 20,923	206.8
6-30-83	132,175	78,775	53,400	23,067	231.5
6-30-84	119,682	86,785	32,898	23,016	142.9
6-30-85	134,440	100,486	33,953	25,876	131.2
6-30-86	148,524	118,175	30,349	27,474	110.5
6-30-87	160,628	136,397	24,231	28,583	84.8
6-30-88	175,062	148,355	26,707	29,267	91.3
6-30-89	194,434	167,271	27,163	32,591	83.3
6-30-90	207,343	185,699	21,644	34,423	62.9
6-30-91	224,033	200,068	23,965	37,777	63.4
JUDGES RETIREMENT FUND					
6-30-82	\$ 35,217	\$ 8,740	\$ 26,477	\$ 10,616	249.4
6-30-83	40,556	11,049	29,507	12,685	232.6
6-30-84	42,378	11,792	30,586	14,083	217.2
6-30-85	46,843	13,784	33,058	15,146	218.3
6-30-86	51,102	15,983	35,119	16,616	211.4
6-30-87	54,034	18,781	35,253	15,999	220.3
6-30-88	59,708	20,760	38,948	17,109	227.6
6-30-89	64,854	23,352	41,502	18,759	221.2
6-30-90	69,396	28,116	41,280	20,662	199.8
6-30-91	76,598	33,559	43,039	21,570	199.5

*The Correctional Plan was included with the State Employees Retirement Fund until July 1, 1987.

UNFUNDED ACCRUED LIABILITY (UAL)

(In Thousands)

<u>Valuation Date</u>	<u>Aggregate Accrued Liabilities</u>	<u>Reported Assets</u>	<u>UAL</u>	<u>Member Payroll</u>	<u>UAL As a % Payroll</u>
ELECTIVE OFFICERS PLAN					
6-30-85	\$ 1,745	\$ 197	\$ 1,548	\$ 366	423.0
6-30-86	1,706	230	1,476	392	376.5
6-30-87	1,800	246	1,554	373	416.6
6-30-88	1,929	281	1,648	386	426.9
6-30-89	2,101	315	1,786	406	439.9
6-30-90	2,271	351	1,920	428	448.6
6-30-91	2,249	308	1,941	440	441.1
LEGISLATIVE PLAN					
6-30-85	\$ 18,145	\$ 8,398	\$ 9,747	\$ 4,507	216.3
6-30-86	21,591	9,535	12,056	4,880	247.0
6-30-87	23,083	11,158	11,925	4,765	250.3
6-30-88	24,882	11,857	13,025	4,932	264.1
6-30-89	28,821	12,317	16,504	5,179	318.7
6-30-90	31,322	12,748	18,574	5,465	339.9
6-30-91	30,403	14,694	15,709	6,589	238.4

INVESTMENT RESULTS
COMPARED TO SELECTED PERFORMANCE STANDARDS

	<u>FISCAL YEAR</u>					<u>ANNUALIZED</u>	
	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>3 YR.</u>	<u>5 YR.</u>
Rate of Return — Time Weighted							
Total Fund	14.5%	—0.3%	15.5%	10.8	6.7	11.0%	9.3%
Composite Index*	14.1	1.2	16.2	9.8	8.5	11.3	9.7
Stocks, Bonds, Cash Only	15.8	—0.8	15.9	11.9	6.8	11.5	9.7
Median Fund**	13.1	1.1	14.3	10.0	8.6	11.4	4.4
Inflation	3.7	3.9	5.2	4.7	4.7	4.8	4.4

*60% Wilshire 5000/24% Salomon Broad Investment Grade Bond Index/10% Wilshire Real Estate Index/
 1% 91 Day T-Bills/2.5% Venture Capital Funds/2.5% Resource Funds since July 1989.

**Wilshire Assoc. Trust Universe Comparison Service (TUCS) median balanced portfolio. TUCS contains
 returns of more than 800 public and private funds.

DISTRIBUTION OF INVESTMENTS

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Basic Retirement Funds					
Common Stocks	62.1%	60.6%	65.7%	61.3%	62.1%
Bonds	21.2	22.5	20.8	25.9	25.0
Real Estate	7.9	8.9	7.9	7.4	6.0
Venture Capital	1.8	2.6	2.9	3.4	3.9
Resource Funds	1.3	1.5	1.5	1.2	1.5
Cash Equivalents	<u>5.7</u>	<u>3.9</u>	<u>1.2</u>	<u>0.8</u>	<u>1.5</u>
	100.0	100.0	100.0	100.0	100.0

SUMMARY DATA FOR THE FISCAL YEAR ENDED JUNE 30, 1991

ACTIVE EMPLOYEES	Number Beg. of Yr.	Increases	Decreases					Number At End Of Year			Average Contributions
		New	Refunds	Annuities	Inactive	Death	Transfers	Total	Vested	Non-Vested	
General Plan	49,566	5,552	807	859	1,656	43	(40)	49,713	36,928	12,785	\$ 7,539
Correctional Plan	1,416	167	36	24	61	1	6	1,467	1,042	425	9,385
Mil. Aff. Plan	10	0	0	2	0	0	0	8	6	2	10,898
State Patrol Plan	789	41	1	21	0	0	1	809	682	127	27,862
Judges Plan	261	21	2	8	1	1	0	270	182	88	18,807
Legislative Plan	201	37	2	10	27	0	0	201	116	85	15,571
Elective Officers	6	2	0	1	1	0	0	6	3	3	32,253

INACTIVE EMPLOYEES	Number Beg. of Yr.	Increases	Decreases To				Number At End Of Year			Average Contributions
			Active	Annuity	Refunds	Retirement Fund	Total	Vested	Non-Vested	
General Plan	6,461	1,492	222	122	684	568	6,367	2,125	4,152	\$ 2,232
Correctional Plan	158	65	8	2	6	2	205	157	48	7,039
Mil. Aff. Plan	1	0	0	0	0	0	1	1	0	5,324
State Patrol Plan	27	0	2	7	0	1	17	15	2	21,101
Judges Plan	3	1	0	0	1	0	3	3	0	15,614
Legislative Plan	102	32	1	7	0	0	126	123	3	10,421
Elective Officers	6	1	0	0	0	0	7	7	0	15,839

ANNUITANTS	Number		Decreases		Number End of Year			All Annuitants			New in Fiscal Year		
	Beg. of Yr.	Increases	Deaths	Transfers	Members	Survivor	Total	Age	Service	Benefit	Age	Service	Benefit
General Plan	12,703	1,087	498	(29)	12,319	946	13,265	72.8	20.7	\$ 532	62.8	21.9	\$ 672
Correctional Plan	353	27	7	1	359	13	372	67.3	19.8	790	57.4	17.6	1,085
Mil. Aff. Plan	4	2	0	0	5	1	6	66.7	24.1	1,322	61.3	24.1	1,322
State Patrol Plan	458	35	14	(7)	363	109	472	66.5	26.2	1,746	58.0	26.1	1,977
Judges Plan	171	9	7	0	109	64	173	74.7	21.5	2,399	68.2	19.9	2,101
Legislative Plan	164	23	10	(0)	134	43	177	71.4	13.0	763	64.4	12.0	788
Elective Officers	8	2	3	0	3	4	7	72.8	14.7	1,972	63.0	16.0	3,177
Unclassified	24	7	0	(1)	30	0	30	69.3	7.7	282	66.9	6.6	229

DISABILITANTS	Number Beg. of Yr.	Increases	Decreases	Adjustments	Number End of Yr.	All Annuitants			New in Fiscal Year		
		New	Deaths			Age	Service	Benefit	Age	Service	Benefit
General Plan	676	72	50	(21)	719	66.2	16.9	365	53.5	15.2	\$ 384
Correctional Plan	12	0	0	0	12	55.3	16.3	743	—	—	—
State Patrol Plan	12	0	0	0	12	59.6	22.0	1,321	54.9	29.1	2,003
Judges Plan	9	0	0	0	9	69.0	19.3	2,252	—	—	—
Unclassified Plan	1	0	0	0	1	58.1	1.9	41	—	—	—

REFUNDS	Number of Refunds			Average Age		Average Service		Vested Refunds
	Male	Female	Total	Male	Female	Male	Female	
General Plan	1,271	2,415	3,686	33.9	34.8	2.6	2.6	934
Correctional Plan	34	12	46	33.3	30.0	3.8	3.0	20
State Patrol Plan	3	0	3	33.7	—	2.8	—	1
Judges Plan	5	0	5	40.8	—	3.3	—	2
Legislative Plan	2	0	2	38.7	—	9.0	—	1

ACTIVE EMPLOYEES

Year Ending	Average Entry Age For New Members			Averages For All Members								
	Male	Female	Total	Entry Age			Attained Age			Service Credit		
				Male	Female	Total	Male	Female	Total	Male	Female	Total
STATE EMPLOYEES RETIREMENT FUND												
6/30/82	28.4	27.3	27.7	29.3	28.4	28.8	40.5	36.5	38.4	10.0	6.4	8.1
6/30/83	28.7	27.4	27.9	29.2	28.3	28.7	40.9	36.9	38.8	10.5	6.8	8.5
6/30/84	29.7	29.4	29.6	30.4	30.1	30.3	41.6	37.7	39.5	10.8	7.0	8.8
6/30/85	31.6	31.0	31.2	30.5	30.3	30.4	41.7	38.0	39.7	10.9	7.3	9.0
6/30/86	32.0	31.2	31.5	30.5	30.4	30.5	41.8	38.2	39.9	11.0	7.4	9.1
6/30/87	32.4	31.9	32.1	30.5	30.5	30.5	41.9	38.5	40.1	11.2	7.6	9.3
6/30/88	33.6	33.6	33.6	30.7	30.8	30.8	42.1	39.0	40.4	11.2	7.7	9.3
6/30/89	33.0	32.7	32.8	30.6	30.7	30.7	42.2	39.1	40.5	11.3	7.8	9.4
6/30/90	33.9	33.3	33.5	30.7	31.0	30.9	42.4	39.6	40.9	11.4	8.1	9.6
6/30/91	32.9	32.1	32.5	30.7	31.0	30.9	42.6	40.0	41.2	11.5	8.5	9.9

CORRECTIONAL OFFICERS RETIREMENT FUND

6/30/82	27.7	27.3	27.9	28.0	28.7	28.1	36.0	36.9	36.1	7.0	6.5	6.9
6/30/83	26.5	28.3	26.7	27.7	28.8	27.8	35.4	36.5	35.5	6.7	6.4	6.7
6/30/84	28.7	32.4	29.3	28.8	31.1	29.1	35.6	36.2	35.7	6.7	4.4	6.4
6/30/85	29.2	28.6	29.0	28.9	30.4	29.1	35.2	36.2	36.1	7.2	4.8	6.9
6/30/86	29.8	32.1	30.4	29.0	31.1	29.3	36.8	36.2	36.7	7.7	5.2	7.4
6/30/87	30.0	30.0	30.0	29.1	30.8	29.3	37.3	35.9	37.1	8.2	5.2	7.8
6/30/88	29.8	31.5	30.3	29.1	31.0	29.4	37.7	36.2	37.5	8.6	5.2	8.1
6/30/89	29.6	29.3	29.5	29.1	30.2	29.3	38.0	35.5	37.7	8.8	5.2	8.2
6/30/90	30.5	31.1	30.7	29.2	30.3	29.4	38.0	35.4	37.5	8.7	5.0	8.1
6/30/91	31.1	32.2	31.5	29.3	30.6	29.5	38.2	35.7	37.7	8.8	5.0	8.1

STATE PATROL RETIREMENT FUND

6/30/82	24.7	—	24.7	26.2	24.6	26.2	41.1	31.7	40.9	14.2	6.0	14.0
6/30/83	26.4	23.0	26.2	26.1	24.3	26.0	40.7	31.2	40.4	13.8	6.0	13.6
6/30/84	28.0	31.7	28.3	27.1	26.0	27.0	41.0	32.9	40.7	14.0	6.9	13.8
6/30/85	27.8	23.3	27.4	27.0	25.3	26.9	40.8	32.4	40.5	13.9	7.1	13.7
6/30/86	26.5	22.8	26.4	26.9	25.1	26.8	40.5	33.0	40.3	13.7	7.9	13.5
6/30/87	26.0	36.7	26.4	26.8	25.5	26.7	40.7	34.1	40.5	14.0	8.6	13.8
6/30/88	32.5	34.2	32.7	26.8	25.5	26.7	40.9	35.1	40.6	14.2	9.6	14.0
6/30/89	28.2	24.3	27.9	26.8	24.8	26.8	41.0	34.0	40.7	14.2	9.1	14.0
6/30/90	29.9	30.7	29.9	27.0	25.5	26.9	40.9	34.4	40.6	14.0	8.9	13.8
6/30/91	30.6	31.0	30.6	27.1	26.5	27.1	40.9	35.0	40.7	13.9	8.4	13.6

JUDGES RETIREMENT FUND

6/30/82	41.3	—	41.3	41.3	41.8	41.3	53.9	46.9	53.7	12.2	5.2	12.0
6/30/83	41.7	37.8	41.0	41.2	40.4	41.2	53.6	44.4	53.0	11.9	4.1	11.5
6/30/84	43.6	44.0	43.7	41.7	41.8	41.7	54.0	45.5	53.3	12.1	3.7	11.4
6/30/85	38.0	25.4	34.2	41.5	41.5	41.5	53.8	45.7	53.1	12.2	4.2	11.5
6/30/86	48.1	38.7	47.2	41.7	41.4	41.7	54.3	46.4	53.5	12.4	5.0	11.8
6/30/87	45.6	48.6	46.4	41.7	42.8	41.8	54.0	48.1	53.4	12.2	5.2	11.5
6/30/88	44.9	43.2	44.6	41.8	43.0	42.0	53.9	48.0	53.2	11.9	5.0	11.1
6/30/89	47.7	—	44.7	42.1	43.0	42.2	54.1	49.0	53.6	11.9	6.0	11.3
6/30/90	43.8	43.0	43.6	41.9	43.0	42.0	53.4	49.1	52.8	11.3	6.0	10.7
6/30/91	46.7	41.2	45.6	42.1	42.8	42.2	53.5	49.2	52.9	11.2	6.4	10.6

EMPLOYEES ELIGIBLE TO AN IMMEDIATE ANNUITY ON JUNE 30, 1991

STATE EMPLOYEES RETIREMENT FUND

	<u>Male</u>	<u>Female</u>	<u>Total</u>
Full Benefit	480	450	930
Reduced Benefit Due To Early Retirement	2,720	2,404	5,124
Proportional Benefit (Age Equal To Or Greater Than 65, Service Less Than 10 Years)	44	33	77
Rule of 90	333	76	409
Employees Not Eligible To Immediate Benefit	<u>19,124</u>	<u>24,049</u>	<u>43,173</u>
Totals	22,701	27,012	49,713

CORRECTIONAL OFFICERS RETIREMENT FUND

Full Benefit	40	8	48
Employees Not Eligible To Immediate Benefit	<u>1,156</u>	<u>263</u>	<u>1,419</u>
Totals	1,196	271	1,467

STATE PATROL RETIREMENT FUND

Full Benefit	40	0	40
Employees Not Eligible To Immediate Benefit	<u>730</u>	<u>39</u>	<u>769</u>
Totals	770	39	809

JUDGES RETIREMENT FUND

Full Benefit	25	2	27
Reduced Benefit	25	2	27
Judges Not Eligible To Immediate Benefit	<u>183</u>	<u>33</u>	<u>216</u>
Totals	233	37	270

LEGISLATIVE PLAN

Full Benefit	14	2	16
Reduced Benefit	14	1	15
Members Not Eligible For Immediate Benefit	<u>129</u>	<u>41</u>	<u>170</u>
Totals	157	44	201

ELECTIVE OFFICERS PLAN

Full Benefit	0	0	0
Members Not Eligible For Immediate Benefit	<u>4</u>	<u>2</u>	<u>6</u>
Totals	4	2	6

REFUND STATISTICS

Year Ending	Number of Refunds			Age		Years Forfeited		Number Forfeiting Vested Rights
	Male	Female	Total	Male	Female	Male	Female	
STATE EMPLOYEES RETIREMENT FUND								
6-30-82	2,633	4,967	7,600	32.7	31.0	2.5	2.3	273
6-30-83	2,184	3,755	5,939	36.5	33.4	1.8	2.0	145
6-30-84	1,814	3,201	5,015	35.0	33.0	2.7	2.9	217
6-30-85	1,663	3,007	4,670	34.3	32.8	2.9	2.8	200
6-30-86	1,330	2,604	3,934	34.3	32.5	3.3	3.0	175
6-30-87	1,230	2,584	3,814	35.1	33.4	3.3	2.9	184
6-30-88	1,540	2,607	4,147	33.3	33.1	2.5	2.7	177
6-30-89	1,256	2,595	3,851	33.9	33.4	3.0	2.7	652
6-30-90	1,227	2,491	3,718	34.9	33.6	2.9	2.7	1,085
6-30-91	1,271	2,415	3,686	33.9	34.8	2.6	2.6	934
CORRECTIONAL OFFICERS RETIREMENT FUND								
6-30-82	86	11	97	31.8	34.3	2.9	3.1	3
6-30-83	67	12	79	32.5	34.4	2.6	1.6	1
6-30-84	69	10	79	32.6	29.7	3.6	2.5	3
6-30-85	68	16	84	31.6	31.9	2.6	3.5	2
6-30-86	66	20	86	31.5	31.6	3.5	2.2	2
6-30-87	56	15	71	32.3	31.6	3.8	2.4	2
6-30-88	48	10	58	31.1	29.4	3.2	2.7	2
6-30-89	42	20	62	32.7	34.6	4.3	2.9	19
6-30-90	38	21	59	34.6	33.6	4.2	2.0	28
6-30-91	34	12	46	33.3	30.0	3.8	3.0	20
STATE PATROL RETIREMENT FUND								
6-30-82	10	0	10	34.0	—	7.4	—	4
6-30-83	12	0	12	31.8	—	2.0	—	1
6-30-84	6	2	8	36.7	27.7	9.5	0.5	2
6-30-85	5	2	7	29.6	28.7	0.4	0.4	0
6-30-86	5	1	6	32.6	33.8	4.5	5.1	1
6-30-87	8	0	8	34.0	—	5.8	—	1
6-30-88	1	0	1	34.5	—	3.8	—	0
6-30-89	6	1	7	32.2	36.1	5.0	1.5	1
6-30-90	2	0	2	33.0	—	5.6	—	2
6-30-91	3	0	3	37.7	—	2.8	—	1
JUDGES RETIREMENT FUND								
6-30-82	2	1	3	49.5	47.0	6.5	8.0	0
6-30-83	3	0	3	49.7	—	5.7	—	0
6-30-84	1	0	1	42.2	—	1.4	—	0
6-30-85, 86, 87	0	0	0	—	—	—	—	0
6-30-88	0	1	1	—	37.9	—	3.5	0
6-30-89	1	0	1	63.5	—	14.4	—	1
6-30-90	0	0	0	—	—	—	—	0
6-30-91	5	0	5	40.8	—	3.3	—	2
LEGISLATIVE RETIREMENT PLAN								
6-30-88	1	0	1	43.5	—	1.0	—	0
6-30-89	7	1	8	43.8	50.0	4.7	2.0	—
6-30-90	4	1	5	42.9	40.0	2.3	8.0	1
6-30-91	2	0	2	38.7	—	9.0	—	1

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

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement					Option Selected			
			1	2	3	4	5	Life	I	II	III
\$ 0- 199	520	3,487	3,018	189	266	0	14	2,694	715	54	24
200- 399	542	3,764	3,185	269	301	1	8	2,760	916	67	22
400- 599	395	2,468	2,126	165	170	0	7	1,748	675	37	8
600- 799	278	1,434	1,292	60	81	0	1	943	459	17	15
800- 999	168	1,017	944	17	55	1	0	574	422	11	10
1000-1199	101	692		655	7	1	1	1	362	321	3
1200-1399	72	491	461	8	22	0	0	209	274	5	3
1400-1599	44	286	271	1	12	1	0	137	142	2	5
1600-1799	37	183	178	0	4	1	0	83	97	0	2
1800-1999	20	96	94	0	2	0	0	41	54	1	0
Over 2000	39	22	119	0	2	1	0	37	85	0	0
Totals	2,216	14,040	12,343	717	943	6	31	9,588	4,160	197	95

Types

- 1 General Plan Annuitants
- 2 General Plan Disabilitants
- 3 General Plan Survivors
- 4 Military Affairs Plan
- 5 Unclassified Plan

Options:

- Life Straight Life Annuity
- I Joint & Survivor
 - II Death While Eligible
 - III Period Certain

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

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement				Option Selected		
			1	2	3	4	Life	I	II
\$ 0- 199	2	4	2	0	0	2	2	0	2
200- 399	0	53	9	0	1	43	11	33	9
400- 599	0	29	12	0	0	17	10	16	3
600- 799	4	35	20	1	0	14	11	21	3
800- 999	1	29	13	4	1	11	8	20	1
1000-1119	0	26	21	1	0	4	8	17	1
1200-1399	2	37	32	1	0	4	16	20	1
1400-1599	1	43	35	1	1	6	11	30	2
1600-1799	2	57	54	0	0	3	20	37	0
1800-1999	2	50	46	0	1	3	14	20	34
Over 2000	1	124	119	3	0	2	90	34	0
Totals	15	487	363	11	4	109	201	262	24

Types

- 1 Retired Members
- 2 Disabilitants That Participate in the MPRIF
- 3 Disabilitants Not Participating in MPRIF
- 4 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
 - II Death While Eligible

**JUDGES RETIREMENT FUND
SCHEDULE OF RETIRED JUDGES BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement					Option Selected			
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Life</u>	<u>I</u>	<u>II</u>	<u>III</u>
\$ 0- 199	0	3	2	0	0	0	1	2	0	1	0
200- 399	0	2	0	0	0	0	2	2	0	0	0
400- 599	1	8	3	0	0	0	5	7	1	0	0
600- 799	1	9	3	0	0	0	6	7	1	1	0
800- 999	0	9	4	0	0	0	5	7	2	0	0
1000-1199	0	7	3	0	0	0	4	4	2	1	0
1200-1399	0	13	5	0	0	4	4	6	4	3	0
1400-1599	0	28	5	2	0	1	20	20	3	5	0
1600-1799	0	14	9	1	0	3	1	6	3	5	0
1800-1999	1	9	5	1	0	0	3	4	4	1	0
Over 2000	<u>0</u>	<u>83</u>	<u>72</u>	<u>4</u>	<u>1</u>	<u>2</u>	<u>4</u>	<u>22</u>	<u>36</u>	<u>19</u>	<u>6</u>
Totals	3	185	111	8	1	10	55	87	56	36	6

Types

- 1 Retired Members
- 2 Disabilitants That Participate in MPRIF
- 3 Disabilitants Not Participating in MPRIF
- 4 Survivors Who Participate in MPRIF
- 5 Survivors Who Do Not Participate in MPRIF

Options:

- Life Full Life Annuity
- I Joint & Survivor
 - II Life + 50% Survivor
 - III Period Certain

**CORRECTIONAL RETIREMENT FUND
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred	Number of Retirees	Type of Retirement			Option Selected			
			<u>1</u>	<u>2</u>	<u>3</u>	<u>Life</u>	<u>I</u>	<u>II</u>	<u>III</u>
\$ 0- 199	21	31	28	1	2	26	4	1	0
200- 399	28	56	51	1	4	43	13	0	0
400- 599	23	81	76	0	5	62	18	0	1
600- 799	23	79	73	6	0	67	12	0	0
800- 999	15	38	34	2	2	30	8	0	0
1000-1199	11	28	26	2	0	19	9	0	0
1200-1399	8	19	19	0	0	8	11	0	0
1400-1599	8	18	18	0	0	8	10	0	0
1600-1799	3	13	13	0	0	9	4	0	0
1800-1999	8	0	0	0	0	6	3	0	0
Over 2000	<u>9</u>	<u>11</u>	<u>11</u>	<u>0</u>	<u>0</u>	<u>4</u>	<u>7</u>	<u>0</u>	<u>0</u>
Totals	157	383	358	12	13	282	99	1	1

Types

- 1 Retired Members
- 2 Disabilitants
- 3 Survivors

Options:

- Life Full Life Annuity
- I Joint & Survivor
 - III Period Certain

**LEGISLATORS AND ELECTED STATE OFFICERS
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT**

Amount of Monthly Benefit	Deferred		Type of Retirement			
	Elected State Officers	Legislators	Elected State Officers		Legislative	
			Members	Survivor	Members	Survivor
\$ 0- 199	1	6	0	0	5	7
200- 399	2	13	0	1	27	18
400- 599	0	27	0	0	32	10
600- 799	2	19	0	1	27	5
800- 999	0	13	0	0	8	2
1000-1199	0	19	0	1	8	0
1200-1399	0	12	1	1	11	0
1400-1599	1	7	1	0	6	1
1600-1799	1	1	0	0	2	0
1800-1999	01	0	0	5	0	
Over 2000	<u>0</u>	<u>5</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>0</u>
Totals	7	123	3	4	134	43

DEFERRED COMPENSATION PLAN

These statistics include only participants in the Minnesota Supplemental Investment Fund and not the insurance company participants. On June 30, 1991, there were 6,663 active participants, 2,676 inactive participants and 748 in withdrawal status for a total of 10,087.

INVESTMENT PERFORMANCE

	PER SHARE VALUES		RATE OF RETURN	
	<u>June 30, 1990</u>	<u>June 30, 1991</u>	<u>FY 1991</u>	<u>5 Year Average</u>
Income Shares	\$34.05	\$36.99	8.6%	9.9%
Growth Shares	22.83	24.18	1.5%	8.0%
Common Stock Index	16.14	17.23	6.8%	10.1%
Bond Market	13.77	15.30	11.1%	9.1%

	Average Interest Rates		
	<u>FY 1990</u>	<u>FY 1991</u>	<u>5 Year Average</u>
Money market	9.0%	7.7%	7.9%

	November 3-Year Contract Interest Rates			
	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Guaranteed Investment	9.01%	8.4%	8.765%	6.625%

INVESTMENT DISTRIBUTION

	Current Investments for June 1991			Total Investments as of June 30, 1991		
	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>
Income Shares	39.7%	24.0%	\$138	48.1%	20.3%	\$ 7,975
Growth Shares	23.6	12.3	119	32.1	11.6	6,832
Money Market	28.8	22.3	177	537	31.9	11,236
Stock Index	25.1	16.0	146	24.7	5.4	4,169
Guaranteed Invest. '89	—	—	—	23.5	12.4	9,120
Guaranteed Invest. '89	—	—	—	23.0	6.0	4,932
Guaranteed Invest. '90	26.1	21.9	19.1	30.5	10.9	6,777
Bond Market	6.0	3.6	1.34	7.1	1.5	3,962

PARTICIPANT DISTRIBUTION

	Monthly Investment							
	<u>Under \$50</u>	<u>\$50-\$99</u>	<u>\$100-\$199</u>	<u>\$200-\$299</u>	<u>\$300-\$399</u>	<u>\$400-\$499</u>	<u>\$500-\$599</u>	<u>Over \$600</u>
Age 24 and under	44	9	4	3	3	2	0	12
Age 25 thru 34	466	240	157	61	33	23	21	191
Age 35 thru 44	689	563	448	189	106	63	102	497
Age 45 thru 54	341	400	313	156	115	72	139	381
Age 55 thru 64	115	140	164	75	69	45	100	226
Age 65 and over	21	17	19	4	6	3	9	24

PARTICIPANT WITHDRAWALS

	<u>FY 1991 Number</u>	<u>Average Dollar</u>
Lump sum withdrawals:		
Partial Withdrawal	174	\$ 5,553
Full Withdrawal	136	\$ 6,310
Transfer to Insurance Co.	151	\$36,372
Survivor's Refund	19	\$13,483
Ongoing Withdrawals — June 30, 1991		
Members	711	\$555 per month
Survivors	37	\$617 per month

UNCLASSIFIED EMPLOYEES RETIREMENT PLAN

On June 30, 1991, there were 1,655 active participants and 551 inactive participants for a total of 2,206.

INVESTMENT PERFORMANCE

	SHARE VALUES		RATE OF RETURN	
	<u>June 30, 1990</u>	<u>June 30, 1991</u>	<u>FY 1991</u>	<u>5 Year Average</u>
Income Shares	\$34.05	\$36.99	8.6%	9.9%
Growth Shares	23.83	24.18	1.5	8.0
Common Stock Index	16.14	17.23	6.8	10.1
Bond Market	13.77	15.30	11.1	9.1

	Average Interest Rates		
	<u>FY 1990</u>	<u>FY 1991</u>	<u>5 Year Average</u>
Money Market	9.0%	7.7%	7.9%

November 3-Contract Interest Rates

	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Guaranteed Investment	9.01%	8.4%	8.765%	6.625%

INVESTMENT DISTRIBUTION

	Current Investments for June 1991			Total Investments as of June 30, 1991		
	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>	<u>% of Participants</u>	<u>% of Dollars</u>	<u>Average Invested</u>
Income Shares	63.7%	56.6%	\$332	81.7%	50.1%	\$21,356
Growth Shares	24.3	17.3	265	36.6	13.7	13,969
Money Market	21.9	14.1	240	34.5	19.4	21,083
Bond Market	9.7	2.7	106	13.6	3.1	8,660
Stock Index	11.6	5.1	164	14.3	4.4	11,624
Guaranteed Invest. '88	—	—	—	11.0	6.7	22,973
Guaranteed Invest. '89	—	—	—	7.7	1.2	5,879
Guaranteed Invest. '90	9.1	4.2	170	10.5	1.4	4,834

PARTICIPANT DISTRIBUTION

	Monthly Investment							
	<u>Under \$50</u>	<u>\$50-\$99</u>	<u>\$100-\$199</u>	<u>\$200-\$299</u>	<u>\$300-\$399</u>	<u>\$400-\$499</u>	<u>\$500-\$599</u>	<u>Over \$600</u>
Age 24 and under	2	7	26	8	3	1	1	13
Age 25 thru 34	1	12	85	86	57	19	4	86
Age 35 thru 44	2	13	53	78	90	83	62	140
Age 45 thru 54	0	12	47	42	34	63	65	95
Age 55 thru 64	0	4	22	24	15	18	18	28
Age 65 and over	0	2	5	3	3	1	1	4

PARTICIPANT WITHDRAWALS

	<u>FY 1991 Number</u>	<u>Average Dollar</u>
Lump sum withdrawals:		
From active status	169	\$17,633
Survivors refund	0	—
Annuitants — June 30, 1991	30	\$ 282 per month

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