



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2005

Public
Employees
Retirement
Association
of Minnesota



**Pension Trust Funds
of the State of Minnesota**

Public
Employees
Retirement
Association
of Minnesota

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2005

74
Years of
Service
to
Minnesota's
Public
Employees



Pension Trust Funds of the State of Minnesota

BOARD OF TRUSTEES

Dawn M. Hulmer — Board President, Elected Membership Representative
Steven L. Devich — Board Vice President, Elected Membership Representative
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Marcia Farinacci — Annuitant Representative
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Don Rambow — Cities Representative

EXECUTIVE DIRECTOR

Mary Most Vanek

REPORT PREPARED BY:

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Member of Government Finance Officers Association of the United States and Canada

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Introductory Section



Achievement Awards

GFOA

The Government Finance Officers Association (GFOA) recognizes public retirement systems that meet its rigorous standards for financial reporting with its annual Certificate of Achievement for Excellence in Financial Reporting. It is the highest form of recognition for accounting and financial reporting in the public pension sector. PERA received this award for our 2004 Comprehensive Annual Financial Report, the 20th time we have been so honored.



President's Report

Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



December 12, 2005

Dear Members, Annuitants, Beneficiaries and Governmental Employers:

This 74th annual financial report of the Public Employees Retirement Association (PERA) discloses financial, actuarial, and other related information about PERA and the funds it administers. On June 30, 2005, PERA's net assets available for benefits at fair value exceeded \$15.2 billion. This reflects an annual increase of approximately 7.4 percent.

Fiscal year 2005 was another good year at PERA. The stock market dramatically enhanced investment performance during the year. The total rate of return for the assets of the active employees covered by PERA was 11 percent for the 12 months ended June 30, 2005. For the past 10 years, these investments outperformed the composite market return benchmark by two-tenths (0.2) of one percent, with a favorable annualized return of 9.3 percent. This rate of return is well above the fund's actuarial assumed annual rate of return of 8.5 percent.

As the active employees of PERA retire, assets required to cover expected benefits are transferred to the Minnesota Post Retirement Investment Fund (MPRIF) in which PERA has a pooled interest with other Minnesota statewide pension systems. The MPRIF supports the annuities payable to retirees and their joint annuitants. The market value of this pool of assets increased to \$19.4 billion at fiscal year end. PERA's share of that pool increased to \$7.2 billion. Over the past 10 years, the MPRIF has outperformed the composite market return benchmark by four-tenths (0.4) of one percentage point, with an annualized return of 8.8 percent.

PERA had yet another busy year. We spent much of the year working with employers, employees, actuaries and legislators to write legislation that would ensure the financial soundness of the Fund while being fair to all the parties involved. Legislation passed in 2005 allows us to raise contribution rates in the Coordinated Plan and the Police & Fire Plan to better reflect the true cost of the retirement, disability or death benefits our members have been promised. Rates will be adjusted incrementally over the next 5 years beginning January 1, 2006.

During the year we rolled out a web-based program for our employers. The program, named ERIS, allows employers to securely enroll new members, maintain employment information, and see if a new hire is already a PERA benefit recipient. We also reworked our web site during the year, and began to develop online calculators that will allow



**Dawn Hulmer
Board President**

members to get up-to-the-minute benefit estimates any time they want them.

As always, our commitment as trustees of the association is the preservation and growth of the assets of PERA's funds, and the protection and furtherance of the interests of our members, annuitants, beneficiaries, employer units and the State of Minnesota. I believe our efforts over the past year have amply illustrated this continuing dedication as fiduciaries of the public employee retirement funds.

Sincerely,

Dawn M. Hulmer
President
PERA Board of Trustees

Letter of Transmittal

Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



Mary Most Vanek
Executive Director

December 9, 2005

Board of Trustees
Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103

Dear Trustee:

We are pleased to present this Comprehensive Annual Financial Report of the Public Employees Retirement Association (PERA) for the fiscal year ended June 30, 2005--our 74th year of operation. The information contained in this report is accurate in all material respects and is intended to present fairly the financial status and results of operations of the association. The report consists of five sections:

Introductory Section: Contains this letter of transmittal, the president's report, a summary of the membership requirements and the benefit structures of PERA's funds, and a description of the administrative organization and Board of Trustees.

Financial Section: Includes the basic financial statements, supplementary information, supporting schedules, management's discussion and analysis of PERA's financial activities, and the independent auditor's report on the financial statements.

Investment Section: Contains a summary of investment returns, asset allocation, list of largest assets and asset cost and market values.

Actuarial Section: Includes the independent actuary's certification letter, summaries of the actuarial assumptions and methods used in the annual valuation, and results of the June 30, 2005 actuarial valuation.

Statistical Section: Contains tables and schedules of significant data pertaining to the Association and identifies affiliated employers.

Responsibility for the contents of this report, including the financial statements, rests solely with the management of the association. This transmittal letter is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A begins on page 18 in the Financial Section of this report.

Letter of Transmittal

(Continued)

PLAN OVERVIEW

PERA was established in 1931 by the Minnesota legislature. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota. The State acts as a trustee of the pension plan, and reports our assets in the State's annual report as pension trust fund assets. The Plan is funded on an actuarial reserve basis, with money being set aside for benefits while the benefits are being earned and before they are paid.

PERA serves over 2,000 separate local governmental entities. These participating employers include cities, counties, townships, and school districts located throughout the state. At June 30, 2005, PERA's membership included 155,890 current, active employees and 63,445 retirees and beneficiaries.

ACCOUNTING SYSTEMS AND REPORTS

All financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Governmental Accounting Standards Board (GASB). This CAFR also complies with Minnesota Statutes, Section 356.20. PERA's transactions of its Public Employees Retirement Fund (PERF), Public Employees Police and Fire Fund (PEPFF), Public Employees Correctional Fund (PECF) and Public Employees Defined Contribution Plan (PEDCP) are reported on the accrual basis of accounting. Contributions from employers and members are recognized as revenue when due, regardless of the date of collection. Expenses are recorded when corresponding liabilities are incurred, regardless of when the payment is made.

PERA's internal accounting controls are designed to provide reasonable assurance for the safekeeping of assets and the reliability of all financial records. Our independent auditors have audited the accompanying financial statements and reviewed our internal control structure. They reported no material weaknesses in our internal controls. Management believes that an adequate system of internal control is in place and that the accompanying statements, schedules and tables are fairly presented.

INVESTMENTS

In accordance with Minnesota Statutes, Section 353.06, assets of the PERA Funds are invested by the

Minnesota State Board of Investment (SBI). All investments undertaken by the SBI are governed by the common law prudent person rule and other standards codified in Chapter 11A of the Minnesota Statutes. The board is comprised of the state's elected officers: Governor Tim Pawlenty; State Auditor Patricia Anderson; Secretary of State Mary Kiffmeyer; and State Attorney General Mike Hatch.

The SBI appoints a 17-member Investment Advisory Council (IAC) to advise the State Board on asset allocation and other policy matters relating to investments. The IAC also advises the SBI on methods to improve the rate of return while assuring adequate security of the assets under management. The executive director of PERA is a standing member of the IAC.

The IAC has formed three committees organized around broad investment subjects relevant to the board's decision making: asset allocation, stock and bond managers, and alternative investments. All proposed investment policies are reviewed by the appropriate committee and the full council before they are presented to the board for action.

The SBI also employs investment consultants to monitor and evaluate investment management firms' performance and to evaluate or suggest various alternatives for asset allocation and other investment policy matters.

Active Funds

Pension assets of the currently working members of the Association are managed externally by private money managers retained under contract with the SBI. These assets are pooled with the assets of other active members of statewide retirement funds into the Basic Retirement Fund. The greatest share of these assets, approximately 65 percent, is invested in domestic and international common stocks in order to maximize the long-term rate of return. Including international stocks in the asset mix allows the SBI to diversify its holdings across world markets and offers the opportunity to enhance returns and reduce the risk/volatility of the total portfolio. For the year ended June 30, 2005, the Basic Retirement Funds produced an 11.0 percent rate of return on active member assets.

The SBI has one overriding responsibility in the management of these funds: to ensure that sufficient

Fair Value of Investments, June 30, 2005 (in thousands)

Fund	Active Members	Retired Members
PERF	\$5,370,643	\$5,357,473
PEPFF	2,498,976	1,884,288
PECF	97,021	3,033
Totals	\$7,966,640	\$7,244,794

funds are available to finance promised retirement benefits. Within this context, SBI has established a long-term investment objective: to outperform a composite market index weighted to reflect the long-term asset allocation policy over a ten-year period. Performance is measured net of all fees and costs to assure the SBI's focus is on true net return. The Basic Funds' ten-year annualized rate of return at June 30, 2005 was 9.3 percent, above its target index of 9.1 percent.

Post Retirement Investment Fund

The SBI has responsibility for investment of the assets of the Minnesota Post Retirement Investment Fund (MPRIF). When a member retires, a sum of money sufficient to finance a fixed monthly annuity is transferred from the Basic Retirement Fund to the MPRIF. Assets of the retired members of the Association and their joint annuitants (see table above) are pooled in the MPRIF. These assets are also managed externally, sharing the same domestic stock, domestic bond, and international stock managers as the Basic Funds.

The SBI adopted a revised asset allocation strategy for the MPRIF in fiscal year 1993 to reflect the goals associated with the new post-retirement benefit increase formula. In order to maximize long-term rates of return in the equity markets, the SBI gradually allocated 50 percent of the assets to domestic stocks, and added allocations to international stocks and alternative assets. As of June 30, 2005, approximately 65 percent of the assets were invested in domestic and international stocks.

In contrast to the investment goals of the Basic Fund, invested for current working members, the MPRIF's goal is to ensure returns are adequate to meet the actuarially assumed return of 6 percent on its invested assets on an annualized basis and are sufficient to finance lifetime benefit increases.

The SBI measures performance of the MPRIF against a composite of market indices that is weighted to reflect its long-term asset allocation policy. The MPRIF is expected to exceed the composite index over a ten-year period. Similar to the Basic Fund, MPRIF performance is reported net of all fees and costs to assure the SBI's focus is on true net return. For the ten-year period ending June 30, 2005, the MPRIF outperformed its composite index by four-tenths of one percent with an annualized return of 8.8 percent.

Benefit increases are granted based on two components: an inflation component and an investment component. This year the MPRIF will provide a benefit increase of 2.5 percent, payable January 1, 2006.

- Inflation adjustment of 2.5%. This equals 100 percent of the reported Consumer Price Index for wage earners (CPI-W) for the 12 months ended June 30, 2005 with a cap of 2.5 percent in order to maintain the actuarial soundness of the plan. This amount is the difference between the 8.5 percent return assumption for the Basic Funds and the 6 percent return assumption for the MPRIF. This inflation component is always granted, regardless of investment performance.
- Investment adjustment of 0%. This represents a portion of the investment gains that exceed the amount needed to finance the actuarial assumed rate of return (6%) and the inflation component (2.5%). The formula requires that investment gains and losses be spread forward over five years to adjust for the volatility of short-term returns. Also, all accumulated investment losses must be recovered before an investment adjustment is granted. Since investment returns were below 8.5 percent for three years in a row in the early 2000s, there are no excess investment gains to apply toward a benefit increase. In fact, accumulated investment losses now exceed \$4 billion and must be recovered before any future investment adjustment is given.

Over the last 10 years (including this year), annual benefit increases have averaged 6.1 percent while inflation has averaged 2.4 percent.

ECONOMIC CONDITIONS AND OUTLOOK

In fiscal year 2005 the economy continued to move forward as it recovered from the 2001 recession. The economy created 2 million jobs and the unemployment rate fell from 5.6 percent in June 2004 to 5.0 percent in June 2005. Jobs in the private sector finally reached the level of March 2001, when the last recession began, though it took a record number of months, 50, to get back to that level. In 2004 the nation's poverty rate increased from 12.5 percent to 12.7 percent. While that rate is still on the low end historically, it is the fourth consecutive year the poverty rate has risen. Uncertainty in the Middle East coupled with increased demand from China drove up oil prices, which threatened to re-ignite inflation. In response to that threat and in response to the recovering economy, the Federal Reserve increased interest rates 200 basis points throughout the year. Large budget deficits, job outsourcing and slow job growth, a falling dollar and terrorism all caused concern during the year.

Letter of Transmittal

(Continued)

On the bright side, however, productivity and consumer spending were both strong. A record number of people were working. GDP rose 4.2 percent in 2004. Median household income increased to \$44,684. New orders for durable goods increased 6.8 percent during FY05. Industrial production rose 3.9 percent and capacity utilization increased from 77.8 percent to 80 percent during the fiscal year. Inflation remained in check at 2.6%. 30-year mortgage rates remained low, dropping below 6 percent once again.

Low interest rates and a growing economy proved to be good for the markets. The Russell 3000 returned 8.1 percent and the Lehman Brothers Aggregate Bond Index returned 6.8 percent. PERA's Basic retirement Fund and the MPRIF, made up of both equities and fixed assets, had annualized rates of return of 11.0 percent and 10.5 percent, net of fees, in fiscal year 2005, well above our assumed earnings rate of 8.5 percent.

Minnesota's economy continued its recovery as well. The unemployment rate dropped from 4.4 percent in June 2004 to 3.7 percent in June 2005, the lowest rate since March 2001. Almost 34,000 jobs were added during the fiscal year. Minnesota had a greater share of the total population in the labor force, 72.2 percent, than any other state except Alaska. The median household income in Minnesota in 2004 was \$50,860, the fifth best in the country. Per capita personal income was \$36,173, the ninth best in the country. The median price of a home in Minnesota increased 6.7 percent in 2004.

Despite high energy costs and rising interest rates, the economic outlook for Minnesota and the rest of the country is positive. Interest rates remain historically low; inflation remains in check; business profits are rising and jobs are being added to the payroll; foreign economies are strengthening; consumer spending remains strong; and business investment is on the rise. These factors should all prove positive for the markets, which will bode well for public pension plans.

CURRENT FUNDING RATIOS

The primary funding objectives of the Association are: 1) to establish contribution rates which, when expressed as a percentage of active members payroll, will remain level from generation to generation; and 2) to meet the required deadlines for full funding.

An important measure of the health of a retirement system is the level of funding. The better the level of funding, the larger the ratio of assets to accrued liabilities and the greater the level of investment income potential. Also, a better level of funding gives the partic-

ipants a higher degree of assurance that their pensions are secure. A pension plan is fully funded when it has present and projected assets sufficient to cover the liabilities for present and future annuities, benefits and refunds and the projected cost of fund administration.

The Association's progress toward meeting the full funding objective is displayed on the Schedule of Funding Progress on page 31. This report shows the funding levels using the entry age normal actuarial cost method. At the end of fiscal year 2005, the ratio of assets to liabilities of the PERF was 74.53 percent. For the PEPFF and the PECF, the ratios were 97.15 percent and 90.11 percent, respectively.

ASSOCIATION'S STATUS REPORT

PERA has been working on several initiatives that we believe will allow us to serve our members more effectively and efficiently. During the fiscal year we completed work on a web-based tool that allows participating employers to enroll their eligible employees and maintain data on those employees online. That "self-serve" tool, named ERIS (Employer Reporting and Information System), allows employers to enter personal and employment data about their employees directly into our system from which they can then create reports. Employers can also maintain their own contact information online, receive automatic e-mail notification at various times, and search our records to see if a new hire is already a PERA benefit recipient. Employers enjoy not having to fill out and mail paperwork to PERA, and we enjoy not having to re-key data into our systems from that paperwork. The new process has thus far fulfilled our objective of a more efficient means of reporting personal data on our members for both employers and for our staff.

We began development of the next project in our 5-year strategic plan, allowing members to receive accurate, real-time benefit estimates online. While members receive annual Personal Benefit Statements each year in the mail, this new process will allow members to receive up-to-date estimates any time, day or night. We received over 20,000 requests for estimates in fiscal year 2005, so we believe this "self-serve" product will be appreciated by our members. We plan to roll out this new calculator in January 2006.

We also prepared to roll out our updated web site, www.mnpera.org, this year. We reworked most of our existing site in an attempt to make it easier to navigate and find the information our members and employers look for. We added new content and gave the site a face lift, and expect the site will be used more frequently as the aging baby boomers begin to seriously ponder retirement and look for answers to their questions.

The 2005 Legislative Session was noteworthy in that we were able to get approval to increase Coordinated Plan and Police & Fire Plan contribution rates incrementally over the next 5 years. Our existing rates do not pay for the benefits promised to members and need to be raised in order for our plans to become or remain fully funded. Contribution rates have been deficient for many years. Employee rates in the Coordinated Plan will increase from 5.1% to 6.0% over the next 3 years. Employer rates will increase from 5.53% to 7.0% over the next 5 years. Employee rates in the Police & Fire Plan will increase from 6.2% to 9.4% and employer rates will increase from 9.3 percent to 14.1% over the next 4 years. The first rate increase will occur January 1, 2006.

We worked on several other projects during the year. Those projects include updating our disaster recovery plan; developing better ways of sharing data among the three statewide retirement plans; planning for a new phone system; upgrading hardware and software; further tightening our network security; and converting the rest of our imaging applications. We look forward to the next fiscal year when we begin seeing the results of our work this year. We continue to strive to deliver benefits and services that members will value and trust for years to come.

PROFESSIONAL SERVICES

Actuarial consulting services during the fiscal year were provided by Mercer Human Resources Consulting and by The Segal Company. Those services included our annual actuarial valuation, an actuarial experience study, and cost estimates for a variety of legislative proposals. Benefacts, Inc. handled the production and mailing of our annual Pension Benefit Statements. Evalumed handled independent medical examinations.

The State's Attorney General continued to provide PERA with legal counsel. The State's Department of Health provided medical services used for determining disability benefits. The State Board of Investment continued to manage and invest the assets of PERA's funds, and the State's Legislative Auditor continued to provide professional financial auditing services.

MEMBERSHIP REPORT

This report is complemented by an annual financial newsletter that discloses, in summary form, the contents of this report. This financial newsletter is mailed in January of each year to all PERA members, including annuity and benefit recipients. In addition, this report is reproduced, in its entirety, on PERA's website, www.mnpera.org.

NATIONAL RECOGNITION

Finally, PERA is justly proud of the abilities, knowledge, drive and dedication of its employees. PERA recently received national recognition as a leader in pension fund administration and disclosure of financial information. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2004. This is the 20th time PERA has received this honor.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

As a compendium of financial, investment, actuarial and other statistical information, PERA's Comprehensive Annual Financial Report provides complete and reliable information on which management decisions may be based and through which compliance with statutory requirements may be assessed. In addition, the report serves as the primary source through which the effectiveness of the Trustees' management and administration of PERA and its funds may be judged.

We are sure you join with us in expressing gratitude and appreciation to the staff and PERA's advisors for their efforts in producing this report and for their loyal and dedicated service to the Association and its members, annuitants, beneficiaries, and governmental unit employers.

Respectfully submitted,

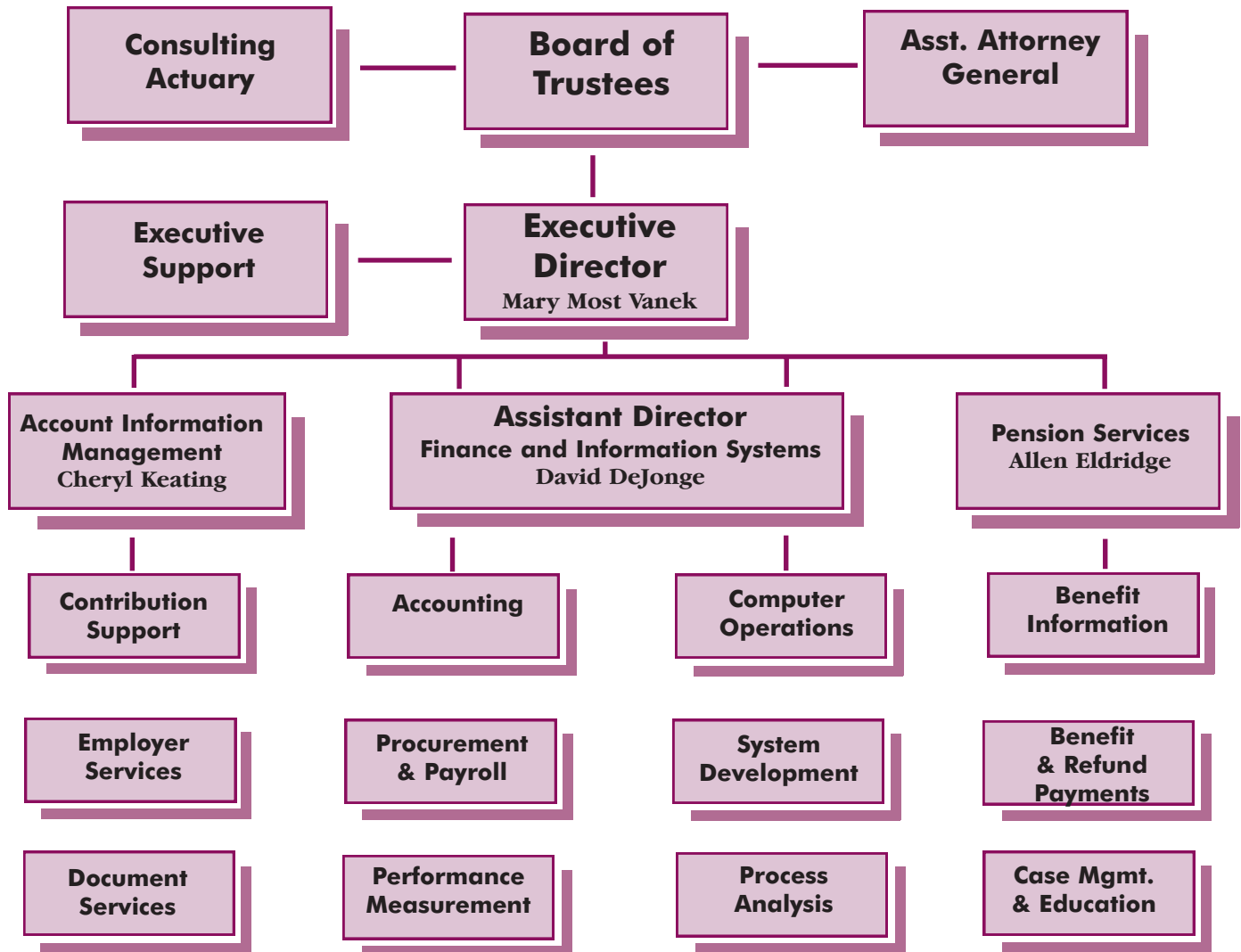


Mary Most Vanek
Executive Director



David DeJonge
Assistant Executive Director,
Finance and IS

Administrative Organization



MISSION STATEMENT

PERA's mission is to create opportunities for members to achieve a successful and secure retirement by providing the highest quality benefits and services, that members will value and trust.

PERA'S VISION:

PERA will provide on-demand access to reliable pension information and superior customer service.

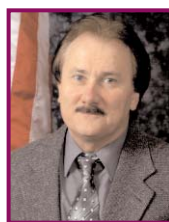
Board of Trustees

BOARD PRESIDENT



Dawn M. Hulmer
General Membership Representative
City of Duluth, Treasurer's Office
Duluth City Hall, Room 105
Duluth, Minnesota 55802

BOARD VICE PRESIDENT



Steven L. Devich
General Membership Representative
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PO Box 332, 527 Whiteside Ave.
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Gary R. Norstrom
Retiree/Disabilitant Representative
5619 Portland Ave.
White Bear Lake, Minnesota 55110



Don Rambow
Cities Representative
City of White Bear Lake
4701 Highway 61
White Bear Lake, Minnesota 55110

The PERA Board consists of 11 trustees as follows: The State Auditor is a trustee by virtue of office. The governor appoints five trustees to represent counties, cities, school boards, retired annuitants, and the general public. PERA active members elect five representatives—three general membership, one retiree/disabilitant, and one Police and Fire trustee—to serve four-year terms.

Retirement System Plan Summary

Public Employees Retirement Association of Minnesota

NOTE:

- * A listing of employers participating in PERA can be found in the Statistical Section of this report.
- ** PERA's Basic Plan was closed to new membership in 1968 with the creation of the Coordinated Plan. At that time, Basic members had the option of remaining in that plan or transferring to the new Coordinated Plan. Today, fewer than 75 Basic members remain active public employees.

PURPOSE

Established by the Minnesota Legislature in 1931, the Public Employees Retirement Association (PERA) of Minnesota administers pension funds that serve approximately 200,000 county, school and local public employees, benefit recipients, their survivors, and dependents.

Funds administered by the Association provide a variety of retirement pensions, and survivor and disability benefits. In the case of the Coordinated and Correctional plans, these benefits are in addition to those provided by Social Security.

PERA's Board of Trustees is responsible for administering these funds in accordance with statutes passed by the Minnesota Legislature and has a fiduciary obligation to PERA's members, their governmental employers, the state, and its taxpayers.

ADMINISTRATION

PERA's Board of Trustees is composed of 11 members. The State Auditor is a member by statute. Five trustees are appointed by the Governor. Serving four-year terms, these five trustees represent cities, counties, school boards, retired annuitants, and the general public, respectively.

The remaining five board members are elected by the PERA membership at large to serve four-year terms. Three trustees represent the general active membership, one represents Police and Fire Fund members, and one represents annuitants and benefit recipients. The next membership election is scheduled for January 2007.

The board appoints an executive director to serve as chief administrative officer of PERA. With approval of the board, the director develops the annual administrative budget, determines staffing requirements, contracts for actuarial and other services, and directs the day-to-day operations of the association. The director also serves as a member of the State Investment Advisory Council, which advises the

Minnesota State Board of Investment on the management and investment of public pension funds and other assets.

MULTI-EMPLOYER PARTICIPATION

Approximately 2,000 separate units of government in Minnesota participate in the PERA-administered retirement system. These units include counties, cities, townships, and school districts*.

EMPLOYEE MEMBERSHIP

PERA has approximately 150,000 active members. With certain statutory exceptions, an employee performing personal services for a governmental employer whose salary is paid, in whole or in part, from revenues derived from taxation, fees, assessments, or other sources, is a member of PERA. Plan participation is dependent on the occupation of the member.

FUNDS

PERA administers four separate funds. Each has specific membership, contribution, benefit, and pension provisions.

The **Public Employees Retirement Fund** encompasses two retirement plans — the PERA Coordinated Plan and the PERA Basic plans. The Coordinated Plan, created in 1968, provides retirement and other benefits in addition to those supplied by Social Security. Established in 1931, the Basic Plan was PERA's original retirement plan and is not coordinated with the federal program.**

The **Public Employees Police and Fire Fund** was created in 1959 for police officers and firefighters not covered by a local relief association. It also encompasses all paid Minnesota police officers and firefighters hired since 1980. In 1999, legislation merged members of PERA's former Police and Fire Consolidation Plan into this plan.

The **Local Government Correctional Service Retirement Fund** was established in 1999 for correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody and control of the facilities and their inmates.

Also administered by PERA is the **Public Employees Defined Contribution Plan (DCP)**. Created in 1987 to provide a retirement plan for personnel employed by public ambulance services, the plan has been expanded to include physicians and locally-elected public officials, except for county sheriffs.*

CONTRIBUTIONS

The table below shows contribution rates for employees and employers under the various plans administered by PERA as of June 30, 2005**. Rates are applied to total salary and are set by statute.

<u>Fund</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
Public Employees Retirement Fund		
Coordinated	5.10%	5.53%
Basic	9.10%	11.78%
Public Employees Police & Fire Fund	6.20%	9.30%
Local Government Correctional Fund	5.83%	8.75%
Defined Contribution Plan	5.00%	5.00%***

CREDITED SERVICE AND SALARY

Members of PERA's defined benefit plans receive one service credit for each month for which they are paid. Individuals may earn a maximum of 12 service credits per year. Salary used in retirement and disability benefit calculations is the average monthly salary over an individual's highest-paid 60 consecutive months of public service, or all months of service if less than 60 (high-five salary).

RETIREMENT BENEFITS

Eligibility and Annuity Formulas

Basic and Coordinated Members

Two methods are used to compute benefits for Coordinated and Basic Plan members—a step-rate benefit accrual formula (Method 1) and a level accrual formula (Method 2). Members hired prior to July 1, 1989 receive the higher of the two calculated amounts. Only Method 2 is used for members hired after June 30, 1989.

Method 1: Coordinated members accrue 1.2 percent of the high-five salary for each of the first 10 years of public employment, and 1.7 percent of that average salary for each successive year. Basic members receive 2.2 percent of their high-five salary for each of their first 10 years of service and 2.7 percent for each year thereafter.

Using this calculation, members are eligible for a full (unreduced) retirement annuity if:

- ▶ They are age 65 or over with at least one year of public service; or
- ▶ Their age plus years of public service equal 90 (Rule of 90).

A reduced retirement annuity is payable as early as age 55 with three or more years of service. The reduction is .25 percent for each month under age 65. A member with 30 or more years of service may retire at any age with the .25 percent reduction made from age 62 rather than 65.

Method 2: Coordinated members earn 1.7 percent of their high-five salary for every year of public service while Basic members earn 2.7 percent of their average salary for each year.

This calculation provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989, and at the age for unreduced Social Security benefits, capped at age 66, for those first hired into public service on or after that date.

Early retirement results in an actuarial reduction with augmentation (about 6 percent per year) for members retiring prior to full retirement age.

Police and Fire Members

Members receive 3 percent of average salary for each of their years of service. An unreduced retirement annuity is payable to members when they meet the following conditions:

- ▶ Age 55 with a minimum of three years of service; or
- ▶ Age plus years of service equal at least 90 (if first hired prior to 7/1/89).

A reduced retirement annuity is available to members between the ages of 50 and 55. There is a 1.2 percent reduction in benefits for each year a member retires prior to qualifying for an unreduced retirement benefit.

NOTE:

* Officials first elected to a governing body, such as a city council or county board after June 30, 2002, may only participate in PERA's Defined Contribution Plan. Previously, such officials could elect Coordinated Plan participation as an alternative to the DCP.

** Legislation passed in June, 2005, calls for increases in member and employer contribution rates for both the Coordinated and Police and Fire plans beginning in January, 2006. These increases will be phased in over several years, ultimately resulting in employee rates of 6 percent for the Coordinated Plan and 9.4 percent for the Police and Fire Plan. Employer rates for these two plans will increase incrementally to 7 percent and 14.1 percent, respectively.

*** This is the rate established for elected public officials and physicians. For ambulance service personnel, participation in the program and contributions made for employees are at the discretion of employers. Salaried employees may match this contribution.

Summary

(Continued)

NOTE:

* Since most Correctional Plan members were previously members of PERA's Coordinated Plan, they may qualify for a pension from both plans following retirement. However, they must meet the age requirements of each plan and begin benefits within a year of each other to qualify for combined service.

** Selection of a Survivor Option will result in a reduction in the amount of the pension from the Single-life pension level. The amount of the reduction depends on the age of both the retiring member and the survivor.

All survivor pension options incorporate an automatic "bounce back" feature. This returns the amount of the pension to the level of the Single-life benefit in the event the designated survivor predeceases the retiree. The cost of this protection is borne by the funds, not by the retiree.

Correctional Service Members
Correctional Plan members earn 1.9 percent of their average salary for every year of public service under the plan.

A full, unreduced pension, is earned at:

- ▶▶▶ Age 55 with three or more years of service; or
- ▶▶▶ Age plus years of service total at least 90 (if hired prior to 7/1/89).

An actuarial reduction with augmentation is made in a member's benefit for retirement prior to qualification for an unreduced pension.*

Defined Contribution Plan Members
The Defined Contribution Plan's benefit amount is determined by the performance of the funds in which contributions are invested. The entire market value of the member's account is payable upon termination of public service, disability, retirement, or death.

TYPES OF PENSIONS AVAILABLE

Members of the PERA Coordinated, Basic, Correctional, and Police and Fire plans may select from several types of retirement benefits.

Single-life Pension — A Single-life Pension is a lifetime annuity that ceases upon the death of the retiree. No survivor benefit is payable.

Survivor Options — Upon retirement, members may choose from one of four Survivor Options. All these pensions are payable for the lifetime of the retiree. At the time of the retiree's death, the designated survivor begins to receive monthly benefit payments at varying levels for his or her lifetime. Depending on the Survivor Option chosen by the member, survivor payments are at a 25, 50, 75 or 100 percent level of that received by the member.**

Pre-Age 62 Increase — This pension option allows a member who retires before age 62 to receive a greater monthly payment until he or she becomes eligible for Social Security at age 62. The monthly benefit amount is then reduced by at least \$100 at age 62.

Deferred Pension — A vested member who terminates public service may leave contributions in the fund(s) in which he or she participated and qualify for a pension at age 55 or over. The benefit amount, calculated as of the date of termination, will increase at a rate of 3 percent per year, compounded annually, until the first of the year following the member's 55th birthday. It will then increase at a rate of 5 percent per year.

Combined Service and Proportionate Pensions — Retiring members may elect to combine service in a PERA-covered position with service in any of 14 other Minnesota pension funds and qualify for a retirement benefit from each fund in which they participated. These funds are designated by statute. Members with three or more years of total service qualify for a combined service pension if they have six or more months of service in each fund and have not begun to receive a benefit from any of the designated funds. Pensions are based upon the formula of each fund and the member's average salary over the five highest-paid years of service, no matter when it was earned.

Public employees who retire at age 65 or older with between one and three years of service in one or more of 11 designated funds may qualify for a proportionate pension. Benefits are paid by each applicable fund in which the employee has credit and are based upon the formula of each fund and the member's average salary during the period of service covered by that fund.

EARNINGS LIMITATION

Retirees who return to work in a PERA-covered position are subject to the same earnings limitations as Social Security recipients. Benefits are reduced if these limits are exceeded, with the amount escrowed and earning 6 percent interest compounded annually. At age 65 or a year after leaving the position, whichever is later, the retiree may request repayment of these funds.

The earnings limitation only applies to PERA-covered employment. Self- or private employment and elected service will result in no benefit reduction for retirees.

DISABILITY BENEFITS

Members may be eligible for benefits from PERA if they are unable to work because of a physical or mental disability. Disability is defined by statute, and PERA may require periodic medical examinations of those receiving these benefits.

Disability benefit calculations are based upon years of service and average high-five salary for Coordinated and Basic members. The same is true for Police and Fire and Correctional plan members disabled outside the line of duty. In the case of Police and Fire members, there is a minimum non-duty disability benefit of 45 percent of that salary. The minimum benefit for Correctional Plan members is 19 percent of salary.

For Police and Fire members disabled in the line of duty, the minimum benefit is 60 percent of salary, while the minimum duty-related disability benefit for Correctional members is 47.5 percent.*

Basic and Coordinated members qualify for disability with three or more years of service and by meeting the statutory definition. Police and Fire and Correctional members qualify by meeting the definition with one or more years of service if disabled outside the line of duty. If disabled in the line of duty, there is no minimum service requirement.

SURVIVOR BENEFITS

PERA also provides survivor (death) benefits for families of members who qualify for such coverage. The qualifications and types of benefits vary with each plan.

A Lifetime Survivor Benefit is available to the surviving spouse of a Basic, Coordinated, Correctional, or Police and Fire member. For Police and Fire, and Basic members, this benefit is based on either 50 percent of the member's average salary during the six months prior to death or a formula using the member's total years of service, high-five salary, age at death and age of the spouse. The surviving spouse benefit for Coordinated and Correctional members is only based on the formula. This benefit is payable to the spouse of a deceased member for life, even upon remarriage.**

For the surviving spouse of a Basic or Coordinated member, there are alternative

term-certain benefits of 5, 10, 15, or 20 years duration. The monthly payment, however, may not exceed 75 percent of the member's average high five-year salary. The same alternative benefits are available to the surviving spouse of a Correctional member, with the exception of the 5-year option.

Survivor benefits are immediately suspended for any survivor charged with causing the death of an association member. The benefit is permanently revoked upon conviction of such a crime.

Dependent children of active or disabled Basic, and Police and Fire members are eligible for benefits until age 18, or age 23 if full-time students. In this case, the maximum family benefit is 70 percent of the member's average monthly salary. If a Coordinated or Correctional member dies and there is no surviving spouse, any children under age 20 qualify to receive a monthly term-certain benefit.

Instead of a monthly benefit, the surviving spouse, if a designated beneficiary, may elect a refund of any remaining employee contributions in the account, plus 6 percent interest compounded annually. However, a refund may not be elected if there are dependent children who are eligible for benefits.

REFUNDS

Refunds of contributions are available at any time to members who leave public service and have not yet begun receiving a pension. The refund includes employee contributions plus 6 percent interest, compounded annually.

A refund of member contributions plus interest may also be elected by the designated beneficiary of a member or former member who dies before reaching retirement. If there is no beneficiary, payment is made to the surviving spouse or, if none, to the estate of the deceased member or former member.

If a retiree and designated survivor, if any, die before all employee contributions are paid in the form of a pension or benefits, the remaining balance would be paid in the same manner outlined for beneficiaries.

No interest is paid to beneficiaries on the balance in an account if the member was receiving retirement benefits.

NOTE:

* Minimum non-duty disability benefits are equivalent to 15 years of service for Police and Fire members and 10 years of service for Correctional members. Duty-related minimum disability benefits are equivalent to unreduced pensions for 20 years of service for Police and Fire members and 25 years for Correctional members.

** Lifetime Survivor Benefits are also available to the spouse of disabled Basic, and Police and Fire Fund members, and to survivors of disabled Coordinated and Correctional members who choose a Survivor Option to their disability benefit.

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Financial Section



**OFFICE OF THE LEGISLATIVE AUDITOR**
STATE OF MINNESOTA • James Nobles, Legislative Auditor**Independent Auditor's Report**

Members of the Board of Trustees
Public Employees Retirement Association of Minnesota, and
Ms. Mary Most Vanek, Executive Director
Public Employees Retirement Association of Minnesota

We have audited the accompanying basic financial statements of the Public Employees Retirement Association of Minnesota (PERA) as of and for the year ended June 30, 2005, as listed in the Table of Contents. These financial statements are the responsibility of PERA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PERA as of June 30, 2005, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note B to the basic financial statements, PERA adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures* for the year ended June 30, 2005. This standard establishes and modifies disclosure requirements for deposit and investment risks including credit risk, interest rate risk, and foreign currency risk.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2005, on our consideration of PERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information, as listed in the Table of Contents, are not a required part of PERA's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information.

Room 140 Centennial Building, 658 Cedar Street, Saint Paul, Minnesota 55155 • Tel: 651/296-4708 • Fax:
E-mail: auditor@state.mn.us • TDD Relay: 651/297/5353 • Website: www.auditor.leg.state.mn.us

However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PERA's basic financial statements. The Introductory, Investment, Actuarial, and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supporting Schedules in the Financial Section have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The financial information in the Introductory, Investment, Actuarial, and Statistical Sections has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James R. Nobles
Legislative Auditor

Claudia J. Gudvangen, CPA
Deputy Legislative Auditor

December 9, 2005

Management Discussion and Analysis

As management of Minnesota's Public Employees Retirement Association (PERA), we present this discussion and analysis of the financial activities for the year ended June 30, 2005 (FY05). This narrative is intended to supplement the financial statements which follow this discussion, and should be read in conjunction with the transmittal letter, which begins on page 5 of this annual report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) contains two basic financial statements: the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These financial statements, in conjunction with the accompanying Notes to the Financial Statements, report information about PERA's financial condition in an attempt to answer the question: "Is PERA better off or worse off as a result of this year's activities?" These statements are prepared using the accrual basis of accounting as is required by generally accepted accounting principles laid out in statements issued by the Government Accounting Standards Board (GASB).

The Statement of Plan Net Assets provides a snapshot of account balances at year-end. It reports the assets available for future payments to benefit recipients, along with any liabilities that are owed as of the statement date. The difference between assets and liabilities, called "Net Assets," represents the value of assets held in trust for future benefit payments. Over time, increases and decreases in Net Assets can be one measurement of whether PERA's financial position is increasing or decreasing.

The Statement of Changes in Plan Net Assets, on the other hand, shows additions and deductions to Net Assets during the year. The increase or decrease in Net Assets reflects the change in Net Assets found on the Statement of Plan Net Assets from the prior year to the current year.

The Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements. The Notes describe the accounting and administrative policies under which PERA operates, and provide additional levels of detail for selected financial statement items.

These financial statements should be reviewed along with the Schedule of Funding Progress and Schedule of Employer Contributions to determine whether PERA is becoming financially stronger or weaker over time. PERA's funding objective is to meet long-term benefit obligations through contributions received and the income derived by investing those contributions during the working career of our members. These two schedules, created by an actuary, show the ratio of the actuarial value of assets to the actuarial accrued liability, and to what extent contributions needed to fully fund the plan are being received.

FINANCIAL HIGHLIGHTS

- ▶ PERA's Net Assets increased 7.5% during the year from \$14.2 billion in fiscal year 2004 (FY04) to \$15.3 billion in FY05.
- ▶ Total additions for FY05 were \$2,063,788,000 comprised of contributions of \$563,864,000, investment income of \$1,493,491,000 and other income of \$6,433,000. Total additions for fiscal year 2004 were \$2,580,948,000.
- ▶ Total deductions for the year increased from \$963,387,000 in fiscal year 2004 to \$1,007,443,000 due to an increase in the number of benefit recipients.
- ▶ Total administrative expenses totaled \$10,130,000, an amount equal to less than 7/100 of 1 percent of Net Assets.
- ▶ As of June 30, 2005, the Public Employees Retirement Fund is actuarially funded at 74.53%. PERA's Police and Fire Fund is actuarially funded at 97.15%, and PERA's Correctional Fund is 90.11% funded.

FINANCIAL ANALYSIS OF PERA'S FUNDS

PERA is the administrator of three defined benefit plans and one defined contribution plan. In a defined benefit plan, pension benefits are determined by a member's salary and credited years of service, regardless of contribution amounts and investment returns for those contributions over the member's working career. PERA administers three such plans: the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Services Retirement Fund (which we call the Public Employees Correctional Fund or PECTF). In a defined contribution plan, pension benefits are determined by contributions made to a member's account and investment returns for those contributions. PERA administers one such plan: the Public Employees Defined Contribution Plan (PEDCP).

PERF

Total assets as of June 30, 2005 were \$12.1 billion in the PERF, an increase of \$839 million or 7.5 percent from the prior year. The primary reasons for the increase were strong investment performance during the year and a higher value of collateral through the securities lending program administered by the State Board of Investment. Total liabilities as of June 30, 2005 were \$1.3 billion, an increase of \$89 million from the prior year, mostly due to the higher value of securities lending collateral on the books at year end.

Total net assets, the difference between total assets and total liabilities, increased about \$750 million, or roughly 7.5 percent from the prior year. Ending net assets were \$10.7 billion on June 30, 2005.

Additions to Plan Net Assets

The reserves needed to finance retirement benefits are accumulated through the collection of member and employer contributions and through earnings on investments. Contributions and net investment income for FY05 totaled \$1,501,766,000.

Employer contributions and member contributions increased from the previous year by a total of \$8 million, largely due to an increase in the number of active members and a slight increase in their average salaries. Net investment income in FY05 totaled \$1 billion as our portfolio returned approximately 10.7 percent, better than our assumed earnings rate of 8.5 percent but not as good as the 16.5 percent return we had in FY04.

Deductions from Plan Net Assets

Our largest expense was for retirement benefits to members and beneficiaries. Total benefits increased 4 percent to \$715 million in FY05. The increase in benefits resulted from an increase in the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2005. The amount of refunds increased \$2 million in FY05 due to more people taking refunds. Administrative expenses increased 3 percent in FY05 to 9.1 million.

Overall Financial Position

Because of three years of investment returns well below our required 8.5 percent level (FY01, FY02 and FY03), the PERF is now 74.53% funded. In general, this indicates that for every dollar of benefits we expect to pay out, we already have about 75 cents in our reserves. Since we smooth investment gains and losses over 5 years for actuarial purposes, most of the investment loss is now being recognized in our actuarial funding ratio. As the deferred investment losses from 2001-03 are recognized, the investment gains from the past two years should begin to improve our funding picture. Contribution rates have not been sufficient for us to become fully funded. This year, legislation was passed that will increase Coordinated Plan contribution rates by 2.37 percent of payroll over the next 5 years, which should also improve our funding picture.

PEPFF

Total assets as of June 30, 2005 were \$4.9 billion in the Public Employees Police and Fire Fund, an increase of \$352 million, or 7.7 percent from the prior year. The increase is due to strong investment earnings and a larger amount of securities lending collateral on the books at year end. Total liabilities as of June 30, 2005 were \$532 million, an increase of \$74 million due to the larger securities lending collateral.

Total net assets, the difference between total assets and total liabilities, increased \$278 million, roughly 6.7 percent from the prior year, to an ending balance of \$4.4 billion.

Additions to Plan Net Assets

Contributions and net investment income for FY05 totaled \$531 million. Employer contributions increased \$3 million and Member contributions increased \$1.5 million, largely due to an increase in the number of members. Net investment income in FY05 totaled \$435 million, a decrease of \$143 million from the stellar investment year we had in FY04, but still a good year for investment returns.

Deductions from Plan Net Assets

Retirement benefits to members and beneficiaries made up over 99 percent of our total deductions. The amount of benefits paid increased 6 percent in FY05 to \$251 million. The increase in benefits resulted from an increase in

Net Assets—Defined Benefit Plans (Dollars in Thousands)

	PERF		PEPFF		PECF	
	2005	2004	2005	2004	2005	2004
ASSETS						
Cash and Receivables	\$ 21,203	\$ 8,331	\$ 35,025	\$ 62,813	\$ 439	\$ 151
Investments	10,728,116	10,083,407	4,383,264	4,077,508	100,054	75,597
Securities Lending Collateral	1,301,601	1,119,166	530,845	456,990	11,920	8,014
Capital Assets and Other	11,782	12,273	-	-	-	-
Total Assets	\$12,062,702	\$11,223,177	\$4,949,134	\$4,597,311	\$112,413	\$83,762
LIABILITIES						
Accounts Payable	\$ 3,845	\$ 97,255	\$ 2,013	\$ 1,817	\$ 205	\$ 272
Accrued Compensated Absences	751	665	-	-	-	-
Securities Lending Collateral	1,301,601	1,119,166	530,845	456,990	11,920	8,014
Bonds Payable	10,806	11,005	-	-	-	-
Total Liabilities	\$1,317,003	\$1,228,091	\$ 532,858	\$ 458,807	\$ 12,125	\$ 8,286
Total Net Assets	\$10,745,699	\$9,995,086	\$4,416,276	\$4,138,504	\$100,288	\$75,476

Discussion and Analysis

(Continued)

the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2005. The amount of refunds increased slightly while administrative expenses decreased slightly.

Overall Financial Position

The Police and Fire Plan was 97.15% funded as of July 1, 2005, the first time the plan has been less than 100% funded since 1989. In FY03 we strengthened several actuarial assumptions based on an experience study conducted that fiscal year. The change increased our actuarial liability by over \$250 million and, coupled with poor investment returns in 3 of the past 5 years, depleted excess assets that had been used to keep contribution rates lower than the level required to cover normal costs. We now have a 7.8 percent contribution deficiency. Legislation passed in 2005 will increase rates 8 percent over the next 4 years, hopefully enough to get us fully funded again.

PECF

In the Public Employees Correctional Fund, total assets as of June 30, 2005 were \$112 million, an increase of \$28 million or 34% from the prior year. The PECF is a very new fund, and brings in more cash through contributions than it spends paying benefits and refunds. Total liabilities as of June 30, 2005 were \$12 million, an increase of \$4 million from the prior year, due to more securities being loaned out at year end and thus more securities lending collateral on the books. Total net assets, the difference between total assets and total liabilities, increased \$25 million in fiscal year 2005, resulting in an ending net asset value of \$100 million.

Additions to Plan Net Assets

Contributions and net investment income for FY05 totaled \$26.7 million. Employer and member contributions increased roughly 7.8 percent to \$10.8 million and \$7.2 million respectively, due to an increase in the number of members and higher salaries. Net invest-

ment income in FY05 totaled \$8.7 million, a return of 10.7 percent, but \$417,000 less than the 16.5 percent return we had in FY04. The Investment Section of this report reviews results of investment activity for 2005.

Deductions from Plan Net Assets

Expenses for this plan are still quite small. Retirement benefits increased 29% from \$805,000 in FY04 to \$1 million in FY05 as more members became eligible to retire. Refunds increased 17.5% to \$691,000. Administrative expenses increased \$14,000 and represent less than two-tenths of one percent of total net assets.

Overall Financial Position

The Public Employees Correctional Fund is 90.11% funded, an increase from last year's 88.12%. With only six years of experience it is difficult to know if our long-term assumptions are accurate, but we believe contribution levels are sufficient to fully fund this plan within the next 18 years. As deferred investment losses from 2001-03 are recognized, investment gains from the past two years should continue to improve our funding level.

AGENCY SUMMARY

PERA's combined net assets have increased consistently over the last three decades, with the exception of the fiscal years 2001 and 2002. FY05 was another good year for PERA's investments. Since we smooth market returns over five years, however, those good returns are still being offset by the downturn experienced in 2001-03. If future investment returns continue to match or exceed our assumed earnings rate of 8.5 percent, our funding ratios should begin to improve. The Board of Trustees will continue to strive to ensure the security and stability of our funds.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088.

Changes in Net Assets—Defined Benefit Plan Funds (Dollars in Thousands)

	PERF		PEPF		PECF	
	2005	2004	2005	2004	2005	2004
ADDITIONS						
Employer Contributions	\$ 232,963	\$ 225,744	\$ 55,802	\$ 52,769	\$ 10,814	\$ 10,029
Member Contributions	216,701	215,697	37,873	36,313	7,192	6,672
Investment Income (Loss)	1,047,792	1,434,654	435,327	578,008	8,714	9,131
Other	4,310	4,437	2,113	2,733	9	4
Total Additions	\$1,501,766	\$1,880,532	\$531,115	\$669,823	\$26,729	\$25,836
DEDUCTIONS						
Retirement Benefits	\$ 715,043	\$ 687,124	\$ 251,429	\$ 237,442	\$ 1,041	\$ 805
Refund of Contributions	24,952	22,556	734	644	691	588
Administrative Expenses	9,118	8,830	703	712	176	162
Other	2,040	2,725	477	541	9	5
Total Deductions	\$ 751,153	\$721,235	\$253,343	\$239,339	\$ 1,917	\$ 1,560
Increase (Decrease) in Net Assets	\$750,613	\$1,159,297	\$277,772	\$430,484	\$24,812	\$24,276
Ending Net Assets	\$10,745,699	\$9,995,086	\$4,416,276	\$4,138,504	\$100,288	\$75,476

Statement of Plan Net Assets

As of June 30, 2005 (in thousands)

	Defined Benefit Funds				Total
	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	
ASSETS					
Cash	\$ 428	\$ 0	\$ 0	\$ 0	\$ 428
Receivables					
Accounts Receivable	\$ 19,751	\$ 34,568	\$ 257	\$ 55	\$ 54,631
Due from Other Funds	1,024	457	182	20	1,683
Total Receivables	\$ 20,775	\$ 35,025	\$ 439	\$ 75	\$ 56,314
Investments at fair value					
Equity in Minnesota Post Retirement Investment Fund	\$ 5,357,473	\$ 1,884,288	\$ 3,033	\$ 0	\$ 7,244,794
External Domestic Equity	1,852,747	860,478	33,014		2,746,239
Fixed Income	1,262,538	586,344	22,497		1,871,379
Passive Domestic Equity	870,146	404,754	15,503		1,290,403
Global Equity	799,898	371,699	14,252		1,185,849
SBI Alternative	517,345	241,416	9,217		767,978
Short-Term Cash Equivalent	67,969	34,285	2,538	309	105,101
Investments for Defined Contrib.	0	0	0	23,815	23,815
Total Investments	\$10,728,116	\$4,383,264	\$100,054	\$24,124	\$15,235,558
Securities Lending Collateral	\$ 1,301,601	\$ 530,845	\$ 11,920	\$ 1,747	\$ 1,846,113
Capital Assets					
Equipment Net of Accumulated Depreciation	\$ 902	\$ 0	\$ 0	\$ 0	\$ 902
Property Net of Accumulated Depreciation	10,755	0	0	0	10,755
Total Capital Assets	\$ 11,657	\$ 0	\$ 0	\$ 0	\$ 11,657
Deferred Bond Charges	\$ 125	\$ 0	\$ 0	\$ 0	\$ 125
Total Assets	\$12,062,702	\$4,949,134	\$112,413	\$25,946	\$17,150,195
LIABILITIES					
Accounts Payable	\$ 3,186	\$ 1,309	\$ 30	\$ 0	\$ 4,525
Payable to Other Funds	659	704	175	145	1,683
Securities Lending Collateral	1,301,601	530,845	11,920	1,747	1,846,113
Accrued Compensated Absences	751	0	0	0	751
Bonds Payable	10,806	0	0	0	10,806
Total Liabilities	\$ 1,317,003	\$ 532,858	\$ 12,125	\$ 1,892	\$ 1,863,878
Net Assets held in trust for					
Pension Benefits	\$10,745,699	\$4,416,276	\$100,288	\$24,054	\$15,286,317

(A schedule of funding progress for each plan is presented on page 31.)

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

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2005 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	Total
<u>ADDITIONS</u>					
Contributions					
Employer	\$ 232,963	\$ 55,802	\$ 10,814	\$ 1,318	\$ 300,897
Plan member	<u>216,701</u>	<u>37,873</u>	<u>7,192</u>	<u>1,201</u>	<u>262,967</u>
Total Contributions	\$ 449,664	\$ 93,675	\$ 18,006	\$ 2,519	\$ 563,864
Investments					
Net appreciation (depreciation) in fair value	\$ 381,565	\$ 184,445	\$ 6,112	\$ 1,553	\$ 573,675
Interest	62,907	29,841	1,051	100	93,899
Dividends	87,419	40,284	1,437	0	129,140
Distributed income of the Minnesota Post Retirement Investment Fund	<u>526,772</u>	<u>185,204</u>	<u>202</u>	<u>0</u>	<u>712,178</u>
Total investment activity Income	\$ 1,058,663	\$ 439,774	\$ 8,802	\$ 1,653	\$ 1,508,892
Less investment expense	<u>(14,524)</u>	<u>(5,937)</u>	<u>(120)</u>	<u>0</u>	<u>(20,581)</u>
Net income from investment activity	\$ 1,044,139	\$ 433,837	\$ 8,682	\$ 1,653	\$ 1,488,311
<i>From securities lending activities:</i>					
Securities lending income	\$ 30,442	\$ 12,407	\$ 278	\$ 41	\$ 43,168
Securities lending expenses:					
Borrower rebates	(25,705)	(10,475)	(236)	(34)	(36,450)
Management fees	<u>(1,084)</u>	<u>(442)</u>	<u>(10)</u>	<u>(2)</u>	<u>(1,538)</u>
Net income from securities lending	\$ 3,653	\$ 1,490	\$ 32	\$ 5	\$ 5,180
Total Net Investment Income	\$ 1,047,792	\$ 435,327	\$ 8,714	\$ 1,658	\$ 1,493,491
Other additions	\$ 4,310	\$ 2,113	\$ 9	\$ 1	\$ 6,433
Total Additions	\$ 1,501,766	\$ 531,115	\$ 26,729	\$ 4,178	\$ 2,063,788
<u>DEDUCTIONS</u>					
Benefits	\$ 715,043	\$ 251,429	\$ 1,041	\$ 0	\$ 967,513
Refunds of contributions	24,952	734	691	897	27,274
Administrative expenses	9,118	703	176	133	10,130
Other deductions	<u>2,040</u>	<u>477</u>	<u>9</u>	<u>0</u>	<u>2,526</u>
Total Deductions	\$ 751,153	\$ 253,343	\$ 1,917	\$ 1,030	\$ 1,007,443
Net Increase (Decrease)	\$ 750,613	\$ 277,772	\$ 24,812	\$ 3,148	\$ 1,056,345
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</u>					
Beginning of year	<u>\$ 9,995,086</u>	<u>\$4,138,504</u>	<u>\$ 75,476</u>	<u>\$20,906</u>	<u>\$14,229,972</u>
End of year	<u>\$10,745,699</u>	<u>\$4,416,276</u>	<u>\$100,288</u>	<u>\$24,054</u>	<u>\$15,286,317</u>

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2005

A. PLAN DESCRIPTION

1. Organization

The Public Employees Retirement Association (PERA) is the administrator of three cost-sharing, multiple-employer retirement plans, the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF). In addition, PERA administers one multiple-employer deferred compensation plan, the Public Employees Defined Contribution Plan (PEDCP). The plans, including benefit provisions and the obligation to make contributions, are established and administered in accordance with Minnesota Statutes, Chapters 353, 353A, 353B, 353D, 353E and 356. It is also these statutes that define financial reporting requirements.

2. Participating Employers

PERA serves approximately 2000 separate units of government in the PERF, 500 units of government in the PEPFF, 80 counties in the PECF, and 1000 units in the PEDCP. These units of government are made up of counties, cities, townships, school districts, and generally other units of government whose revenues are derived from taxation, fees, or assessments. The defined contribution plan serves any local unit of government whose current or former elected officials elect to participate. The PEDCP also serves any publicly operated ambulance service that receives an operating subsidy from a governmental entity, and elects to participate.

3. Participating Members

The PERF covers employees of counties, cities, townships and employees of schools in non-certified positions throughout the State of Minnesota. The PEPFF, originally established for police officers and fire-fighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA. The PECF covers employees in county correctional institutions who have direct contact with inmates. Coverage under the PEDCP is open to elected local government officials (except elected county sheriffs), emergency medical service personnel employed by or providing service to any of the participating ambulance services, and physicians employed at public facilities. Elected officials and ambulance personnel who are covered by a public or private pension plan because of their employment are not eligible to participate in the PEDCP. At June 30, 2005, there were 6,577 members in the plan.

Shown in **Figure 1** below are the membership totals in the PERA defined benefit plans as of June 30, 2005.

4. Benefit Provisions - Defined Benefit Plans

a) PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. All benefits vest after three years of credited service. Retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of

PERA is the administrator of three cost-sharing, multiple-employer retirement plans and one multiple-employer deferred compensation plan.

Plan Participation
(Total Membership)

335,090

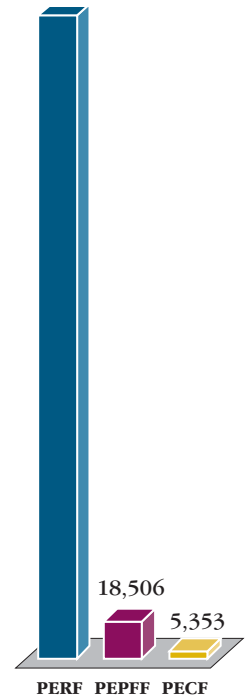


Fig.1 PERA Membership — Defined Benefit Plans

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	56,650	6,615	180	63,445
Terminated employees entitled to benefits/refunds but not yet receiving them:				
Vested	35,768	927	915	37,610
Non-Vested	100,369	729	906	102,004
Current, active employees:				
Vested	105,504	8,711	2,193	116,408
Non-Vested	<u>36,799</u>	<u>1,524</u>	<u>1,159</u>	<u>39,482</u>
Total	<u>335,090</u>	<u>18,506</u>	<u>5,353</u>	<u>358,949</u>

Notes

(Continued)

The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

There is no vesting period required to receive benefits in the PEDCP.

service. PERF members belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. Two methods are used to compute benefits for Coordinated and Basic members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2).

Under **Method 1**, the annuity accrual rate for Basic members is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. For a Coordinated member, the annuity accrual rate is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under **Method 2**, the annuity accrual rate is 2.7 percent of average salary for Basic members and 1.7 percent for Coordinated members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For PERF members whose annuity is calculated using Method 1, and for all PEPFF and PECF members, a full annuity is available when age plus years of service equal at least 90. A reduced retirement annuity is also available to eligible members seeking early retirement. The annuity accrual rate for PECF members is 1.9 percent of average salary for each year of service in that plan.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

5. Benefit Provisions and Contribution Rates — Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP) is a multiple-employer deferred compensation plan. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal. (See Notes A.2 and A.3 for

employer and employee membership requirements.) The plan is established and administered in accordance with Minnesota Statutes, Chapter 353D.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official or physician who decides to participate contributes 5 percent of salary, which is matched by the employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. Investment options include the Income Share, Growth Share, Common Stock Index, Bond Market, Money Market, International Share, and the Fixed Interest (formerly the Guaranteed Return) accounts. For administering the plan, PERA receives 2 percent of employer contributions paid during the year, plus four-tenths of one percent (0.4%) of the assets in each member's account each year.

There is no vesting period required to receive benefits in the PEDCP. At the time of retirement or termination, PERA distributes the market value of a member's account to the member or transfers it to another qualified plan or individual retirement arrangement. Upon the member's death, PERA distributes the value of the account to the member's designated beneficiary.

The PEDCP is reported as a pension trust fund. Obligations under the plan include an amount payable to other funds of \$133,000 to cover administrative expenses that were paid during the year by the PERF.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

1. Reporting Entity

PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota and is included in the State's Comprehensive Annual Financial Report with its fiduciary funds. PERA does not have any component units.

2. Basis of Accounting

PERA financial statements for all funds are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments and statutory requirements. Expenses are recorded when the liability is incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

3. Investment Policies

a) Pursuant to Minnesota Statutes, Section 11A.04, the state's retirement fund assets are commingled in various pooled investment accounts, administered by the State Board of Investment (SBI). As of June 30, 2005, the participation shares in the external pools at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled 26.33 percent for the PERE, 12.24 percent for the PEPFF and 0.47 percent for the PECF. The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 27.70 percent, 9.77 percent and 0.02 percent, respectively.

b) Minnesota Statutes, Section 11A.24, broadly restricts retirement fund investments to obligations and stocks of United States and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner in venture capital, real estate or resource equity investments; restricted participation in registered mutual funds; and some qualified foreign instruments.

c) Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The State Board of Investment has policies designed to minimize credit risk. They may invest funds in governmental obligations provided the issue is backed by the full faith and credit of the issuer or the issue is rated among the top four quality rating categories by a nationally recognized rating agency. They may invest funds in corporate obligations provided the issue is rated among the top four quality categories by a nationally recognized rating agency. They may also invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories provided that:

- The aggregate value of these obligations may not exceed five percent of the fund for which the state board is investing;
- Participation is limited to 50 percent of a single offering; and
- Participation is limited to 25 percent of an issuer's obligations.

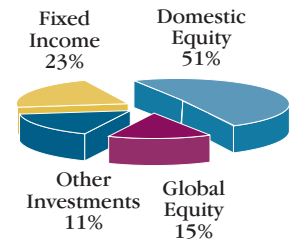
SBI may also invest in bankers acceptances, deposit notes of U.S. banks, certificates of deposit, mortgage securities, and asset backed securities rated in the top four quality categories by a nationally recognized rating agency. Commercial paper must be rated in the top two quality categories.

PERA's share of SBI's exposure to debt security credit risk, based on S&P Quality Ratings, is as follows:

Quality Rating	Fair Value (in thousands)
BBB or Better	\$ 3,864,485
BB or Lower	171,321
Not Rated	580,707

d) Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The State Board of Investment does not have a policy to limit interest rate risk. Debt securities are held in external investment pools and PERA's share has the following weighted average maturities:

Active Funds Pooled Accounts (Portfolio Allocation)



PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota.

Notes

(Continued)

Information about the primary government's investments can be obtained from the Minnesota Department of Finance. Information on specific investments owned by the pooled accounts can be obtained from the Minnesota State Board of Investment.

ASB 40 disclosures were added to this year's Comprehensive Annual Financial Report.

<u>Security</u>	<u>Weighted Avg. Maturity (in years)</u>
Cash Equivalents	0.19
Mutual Funds	1.25
Asset-Backed Securities	2.40
Corporate Debt	5.02
Municipal Bonds	6.81
U.S. Treasuries	7.52
U.S. Agencies	8.89
Mortgage-Backed Securities	22.39

- e) Foreign currency risk is the risk that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect the fair value of an investment. Government obligations, including guaranteed or insured issues of the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, must pay interest and principal in U.S. dollars. The principal and interest of obligations of corporations, including those corporations incorporated or organized under the laws of Canada or any province thereof, must also be paid in U.S. dollars. SBI has less than a 15 percent exposure to currency risk. PERA's share of investments at June 30, 2005 were distributed among the following currencies:

<u>Currency</u>	<u>Fair Value (in thousands)</u>		
	<u>Cash</u>	<u>Equity</u>	<u>Fixed Income</u>
Australian Dollar	\$ 44,733		
Canadian Dollar	55,266		
Euro	317,637		\$15,584
Hong Kong Dollar	33,271		
Japanese Yen	202,460		
New Taiwan Dollar	18,666		
Pound Sterling	237,143		
South African Rand	13,174		
South Korean Won	20,053		
Swedish Krona	20,148		
Swiss Franc	73,250		
Other	\$ 13,181	66,311	3,061
Total	\$13,181	\$1,102,112	\$18,645

- f) In accordance with Minnesota Statutes, SBI has the authority to enter into, and has entered into, derivative transactions including put and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. Any agreements for put and call options and futures contracts may only be entered into with a fully offsetting amount of

cash or security. As of June 30, 2005, PERA's exposure to market risk is minimal.

- g) Information about the primary government's (State of Minnesota) investments, including credit risk classification, can be obtained from the Minnesota Department of Finance, 400 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155. Information on specific investments owned by the pooled accounts, currency risk, interest risk, and commissions paid can be obtained from the Minnesota State Board of Investment at the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103.

4. Method Used to Value Investments

- a) Investments in the pooled accounts, including assets of the PEDCP, are reported at fair value. **Figure 2** provides a summary of cost and fair values of the investments as of June 30, 2005 as reported on the Statement of Plan Net Assets. The fair value of investments is based upon valuations provided by a recognized pricing service. Securities traded on a national or international exchange are valued using the last reported trade price. Short-term investments are reported at cost, which approximates fair value. The fair value of real estate investments is based on independent yearly appraisals. Investments that do not have an established market are reported at estimated fair value.

Fig 2. PERA Investments — All Funds (in thousands)

	<u>Cost June 30, 2005</u>	<u>Fair Value June 30, 2005</u>
Pooled Accounts		
External Domestic Equity	\$ 2,894,456	\$ 2,746,239
Fixed Income	1,897,339	1,871,379
Global Equity	1,091,405	1,185,849
Passive Domestic Equity	1,177,387	1,290,403
SBI Alternative	723,965	767,978
Total Pooled Accounts	\$ 7,784,552	\$ 7,861,848
Short Term Pooled Cash	\$ 104,792	\$ 104,792
Post Retirement Investment Account	\$ 8,828,538	\$ 7,244,794
Cash and Investments for Deferred Comp. Benefits	\$ 24,124	\$ 24,124
Totals	\$16,742,006	\$15,235,558

- b) Investment income is recognized as earned. Accrued investment income of the pooled investment accounts is included in participation in the accounts. Gains and losses on sales or exchanges are recognized on the transaction date.
- c) The cost of security transactions is included in the transaction price. Administrative expenses of the State Board of Investment and investment management fees of the external money managers and the state's master custodian for pension fund assets are allocated to the funds participating in the pooled investment accounts. PERA's share of these expenses totaled \$14,524,000 for PERF, \$5,937,000 for PEPFF, and \$120,000 for PECF. Information on fees, commissions, and brokerage firms can be obtained from the Minnesota State Board of Investment at the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103.

5. Capital Assets

Capital assets are capitalized at the time of acquisition at cost. Depreciation is computed on a straight-line method over the useful life of the related assets. The estimated useful lives are three to 10 years for furniture and equipment.

Capital assets are presented on the June 30, 2005 Statement of Plan Net

Assets at historical cost, net of accumulated depreciation, as summarized in **Figure 3**.

6. Building and Land

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a 130,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001. Ownership of the facility is pro-rated based on the amount of square footage each retirement system occupies in the building. PERA's ownership share is 39.8 percent. PERA's share of construction costs is \$11,758,455. PERA's share of the cost to purchase the 4.3 acres of land is \$170,308.

In June 2000 the State of Minnesota, under the authority of the Commissioner of Finance, issued revenue bonds totaling \$29 million on behalf of the three retirement systems to pay for the construction of the facility. Those bonds are backed by the assets of the three retirement systems, excluding equity in the Minnesota Post Retirement Investment Fund and assets in the Defined Contribution Plans, and both principal and interest payments are made by the retirement systems using the same ownership ratio to determine amounts. At year end, PERA's share of the bonds payable is \$10,805,700. We are depreciating the facility over 40 years. PERA's share of bond issuance costs are shown on the Statement of Plan Net Assets as Deferred Bond Charges and are being amortized

Administrative expenses of the State Board of Investment and investment management fees of the external money managers and the state's master custodian for pension fund assets are allocated to the funds participating in the pooled investment accounts.

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a 130,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001.

Fig 3. Capital Assets (in thousands)

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Capital assets not being depreciated:				
Land	\$ 170	\$ 0	\$ 0	\$ 170
Capital assets being depreciated:				
Building	\$ 11,758	\$ 0	0	\$ 11,758
Furniture & Fixtures	522	0	0	522
Data Processing Equipment	1,511	37	(2)	1,546
Office Equipment	158	0	(4)	154
Total capital assets being depreciated	\$13,949	\$ 37	\$(6)	\$13,980
Less accumulated depreciation for:				
Building	\$ (881)	\$ (292)	\$ 0	\$ (1,173)
Equipment, Furniture & Fixtures	(1,108)	(215)	3	(1,320)
Total accumulated depreciation	\$(1,989)	\$(507)	\$3	\$(2,493)
Total capital assets, net of accumulated depreciation	<u>\$12,130</u>	<u>\$(470)</u>	<u>\$(3)</u>	<u>\$11,657</u>

Notes

(Continued)

PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI). The SBI is authorized to enter into securities lending transactions and has authorized State Street Bank and Trust Company to act as agent in lending securities to broker-dealers and banks.

over 30 years, the life of the bonds. The repayment schedule is shown in **Figure 4**.

7. Accrued Compensated Absences

PERA's employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Accumulated amounts for compensated absences are accrued when incurred. Such leave is liquidated in cash primarily at the time of termination of employment. We estimate that \$325,813 is considered a short-term liability and \$425,362 is considered a long-term liability. The total, \$751,175, is shown on the Statement of Plan Net Assets.

8. Securities Lending

PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI). The SBI is authorized to enter into securities lending transactions in accordance with Minnesota Statutes, Chapter 356A.06, subd. 7 and has, pursuant to a Custodial Trust Agreement, authorized State Street Bank and Trust Company to act as agent in lending securities to broker-dealers and banks.

During the fiscal year, State Street lent, at the direction of the SBI, certain securities held by State Street as custodian and received cash (both United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt of foreign countries, and irrevocable bank letters of credit as collateral. State Street did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than 102% of the market value of the loaned securities.

The SBI did not impose any restrictions during the fiscal year on the amount of the loans that State Street made on its behalf. There were no failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year.

Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or State Street.

During the fiscal year, the SBI and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of June 30, 2005, the investment pool had an average duration of 37 days and an average weighted maturity of 403 days. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2005 SBI had no credit risk exposure to borrowers. PERA's portion of the collateral held and the fair value of securities on loan from the SBI as of June 30, 2005 were \$1,939,175,005 and \$1,888,766,117 respectively. Cash collateral of \$1,846,113,077 is reported on the Statement of Plan Net Assets as an asset. Liabilities resulting from these securities lending transactions are also reported on the Statement of Plan Net Assets.

Fig 4. Remaining Revenue Bond Repayment Schedule (In dollars)

Fiscal Year	PERA		
	Principal	Interest	Total P & I
2006	\$ 208,950	\$ 623,713	\$ 832,663
2007	218,900	612,482	831,382
2008	228,850	600,716	829,566
2009	238,800	588,416	827,216
2010	248,750	575,580	824,330
2011	268,650	562,210	830,860
2012	278,600	547,703	826,303
2013	298,500	532,519	831,019
2014	308,450	516,102	824,552
2015	328,350	498,983	827,333
2016	348,250	480,595	828,845
2017	368,150	460,919	829,069
2018	388,050	439,934	827,984
2019	417,900	417,621	835,521
2020	437,800	393,592	831,392
2021	467,650	368,200	835,850
2022	497,500	340,725	838,225
2023	527,350	311,497	838,847
2024	557,200	280,515	837,715
2025	597,000	247,780	844,780
2026	626,850	212,706	839,556
2027	666,650	175,879	842,529
2028	716,400	136,713	853,113
2029	756,200	93,729	849,929
2030	805,950	48,357	854,307
Totals	\$10,805,700	\$10,067,186	\$20,872,886

C. CHANGES IN ASSUMPTIONS AND PROVISIONS

There were no 2005 benefit provision changes or actuarial assumption changes that had a material effect on the actuarial accrued liability of the funds.

D. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A, 353B, 353E and 356 set the rates for employer and employee contributions. In 2005 the Minnesota legislature passed legislation that increases employer and employee contribution rates for PEPFF members and for Coordinated Plan members of the PERF over the next five years. Current and future contribution rates are shown in **Figure 5**. New contribution rates are expected to be sufficient to get the PERF fully funded by the year 2031, the PECF by the year 2023, and the PEPFF by 2020, as is required under Minnesota Statutes. The required contributions are expressed as a level percentage of covered payroll and are actuarially determined using an individual entry-age actuarial cost method. Unfunded actuarial accrued liabilities are calculated using the formula shown in **Figure 6**.

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF. Some consolidation units were not fully funded at the time, and an amor-

tization schedule was created that allowed those units to pay off the unfunded liability over a 10-year period. The method for calculating yearly payments was set forth in Minnesota Statutes and calculated by an actuary. Payments are due by January 31st each year through the year 2009. In fiscal year 2005 we received \$6,428,330 in principal and interest payments. Future principal payments of \$21,933,281 are shown on the Statement of Plan Net Assets as a receivable. Of that amount, \$4,831,635 is due by January 31, 2006.

E. MINNESOTA POST RETIREMENT INVESTMENT FUND (MPRIF) RESERVE

For all retiring members, except those in the PEPFF who have not elected to have their post retirement adjustments determined by the MPRIF formula, the reserves required to pay the cost of the member's annuity are transferred to the MPRIF where the funds are invested along with funds from the other statewide retirement systems. Increases in annuities are based upon CPI and earnings of the MPRIF, as defined in Minnesota Statutes, Section 11.18, Subd. 9.

The MPRIF is a legally required reserve account, and is by definition fully funded. PERA's share of the MPRIF investments is shown at fair value, and is calculated based on each fund's level of participation in the pooled investments. Participation in the MPRIF is determined by the actuarially determined required reserves level in accordance with Minnesota Statutes, Section

11A.18, Subd. 7. It includes a 6 percent assumed income distribution and any mortality gains or losses incurred during the year. As of June 30, 2005, the Public Employees Retirement Fund's share of net assets of the MPRIF, at participation, is \$6,525,795,135 and at fair value is \$5,357,473,127. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at participation, is \$2,299,006,600

FY05 Contribution Rates

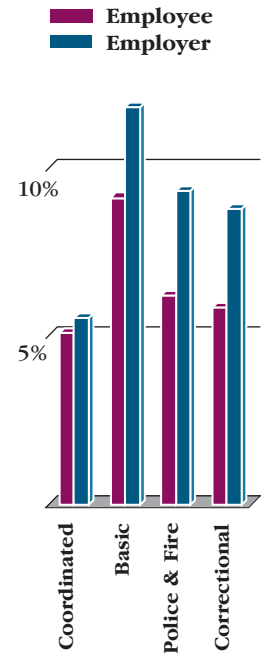


Fig. 5 Retirement Plan Contribution Rates

Effective Date		PERF		PEPFF	PECF
		Basic	Coordinated		
Current	Member	9.10%	5.10%	6.20%	5.83%
	Employer	11.78%	5.53%	9.30%	8.75%
1/1/06	Member	9.10%	5.50%	7.00%	5.83%
	Employer	11.78%	6.00%	10.50%	8.75%
1/1/07	Member	9.10%	5.75%	7.80%	5.83%
	Employer	11.78%	6.25%	11.70%	8.75%
1/1/08	Member	9.10%	6.00%	8.60%	5.83%
	Employer	11.78%	6.50%	12.90%	8.75%
1/1/09	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	6.75%	14.10%	8.75%
1/1/10	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	7.00%	14.10%	8.75%

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF.

Notes

(Continued)

The MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return. This formula contains both an inflation adjustment and an investment component.

and at fair value is \$1,884,288,092. The Public Employees Correctional Fund's share of net assets of the MPRIF, at participation, is \$3,735,726 and at fair value is \$3,033,143.

Beginning in fiscal year 1993, the MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return. This formula contains both an inflation adjustment and an investment component. Stated as a percentage of eligible required reserves, annuitants and other individuals receiving benefits at May 31, 2004 are eligible to receive the following January 1, 2006 benefit increase:

Inflation Based Benefit Increase	2.500%
Investment Based Benefit Increase	0.000%
Total Benefit Increase	2.500%

F. OTHER NOTES

1. Cash

Cash on deposit consists of year-end receipts not processed as of the investment cutoff deadline on June 30. PERA cash funds are held in the state treasury, commingled with other state funds. Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state's name by an agent of the state. Such insurance and collateral shall be in amounts sufficient to ensure that deposits do not exceed 90 percent of the sum of the insured amount and the market value of the collateral. Throughout fiscal year 2005, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits.

2. Administrative Expenses

Administrative expenses of the Public Employees Retirement Association are paid during the year from the Public Employees Retirement Fund. At year-end, a portion of the expenses are allocated to the Public Employees Police and Fire Fund and the Public Employees Correctional Fund, based on membership counts. The PEDCP reimburses the PERF to the extent of fees collected for recovery of administrative costs. The applicable amounts are reported as expenses of the four funds and reported on the Statement of Plan Net Assets as a payable to other funds or due from other funds. Administrative costs are funded from investment income for the defined benefit plans.

For fiscal year 2005, administrative expenses allocated to PERF, PEPFF, PECF, and PEDCP totaled \$9,117,813, \$703,408, \$175,961, and \$132,845 respectively.

3. Participating Pension Plan

All employees of the Public Employees Retirement Association are covered by the PERF Coordinated Plan and eligible for the plan provisions described in Note A, 4. Minnesota Statute 353.27 sets the rates for employee and employer contributions. These statutes are established and amended by the state legislature. Current rates are shown in **Figure 5**. Total covered payroll for PERA employees during fiscal year 2005 was approximately \$4.46 million.

Employer pension contributions for PERA employees for the years ending June 30, 2005, 2004 and 2003 were \$246,135, \$246,802, and \$237,781 respectively, equal to the required contributions for each year as set by state statute.

Fig 6. Unfunded Actuarial Accrued Liability (in thousands)

	PERF	PEPFF	PECF
Fair Value of Assets Available for Benefits	\$ 10,745,699	\$ 4,416,276	\$100,288
Less (Plus) Post Fund Adjustment	(1,155,583)	(404,505)	(587)
Less (Plus) Unrecognized Asset Return Adjustment	57,346	5,820	2,719
Actuarial Value of Assets	<u>\$11,843,936</u>	<u>\$4,814,961</u>	<u>\$98,156</u>
Actuarial Accrued Liability	\$ 15,892,555	\$ 4,956,340	\$108,926
Less Actuarial Value of Assets	<u>11,843,936</u>	<u>4,814,961</u>	<u>98,156</u>
Unfunded Accrued Liability/(Surplus Assets)	<u>\$ 4,048,619</u>	<u>\$ 141,379</u>	<u>\$ 10,770</u>

Schedule of Funding Progress

(last six years, in thousands, unaudited)

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
6/30/2000	\$ 9,609,367	\$11,133,682	\$1,524,315	86.3%	\$3,437,954	44.3%
6/30/2001	10,527,270	12,105,337	1,578,067	87.0%	3,466,587	45.5%
6/30/2002	11,017,414	12,958,105	1,940,691	85.0%	3,809,864	50.9%
6/30/2003	11,195,902	13,776,198	2,580,296	81.3%	4,387,649	58.8%
6/30/2004	11,477,961	14,959,465	3,481,504	76.7%	3,968,034	87.7%
6/30/2005	11,843,936	15,892,555	4,048,619	74.5%	4,096,138	98.8%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
6/30/2000	\$ 4,145,351	\$ 3,383,187	\$ (762,164)	122.5%	\$ 392,796	-194.0%
6/30/2001	4,510,134	3,712,360	(797,774)	121.5%	500,839	-159.3%
6/30/2002	4,707,255	3,886,311	(820,944)	121.1%	522,153	-157.2%
6/30/2003	4,713,606	4,390,953	(322,653)	107.3%	560,503	- 57.6%
6/30/2004	4,746,834	4,692,190	(54,644)	101.2%	551,266	- 9.9%
6/30/2005	4,814,961	4,956,340	141,379	97.2%	580,723	24.4%

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
6/30/2000	\$ 11,116	\$ 10,195	\$ (921)	109.0%	\$ 70,690	-1.3%
6/30/2001	25,014	25,453	439	98.3%	91,025	0.5%
6/30/2002	40,105	42,144	2,039	95.2%	101,309	2.0%
6/30/2003	56,487	62,542	6,055	90.3%	110,296	5.5%
6/30/2004	75,515	85,693	10,178	88.1%	109,600	9.3%
6/30/2005	98,156	108,926	10,770	90.1%	116,849	9.2%

Schedule of Employer Contributions

(last six years, in thousands, unaudited)

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate*</u> (a)	<u>Actual Covered Payroll</u> (b)	<u>Actual Member Contributions</u> (c)	<u>Annual Required Contribution</u> [(a) x (b)] - (c)	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
2000	9.22%	\$3,437,954	\$171,073	\$145,906	\$186,637	127.92%
2001	11.84%	3,466,587	173,380	237,064	188,208	79.39%
2002	11.85%	3,809,864	191,422	260,047	206,982	79.59%
2003	11.52%	4,387,649	205,963	299,494	221,689	74.02%
2004	12.25%	3,968,034	215,697	270,387	225,745	83.49%
2005	12.72%	4,096,138	216,701	304,328	232,963	76.55%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate*</u> (a)	<u>Actual Covered Payroll</u> (b)	<u>Actual Member Contributions</u> (c)	<u>Annual Required Contribution</u> [(a) x (b)] - (c)	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
2000	12.87%	\$ 392,796	\$ 31,214	\$ 19,339	\$ 53,178	274.98%
2001	12.21%	500,839	31,341	29,811	52,960	177.65%
2002	12.61%	522,153	33,801	32,042	90,664	282.95%
2003	12.52%	560,503	34,751	35,424	50,917	143.74%
2004	19.47%	551,266	36,313	71,018	52,769	74.30%
2005	21.99%	580,723	37,873	89,828	55,802	62.12%

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Year Ended June 30</u>	<u>Actuarially Required Contribution Rate*</u> (a)	<u>Actual Covered Payroll</u> (b)	<u>Actual Member Contributions</u> (c)	<u>Annual Required Contribution</u> [(a) x (b)] - (c)	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>
2000	15.03%	\$ 70,690	\$ 4,382	\$ 6,243	\$ 6,487	103.91%
2001	14.36%	91,025	5,308	7,763	8,054	103.75%
2002	14.21%	101,309	5,882	8,514	8,830	103.71%
2003	14.10%	110,296	6,430	9,122	9,645	105.74%
2004	14.15%	109,600	6,672	8,836	10,029	113.50%
2005	13.06%	116,849	7,192	8,068	10,814	134.03%

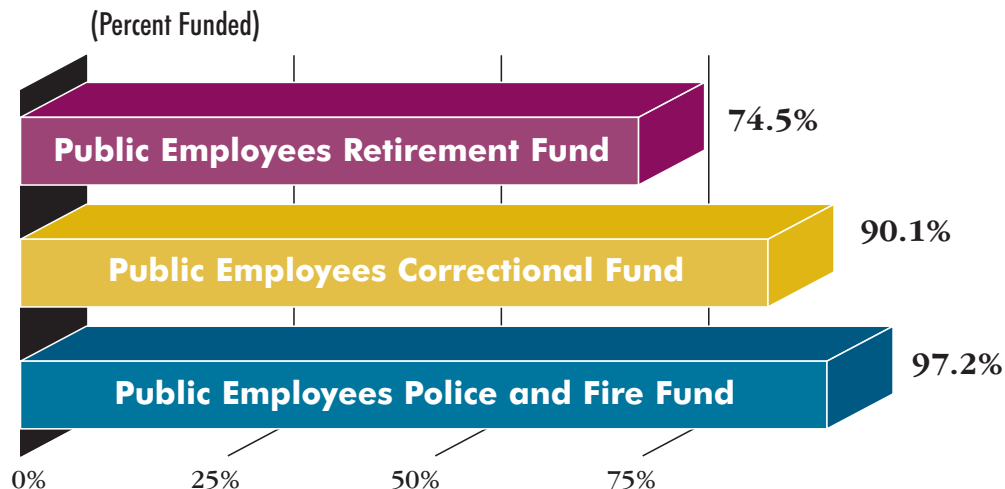
* Actuarially Required Contribution Rate is calculated according to parameters of GASB 25 with no assumption for growth of covered population.

Required Supplementary Information Notes

(unaudited)

	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police & Fire Fund</u>	<u>Public Employees Correctional Fund</u>
Valuation Date	6/30/2005	6/30/2005	6/30/2005
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	26 years	15 years	18 years
Asset Valuation Method	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years
Actuarial Assumptions:			
Investment Rate of Return	8.5%	8.5%	8.5%
Projected Salary Increases	5.0% - 6.40%	5.25% - 11.5%	5.25% - 7.75%
Assumed Inflation Rate	5.0%	5.0%	5.0%
Payroll Growth Rate	6.0%	6.0%	6.0%
Mortality Table - Active	1983 GAM Set Back 8 Years, Males; 7 Years, Females	1983 GAM Set Back 6 Years	1983 GAM Set Back 1 Year, Males
Mortality Table - Retired	1983 GAM Set Back 1 Year	1983 GAM Set Back 1 Year	1983 GAM Set Forward 2 Years
Cost of Living Adjustment	No Assumption	No Assumption	No Assumption

FUNDING RATIOS



The chart above reflects funding ratios for the three defined benefit funds administered by PERA, as reported on page 31.

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2005 (in thousands)

<u>Source of Expenses</u>	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police and Fire Fund</u>	<u>Public Employees Correctional Fund</u>	<u>Total</u>
Outside Money Managers—Equities	\$11,684	\$4,780	\$97	\$16,561
Outside Money Managers—Bonds	2,206	897	17	3,120
Minnesota State Board of Investment	470	193	4	667
Richards & Tierney	79	33	1	113
Financial Control Systems	74	30	1	105
Pension Consulting Alliance	11	4	0	15
Total	<u>\$14,524</u>	<u>\$5,937</u>	<u>\$120</u>	<u>\$20,581</u>

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2005 (in thousands)

<u>Individual or Firm Name</u>	<u>Nature of Service</u>	<u>Fee Paid</u>
Mercer Human Resources Consulting	Actuarial	\$183
Benefacts, Inc.	Management	120
Evalumed	Medical Services	78
Segal Company	Actuarial	54
Independent Medical Consultants (8)	Medical Services	32
Van Wagner Consulting Services	Medical Services	30
US Bank - St. Paul	Management	20
Avenet	System Development	5
Seminar Speakers (2)	Management	4
Berwyn Group	Management	3
Milliman Inc.	Actuarial	2
Accurint	Management	1
 State of Minnesota —		
Attorney General	Legal	\$105
Department of Health	Medical Services	77
Administrative Law Judge	Medical Services	46
Total		<u>\$760</u>

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2005 (in thousands)

<u>PERSONAL SERVICES:</u>		
Staff Salaries	\$5,784	
Part-Time, Seasonal Labor	107	
Other Benefits	<u>171</u>	
Total Personal Services		\$6,062

<u>PROFESSIONAL SERVICES:</u>		
Actuarial	\$ 239	
Legal	105	
Management Consultants	148	
Medical Evaluations	263	
System Development	<u>5</u>	
Total Professional Services		760

<u>COMMUNICATIONS:</u>		
Printing & Advertising	\$ 192	
Mail & Telephone Services	<u>698</u>	
Total Communication		890

<u>OFFICE BUILDING & MAINTENANCE:</u>		
Building	\$ 487	
Depreciation—Building	292	
Bond Interest	<u>634</u>	
Total Building and Maintenance		1,413

<u>OTHER:</u>		
Operating Costs	\$ 35	
Travel	81	
Employee Development	59	
Indirect Costs	130	
Depreciation—Equipment	216	
Equipment Maintenance	31	
Supplies and Materials	<u>453</u>	
Total Other		<u>1,005</u>

Total Administrative Expense **\$10,130**

ALLOCATION OF ADMINISTRATIVE EXPENSE:

Defined Benefit Plans		
Public Employees Retirement Fund		\$ 9,118
Public Employees Police and Fire Fund		703
Public Employees Correctional Fund		176

Defined Contribution Plans		
Public Employees Defined Contribution Plan		<u>133</u>

Total Administrative Expenses **\$10,130**

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Investment Section



MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Tim Pawlenty

State Auditor
Pat Anderson

Secretary of State
Mary Kiffmeyer

Attorney General
Mike Hatch

Executive Director:

Howard J. Bicker

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An Equal Opportunity
Employer

Investment Authority

The assets of the Public Employees Retirement Association are invested under the direction and authority of the State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapters 11A and 356A. The SBI is made up of the State Governor, State Auditor, Secretary of State, and the Attorney General. The Legislature has also established a 17-member Investment Advisory Council to advise the SBI and its staff on investment-related matters. The Executive Director of PERA is a permanent member of this Council.

Investment Policy

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

Investment Objectives

Pension fund assets are managed and accounted for separately in the Basic Funds and the Post Fund. The SBI reviews the performance of all the assets in the Combined Funds.

Pension contributions of PERA members are invested in the Basic Funds along with pension contributions from active members in seven other statewide retirement funds. PERA does not own any underlying assets, but instead owns a participation in these pooled Basic Funds. Because these assets normally accumulate in the Basic Funds for thirty to forty years, SBI's objective is to take advantage of the long investment time horizon offered by equities and alternative assets in order to meet its actuarial return target of 8.5 percent per year and ensure that sufficient funds are available to finance promised benefits at the time of retirement.

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

The Combined Funds, while not existing under statute, represents the assets of both the active and retired public employees who participate in the defined benefit plans administered by PERA, the Minnesota State Retirement System, and the Teachers Retirement Association. They are used by the SBI for comparison purposes only, since most public pension plans do not separate the assets of their active employees and retirees. The long term objectives of the Combined Funds are:

- (1) provide returns that are 3-5 percentage points greater than inflation over the latest 20-year period;
- (2) outperform a composite market index weighted in a manner that reflects the actual asset mix of the Combined funds over the latest 10-year period; and
- (3) provide returns that are ranked in the top half of a universe of public and corporate plans over the latest 10-year period.

The Combined Funds returned 7.5 percentage points above the CPI over the last 20 years. The Combined Funds outperformed the Composite Index by 0.3 percentage points over the past 10 years, and ranked in the 57th percentile, below the median fund in the Trust Universe Comparison Service.

Investment Presentation

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

A handwritten signature in dark ink that reads "Howard J. Bicker".

Howard Bicker
Executive Director
State Board of
Investment

Investment Results

FUND PERFORMANCE

Fund	Rates of Return (Annualized)			
	FY 2005	3-Year	5-Year	10-Year
Basic Funds (Active Accounts)	11.0%	9.7%	2.3%	9.3%
Basic Composite Market Index	10.9	9.7	2.1	9.1
MPRIF Fund (Retiree Accounts)	10.5%	9.7%	2.5%	8.8%
MPRIF Composite Market Index	10.2	9.6	2.3	8.4
Combined Funds (Active/Retiree)*	10.7%	9.7%	2.4%	9.1%
Combined Composite Market Index	10.5	9.6	2.2	8.8

* Percentages are net of all management fees. Amounts include Basic and MPRIF funds.

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

Domestic Stocks—Russell 3000 measures the performance of the largest 3,000 US companies;

Int'l. Stocks—Morgan Stanley Capital International All Country World Index measures equity market performance in the global developed and emerging markets. There are 48 countries included in this index. It does not include the United States;

Bonds—Lehman Bros. Aggregate Bond Index reflects the performance of the broad bond market for investment grade (Baa or higher) bonds, US Treasury and agency securities, and mortgage obligations with maturities greater than one year.

INVESTMENT RETURNS BY SECTOR

Performance of Asset Pools (Net of Fees)

	Rates of Return (Annualized)			
	FY 2005	3-Year	5-Year	10-Year
Domestic Stock Pool	8.6%	9.5%	-1.8%	9.5%
Russell 3000	8.1	9.5	-1.8	9.6
Bond Pool	7.1%	6.3%	7.8%	7.2%
Lehman Agg.	6.8	5.8	7.4	6.8
International Stock Pool	15.7%	12.4%	0.6%	6.3%
MSCI ACWI Free ex US (net)	16.5	13.4	0.2	5.2
Alternative Investments	27.2%	14.7%	9.3%	15.3%
Real Estate Pool (Equity Emphasis)	18.9%	12.5%	11.2%	12.0%
Private Equity Pool (Equity Emphasis)	30.3%	15.1%	5.5%	17.5%
Resource Pool (Equity Emphasis)	97.2%	29.4%	23.3%	17.7%
Yield Oriented Pool (Debt Emphasis)	13.8%	12.1%	12.0%	13.0%

Note: Investment returns were prepared using a time-weighted rate of return in accordance with AIMR standards.

Asset Allocation

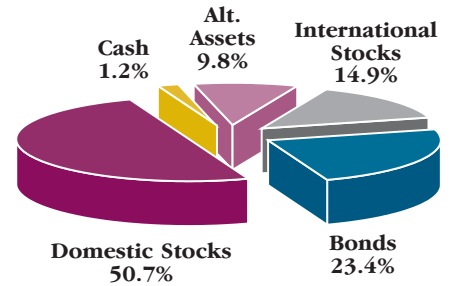
ASSET ALLOCATION (AT JUNE 30, 2005)*

Asset allocation will have a dominant effect on returns. SBI has focused considerable attention on the selection of the appropriate long-term asset allocation policy for the Basic and MPRIF funds.

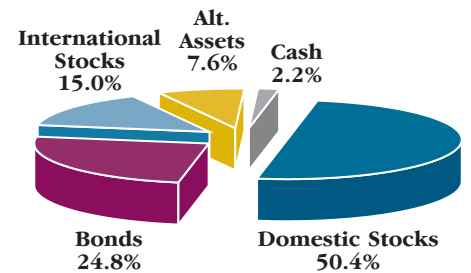
Investment Type	Basic		MPRIF	
	Actual Asset Mix	Long-term Policy Target	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	50.7%	45.0%	50.4%	45.0%
International Stocks	14.9	15.0	15.0	15.0
Bonds	23.4	24.0	24.8	25.0
Alternative Assets**	9.8	15.0	7.6	12.0
Cash	1.2	1.0	2.2	3.0
Total	100%	100%	100%	100%*

* Source: Minnesota State Board of Investment (SBI) FY2005 Annual Report.
 ** Alternative assets include real estate, venture capital and resource (oil, gas, etc.) funds.

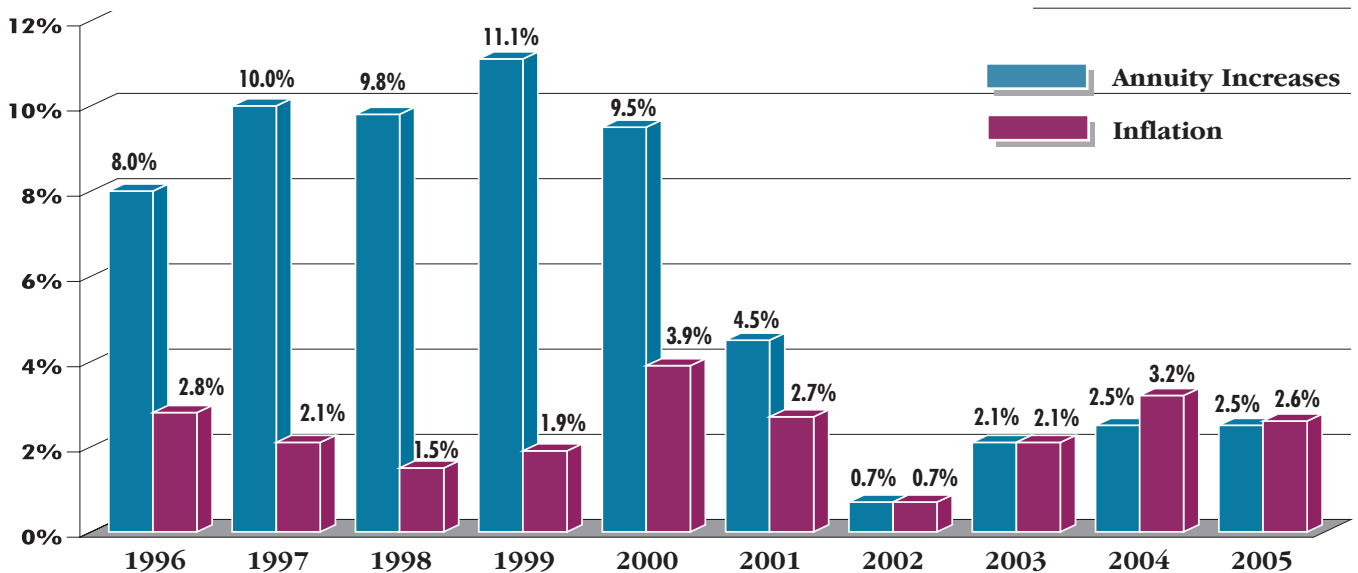
BASIC FUNDS



POST RETIREMENT INVESTMENT FUND



ANNUITY INCREASE VS. INFLATION (LAST 10 YEARS)



Increases awarded to PERA retirees under the MPRIF greatly outpaced inflation during the 1990s but fell slightly short over the last two years. Increases and inflation are both measured as of June 30, the end of PERA's fiscal year.

List of Largest Assets Held

June 30, 2005

COMPOSITE OF TOP TEN EQUITY HOLDINGS (BY FAIR VALUE)

Security	Fair Value (In thousands)	% of Portfolio
Exxon Mobil Corp.	\$193,441	1.27%
General Electric Co.	179,012	1.18
Citigroup Inc.	152,734	1.00
Microsoft Corp.	136,658	0.90
Johnson & Johnson	129,748	0.85
Bank America Corp	127,850	0.84
Intel Corp.	108,301	0.71
Pfizer Inc.	104,787	0.69
Wells Fargo & Co.	81,405	0.53
Cisco Systems Inc.	81,050	0.53

COMPOSITE OF TOP TEN BOND HOLDINGS (BY FAIR VALUE)

Security	Coupon	Rating	Fair Value (In thousands)	% of Portfolio
FNMA	5.50%	AAA	63,027	0.41%
FNMA	6.00	AAA	50,886	0.33
United States Treasury Bonds	8.13	AAA	46,175	0.30
United States Treasury Notes	4.25	AAA	40,508	0.27
United States Treasury Bonds	6.00	AAA	40,329	0.26
FNMA	6.50	AAA	38,666	0.25
GNMA	6.00	AAA	33,213	0.22
United States Treasury Notes	3.38	AAA	32,048	0.21
United States Treasury Notes	3.13	AAA	30,877	0.20
United States Treasury Notes	3.63	AAA	26,523	0.17

PERA's assets are commingled in various pooled investment accounts administered by the State Board of Investment. PERA does not own specific values of the underlying assets. Amounts shown above are approximate. The percentages shown are those of the total pooled accounts. Information on investment activity, a listing of specific investments owned by the pooled accounts and a schedule of fees and commissions can be obtained from the Minnesota State Board of Investment.

Investment Summary at Cost

For the Fiscal Year Ended June 30, 2005 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Cost June 30, 2004	Total Acquisitions	Total Dispositions	Cost June 30, 2005
Equity in MPRIF	\$ 6,308,743	\$ 900,067	\$ 683,015	\$ 6,525,795
External Domestic Equity	1,691,272	267,170	44,128	1,914,314
Passive Domestic Equity	718,764	76,713	12,788	782,689
Global Equity	721,700	133,151	90,138	764,713
Fixed Income	1,067,754	240,030	28,900	1,278,884
Alternative Assets	605,542	154,059	272,241	487,360
Short-term Cash Equivalents	151,739	550,947	634,717	67,969
Total Pooled Accounts	<u>\$11,265,514</u>	<u>\$2,322,137</u>	<u>\$1,765,927</u>	<u>\$11,821,724</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Cost June 30, 2004	Total Acquisitions	Total Dispositions	Cost June 30, 2005
Equity in MPRIF	\$ 2,186,731	\$ 323,433	\$ 211,157	\$ 2,299,007
External Domestic Equity	803,560	180,685	35,052	949,193
Passive Domestic Equity	352,434	38,914	10,683	380,665
Global Equity	340,383	21,064	47,523	313,924
Fixed Income	499,262	118,307	21,862	595,707
Alternative Assets	285,271	71,279	128,641	227,909
Short-term Cash Equivalents	71,880	187,635	225,230	34,285
Total Pooled Accounts	<u>\$ 4,539,521</u>	<u>\$ 941,317</u>	<u>\$ 680,148</u>	<u>\$ 4,800,690</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Cost June 30, 2004	Total Acquisitions	Total Dispositions	Cost June 30, 2005
Equity in MPRIF	\$ 2,108	\$ 1,887	\$ 259	\$ 3,736
External Domestic Equity	21,936	9,015	2	30,949
Passive Domestic Equity	10,469	3,564	0	14,033
Global Equity	9,458	4,439	1,129	12,768
Fixed Income	15,705	7,043	0	22,748
Alternative Assets	8,873	4,147	4,324	8,696
Short-term Cash Equivalents	3,744	33,101	34,307	2,538
Total Pooled Accounts	<u>\$ 72,293</u>	<u>\$ 63,196</u>	<u>\$ 40,021</u>	<u>\$ 95,468</u>

Investment Summary at Fair Value

For the Fiscal Year Ended June 30, 2005 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Fair Value June 30, 2004	Fair Value June 30, 2005	Percent of Portfolio
Equity in MPRIF	\$ 5,163,084	\$ 5,357,473	50%
External Domestic Equity	1,598,592	1,852,747	17
Passive Domestic Equity	763,542	870,146	8
Global Equity	751,727	799,898	7
Fixed Income	1,037,787	1,262,538	12
Alternative Assets	616,936	517,345	5
Short-term Cash Equivalent	151,739	67,969	1
Total Pooled Accounts	<u>\$10,083,407</u>	<u>\$10,728,116</u>	<u>100%</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Fair Value June 30, 2004	Fair Value June 30, 2005	Percent of Portfolio
Equity in MPRIF	\$ 1,779,062	\$ 1,884,288	43%
External Domestic Equity	745,491	860,478	20
Passive Domestic Equity	356,820	404,754	9
Global Equity	350,565	371,699	8
Fixed Income	483,667	586,344	13
Alternative Assets	290,023	241,416	6
Short-term Cash Equivalents	71,880	34,285	1
Total Pooled Accounts	<u>\$4,077,508</u>	<u>\$ 4,383,264</u>	<u>100%</u>

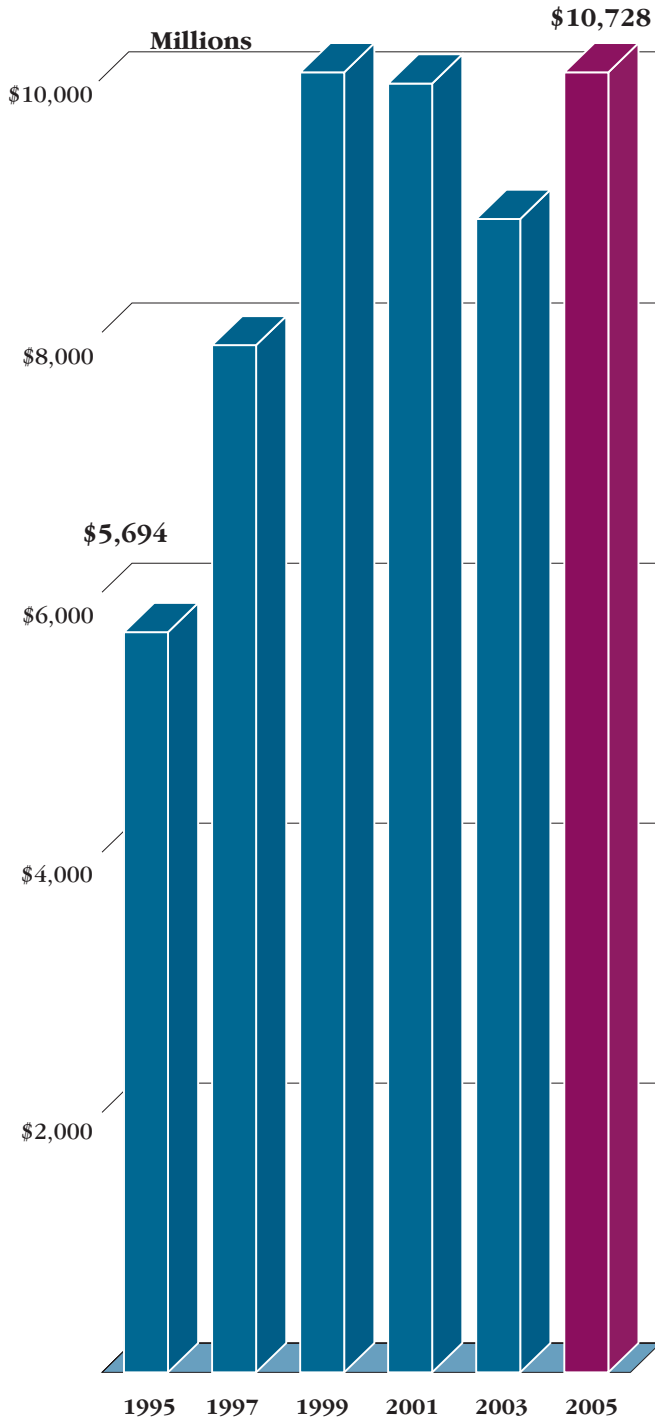
PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Fair Value June 30, 2004	Fair Value June 30, 2005	Percent of Portfolio
Equity in MPRIF	\$ 1,848	\$ 3,033	3%
External Domestic Equity	23,471	33,014	33
Passive Domestic Equity	11,207	15,503	16
Global Equity	11,037	14,252	14
Fixed Income	15,238	22,497	22
Alternative Assets	9,052	9,217	9
Short-term Cash Equivalents	3,744	2,538	3
Total Pooled Accounts	<u>\$ 75,597</u>	<u>\$ 100,054</u>	<u>100%</u>

Fair Value of Investments

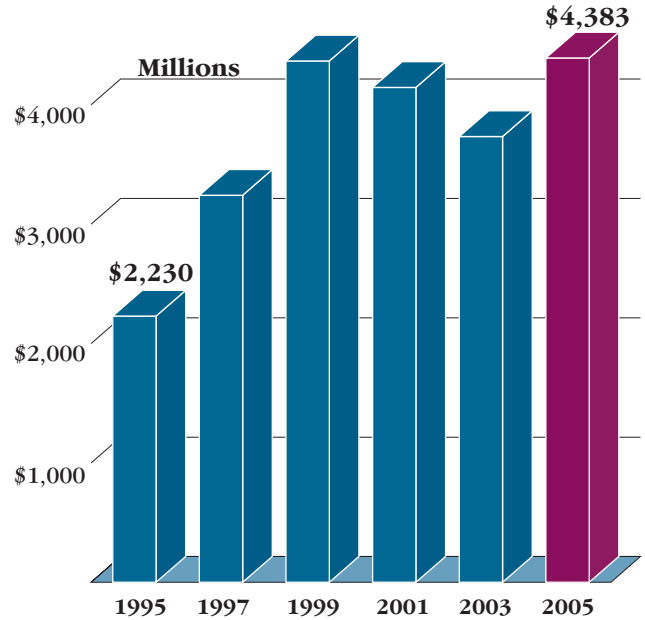
Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND*



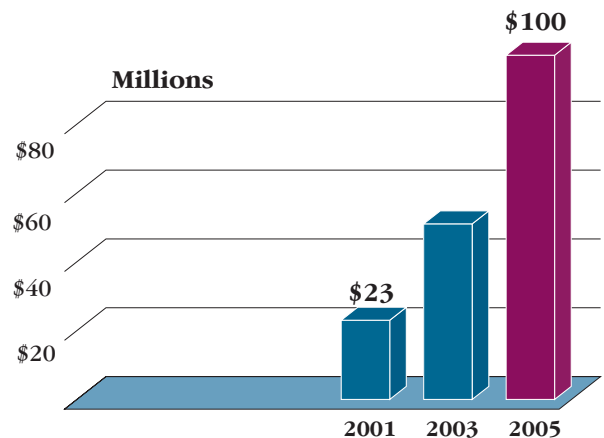
Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$5.7 billion to \$10.7 billion.

POLICE AND FIRE FUND*



Fair value of Police and Fire Fund investments increased from \$2.2 billion in 1995 to \$4.4 billion in 2005.

PUBLIC EMPLOYEES CORRECTIONAL FUND*



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$100 million.

* Charts indicate value of both Active and MPRIF holdings.

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Actuarial Section



Actuary's Certification Letter



THE SEGAL COMPANY
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T 303.714.9900 F 303.714.9990 www.segalco.com

November 30, 2005

Board of Trustees
Public Employees Retirement
Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088

Members of the Board:

We have completed our annual actuarial valuation of the Public Employees Retirement Association of Minnesota to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Correctional Fund (PECF) as of June 30, 2005.

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 PERF is 74.53% funded, and the contributions are deficient by 1.67% of payroll to meet the target of full funding by 2031. The PEPFF has just fallen below being fully funded, and since surplus assets are not available to offset normal costs, contributions are deficient by 7.74% of payroll to make the plan fully funded by 2020. The PECF is ahead of schedule to be fully funded by 2023.

The actuarial valuation was based upon applicable GASB 25 and statutory provisions and the Standards for Actuarial Work in effect on July 1, 2005. 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 and preparing trend data schedules. It is our understanding that the data has subsequently been audited with no significant changes made. We are responsible for providing the numbers for each of the supporting schedules in the Actuary section of PERA's comprehensive annual financial report. We are also responsible for preparing both of the Required Supplementary Information Schedules found in the Financial section of this annual report.

The three 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,

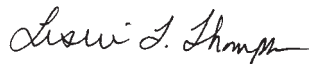
investment return, earnings progression and active member payroll growth are specified by state statute. All other assumptions are based on actual experience with changes recommended by the actuary, adopted by the PERA Board and approved by the Legislative Commission on Pensions and Retirement.

The following table shows the funding percentages for the 2005 valuation. The funding percentage expresses current actuarial assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

<u>Fund</u>	<u>Funding Percentage</u>
PERF	74.53%
PEPFF	97.15%
PECF	90.11%

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,


Leslie L. Thompson,
FSA, MAAAA, EA
Senior Vice President
and Actuary

Benefits, Compensation and HR Consulting ATLANTA BOSTON CHICAGO DENVER HARTFORD HOUSTON LOS ANGELES MINNEAPOLIS
NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO SEATTLE TORONTO WASHINGTON, DC

Multinational Group of Actuaries and Consultants AMSTERDAM BARCELONA GENEVA HAMBURG LONDON MELBOURNE MEXICO CITY OSLO

Summary of Actuarial Assumptions and Methods

PUBLIC EMPLOYEES RETIREMENT FUND

Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 8 years for males and 7 years for females.†††
b. Retired	1983 GAM Mortality Table set back 1 year.††††
c. Disabled	1965 Railroad Workers Select Mortality Table through age 54. 1983 GAM Table set back 1 year after age 64. Graded rates from age 55 to 64.†††
2. Retirement Age	Age related table from age 55 to 70.††††
3. Disability	Graded rates.†††
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment.††††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.***
6. Earnings Progression	Select & Ultimate Table incorporating a 5.0% base inflation assumption.††††
7. Active Member Payroll Growth	6.0% per year.**
8. Investment Return	8.5% compounded annually, pre-retirement.*** 6.0% compounded annually, post-retirement.†
Asset Valuation Method	Market value smoothed over 5 years.†††

PUBLIC EMPLOYEES POLICE & FIRE FUND

Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability. *
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 6 years.‡
b. Retired	1983 GAM Mortality Table set back 1 year.‡
c. Disabled	1965 Railroad Workers Select Mortality Table through age 40. 1983 GAM set back 1 year after age 59. Graded rates from age 41 to 59.‡
2. Retirement Age	Age related table from age 50 to 70.‡
3. Disability	Graded rates.‡
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment.‡
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.***
6. Earnings Progression	Age related table which incorporates a 5% base inflation assumption.†
7. Active Member Payroll Growth	6.0% per year.†
8. Investment Return	8.5% compounded annually, pre-retirement.*** 6.0% compounded annually, post-retirement.†
Asset Valuation Method	Market value smoothed over 5 years.†††

Adoption Dates

* 1960 *** 1989 †† 1999 †††† 2002
 ** 1984 † 1997 ††† 2000 ‡ 2003

PUBLIC EMPLOYEES CORRECTIONAL FUND

Actuarial Cost Method Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*

Actuarial Assumptions

1. Mortality	
a. Active	1983 GAM Mortality Table set back 1 year for males.††
b. Retired	1983 GAM Mortality Table set forward 2 years for retirees.††
c. Disabled	Graded rates.††
2. Retirement Age	Age related table from age 50 to 70.††
3. Disability	Graded rates.††
4. Termination	Graded rates.††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.††
6. Earnings Progression	Age related table incorporating a 5.0% base inflation assumption.†††
7. Active Member Payroll Growth	6.0% per year.††
8. Investment Return	8.5% compounded annually, preretirement.†† 6.0% compounded annually, post-retirement.††
Asset Valuation Method	Market value smoothed over 5 years.†††

Adoption Dates

* 1960 †† 1999 ††† 2000

OTHER ASSUMPTIONS

Salary Increases

PERF uses Select Table for first 10 years— $[0.3\% \times (10-T)]$ where T is completed years of service—added to the ultimate rate.

Separation

PERF uses Select Table for first three years.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
1	40%	2	15%	3	10%

PEPF also uses Select Table for first three years.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
1	3.50%	2	3.50%	3	3.50%

Family Composition

85% of males and 65% of female members are married. Female is four years younger than male.

Special Consideration

Married members are assumed to elect the following forms of annuities:

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	30%	10%	20%	10%	30%
Female	70	5	5	5	15

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	15%		40%		45%
Female	70		15		15

PUBLIC EMPLOYEES CORRECTIONAL FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	50%		25%		25%
Female	90		5		5

Actuarial Tables

Sample Annual Rates per 10,000 Employees, June 30, 2005

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	3	1	1	1	840	840	6.40%
25	3	2	1	1	690	690	6.40%
30	4	2	2	2	540	540	6.20%
35	5	3	5	4	390	420	6.00%
40	7	4	9	6	300	350	5.80%
45	10	6	14	9	250	300	5.60%
50	15	8	23	16	200	250	5.40%
55	28	14	49	26	-	-	5.20%
60	48	21	82	46	-	-	5.00%
65	71	35	-	-	-	-	5.00%
70	111	58	-	-	-	-	5.00%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	3	1	11	11	601	601	11.50%
25	4	2	13	13	324	324	9.50%
30	4	2	16	16	190	190	8.00%
35	6	3	19	19	146	146	7.00%
40	8	4	29	29	126	126	6.00%
45	11	6	54	54	91	91	5.50%
50	19	9	104	104	50	50	5.25%
55	35	15	203	203	11	11	5.25%
60	57	23	-	-	-	-	5.25%
65	84	38	-	-	-	-	5.25%
70	139	64	-	-	-	-	5.25%

PUBLIC EMPLOYEES CORRECTIONAL PLAN

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	4	2	4	4	2,400	1,600	7.75%
25	4	3	6	6	1,470	1,420	7.00%
30	6	3	8	8	910	1,350	7.00%
35	8	5	11	11	600	1,290	7.00%
40	11	7	18	18	440	1,040	6.50%
45	19	10	29	29	340	640	5.75%
50	35	16	50	50	240	470	5.50%
55	57	25	88	88	140	330	5.25%
60	84	42	141	141	-	-	5.25%
65	129	71	-	-	-	-	5.25%
70	248	124	-	-	-	-	5.25%

Determination of Actuarial Value of Assets

As of June 30, 2005 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Fair value of assets available for benefits(a)				\$ 10,745,699
Post Fund adjustment* (b)				\$ 1,155,583
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2005	\$ 131,918	80%	\$ 105,534	
Year ended June 30, 2004	346,876	60%	208,126	
Year ended June 30, 2003	(267,368)	40%	(106,947)	
Year ended June 30, 2002	(746,832)	20%	(149,367)	
Total unrecognized return (c)				\$ 57,346
Actuarial value of assets (a+b-c)				\$ 11,843,936

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fair value of assets available for benefits(a)				\$ 4,416,276
Post Fund adjustment* (b)				\$ 404,505
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2005	\$ 54,936	80%	\$ 43,949	
Year ended June 30, 2004	181,200	60%	108,720	
Year ended June 30, 2003	(152,646)	40%	(61,058)	
Year ended June 30, 2002	(428,953)	20%	(85,791)	
Total unrecognized return (c)				\$ 5,820
Actuarial value of assets (a+b-c)				\$ 4,814,961

PUBLIC EMPLOYEES CORRECTIONAL PLAN

Fair value of assets available for benefits(a)				\$ 100,288
Post Fund adjustment* (b)				\$ 587
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2005	\$ 1,967	80%	\$ 1,574	
Year ended June 30, 2004	5,906	60%	3,543	
Year ended June 30, 2003	(3,608)	40%	(1,443)	
Year ended June 30, 2002	(4,776)	20%	(955)	
Total unrecognized return (c)				\$ 2,719
Actuarial value of assets (a+b-c)				\$ 98,156

* The actual market value of the Post Fund is not used for funding purposes because any deficiencies/sufficiencies in the fund are accounted for separately. Sufficiencies are given out in benefit increases and deficiencies are expected to be recovered from future excess earnings of the Post Fund. When determining the actuarial value of assets, the full Post Fund required reserve amount is used.

Solvency Test

Last Six Years (in Thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-00	\$1,351,224	\$5,757,420	\$4,025,038	\$ 9,609,367	100%	100%	62.1%
6-30-01	1,459,256	6,354,527	4,291,554	10,527,270	100	100	63.2
6-30-02	1,572,688	6,946,877	4,438,540	11,017,414	100	100	56.3
6-30-03	1,734,500	7,168,247	4,873,451	11,195,902	100	100	47.1
6-30-04	1,603,208	7,959,035	5,397,222	11,477,961	100	100	35.5
6-30-05	1,721,748	8,434,791	5,736,016	11,843,936	100	100	29.4

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-00	\$ 304,430	\$1,983,413	\$1,095,344	\$4,145,351	100%	100%	169.6%
6-30-01	323,110	2,225,362	1,163,188	4,510,134	100	100	168.6
6-30-02	328,635	2,357,578	1,200,098	4,707,255	100	100	168.4
6-30-03	343,817	2,605,846	1,441,290	4,713,606	100	100	122.4
6-30-04	342,112	2,725,088	1,624,990	4,746,834	100	100	103.4
6-30-05	359,984	2,864,556	1,731,800	4,814,961	100	100	91.8

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-00	\$ 4,055	\$ 473	\$ 5,667	\$ 11,116	100%	100%	116.3%
6-30-01	9,241	2,726	13,486	25,014	100	100	96.7
6-30-02	14,757	6,734	20,653	40,105	100	100	90.1
6-30-03	20,661	12,321	29,560	56,487	100	100	79.5
6-30-04	23,610	17,241	44,842	75,918	100	100	78.2
6-30-05	28,635	23,141	57,150	98,156	100	100	81.2

Schedule of Active Members Valuation Data

Last Six Years

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-00	135,560	\$3,416,000,000	\$25,202	3.4%
6-30-01	138,759	3,614,000,000	26,042	3.3
6-30-02	137,817	3,728,000,000	27,050	3.9
6-30-03	140,066	3,978,000,000	28,398	5.0
6-30-04	138,164	4,220,503,000	30,547	7.6
6-30-05	142,303	4,530,883,000	31,840	4.2

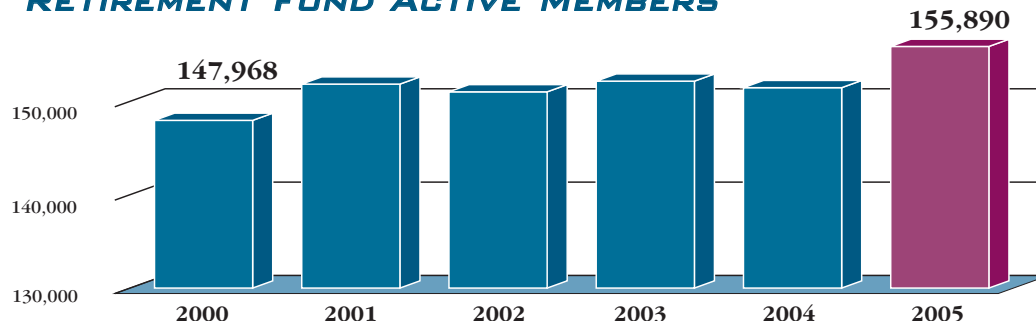
PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-00	9,627	\$ 465,186,000	\$48,321	4.8%
6-30-01	9,858	497,070,000	50,423	4.4
6-30-02	9,940	508,550,000	51,162	1.5
6-30-03	9,948	546,533,000	54,939	7.4
6-30-04	10,055	593,949,000	59,070	7.5
6-30-05	10,235	625,807,000	61,144	3.5

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-00	2,781	\$ 76,427,000	\$27,482	n/a
6-30-01	3,238	94,737,000	29,258	6.5%
6-30-02	3,270	100,801,000	30,826	5.4
6-30-03	3,155	109,456,000	34,693	12.5
6-30-04	3,251	120,511,000	37,069	6.8
6-30-05	3,352	129,231,000	38,554	4.0

RETIREMENT FUND ACTIVE MEMBERS



The number of active employees participating in PERA's three defined benefit plans has increased a total of 5 percent during the past six fiscal years.

Schedule of Retirees and Beneficiaries

Last Six Years

PUBLIC EMPLOYEES RETIREMENT FUND

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-00	3,778		1,690		47,347	\$538,720,000	13.3%	\$11,378
6-30-01	3,760		1,693		49,414	598,709,000	11.1	12,116
6-30-02	3,428		1,964		50,878	629,052,000	5.1	12,364
6-30-03	3,533		1,848		52,563	642,269,000	2.1	12,219
6-30-04	4,060		2,003		54,620	690,178,000	7.5	12,636
6-30-05	3,868	\$32,856,000	1,838	\$2,063,000	56,650	720,971,000	4.5	12,727

PUBLIC EMPLOYEES POLICE AND FIRE FUND

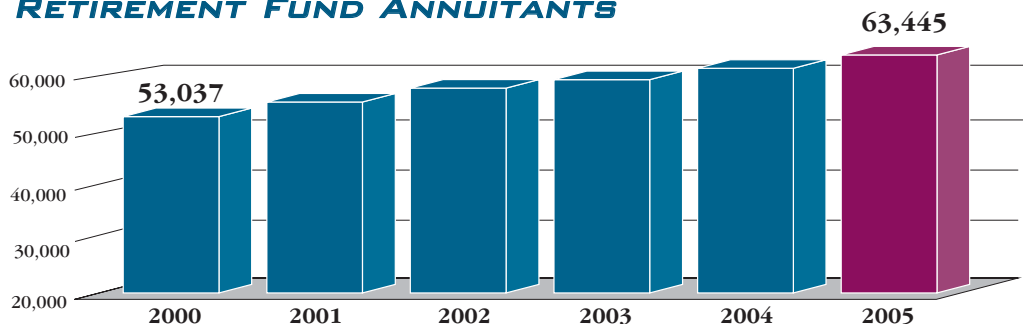
Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-00	601		182		5,678	\$178,965,000	19.9%	\$31,519
6-30-01	505		185		5,998	203,033,000	13.4	33,850
6-30-02	368		395		5,971	218,719,000	7.7	36,630
6-30-03	406		169		6,208	229,405,000	4.9	36,953
6-30-04	406		183		6,431	243,458,000	6.1	37,857
6-30-05	394	\$10,165,000	210	\$574,000	6,615	253,049,000	3.9	38,254

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-00	12		0		12	\$ 35,000	n/a	\$2,925
6-30-01	25		0		37	180,000	412.8%	4,865
6-30-02	27		1		63	377,000	109.6	5,987
6-30-03	43		6		100	621,000	64.8	6,215
6-30-04	40		1		139	911,000	46.0	6,552
6-30-05	43	\$217,000	2	\$1,000	180	1,127,000	23.7	6,261

RETIREMENT FUND ANNUITANTS

* Annual allowances for additions and subtractions unavailable before 6/30/05.



The number of annuitants from PERA's three defined benefit plans has increased at an annualized rate of 4 percent since 2000.

Determination of Contribution Sufficiency

As of June 30, 2005

PUBLIC EMPLOYEES RETIREMENT FUND*

Statutory Contributions—M.S. Chapter 353	<u>Percent of Payroll</u>	<u>Dollar Amount</u>
Employee contributions	5.30%	\$ 240,262,784
Employer contributions	<u>5.77%</u>	<u>261,631,214</u>
Total (a)	11.07%	\$501,893,998
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	6.08%	\$ 275,476,782
Disability	0.35%	15,917,366
Death	0.14%	6,510,071
Withdrawal	<u>1.22%</u>	<u>55,060,131</u>
Total	7.79%	\$ 352,964,350
Amortization of Supplemental Contribution (UALL)	4.73%	214,310,748
Allowance for Administrative Expenses	<u>0.22%</u>	<u>9,967,942</u>
Total (b)	12.74%	\$577,243,040
Contribution Sufficiency(Deficiency) (a - b)	<u>-1.67%</u>	<u>\$ (75,349,042)</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND*

Statutory Contributions—M.S. Chapter 353	<u>Percent of Payroll</u>	<u>Dollar Amount</u>
Employee contributions	6.60%	\$ 41,303,258
Employer contributions	<u>9.90%</u>	<u>61,954,887</u>
Total (a)	16.50%	\$103,258,145
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	16.78%	\$ 104,986,926
Disability	3.42%	21,396,862
Death	0.59%	3,694,719
Withdrawal	<u>1.49%</u>	<u>9,306,280</u>
Total	22.28%	\$ 139,384,787
Amortization of Supplemental Contribution (UALL)	1.84%	11,514,848
Allowance for Administrative Expenses	<u>0.12%</u>	<u>750,968</u>
Total (b)	24.24%	\$151,650,603
Contribution Sufficiency(Deficiency) (a - b)	<u>-7.74%</u>	<u>\$ (48,392,458)</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND*

Statutory Contributions—M.S. Chapter 353	<u>Percent of Payroll</u>	<u>Dollar Amount</u>
Employee contributions	5.83%	\$ 7,534,192
Employer contributions	<u>8.75%</u>	<u>11,307,750</u>
Total (a)	14.58%	\$ 18,841,942
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	8.29%	\$ 10,719,121
Disability	1.53%	1,970,794
Death	0.36%	468,394
Withdrawal	<u>2.13%</u>	<u>2,750,298</u>
Total	12.31%	\$ 15,908,607
Amortization of Supplemental Contribution (UALL)	0.59%	762,465
Allowance for Administrative Expenses	<u>0.15%</u>	<u>193,847</u>
Total (b)	13.05%	\$ 16,864,919
Contribution Sufficiency(Deficiency) (a - b)	<u>1.53%</u>	<u>\$ 1,977,023</u>

* Projected annual payroll for fiscal year beginning July 1, 2005:

PERF — \$4,530,882,628

PEPFF — \$625,806,943

PECF — \$129,231,426

Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

For the Fiscal Year Ended June 30, 2005 (in thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>
A. UAAL at Beginning of Year (7/1/04)	\$3,481,504	\$ (54,644)	\$ 10,178
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	328,196	132,887	14,834
2. Contributions	(449,664)	(93,675)	(18,006)
3. Interest on A, B1 and B2	<u>304,714</u>	<u>2,669</u>	<u>1,361</u>
C. Expected UAAL at End of Year (A+B)	\$3,664,750	\$ (12,763)	\$ 8,367
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations from Expected			
1. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	280,695	158,886	404
2. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain.	(12,738)	(10,213)	(116)
3. Other Items. Miscellaneous gains and losses resulting from salary increases, mortality, withdrawal, etc.	<u>115,912</u>	<u>5,469</u>	<u>2,115</u>
E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D)	\$4,048,619	\$141,379	\$10,770
F. Change in Actuarial Accrued Liability Due to Plan Amendments	0	0	0
G. Change in Actuarial Accrued Liability Due to Changes in Actuarial Assumptions	<u>0</u>	<u>0</u>	<u>0</u>
H. UAAL at End of Year 6/30/05 (E+F+G)	<u>\$4,048,619</u>	<u>\$141,379</u>	<u>\$10,770</u>

Statistical Section



Schedule of Revenue by Source

(in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
2000	\$171,073	\$186,637	5.4%	\$ 914,574	\$1,299	\$1,273,583
2001	173,380	188,208	5.4%	(754,349)	1,907	(390,854)
2002	191,422	206,982	5.4%	(765,319)	3,692	(363,223)
2003	205,963	221,689	5.1%	199,769	3,609	631,030
2004	215,697	225,744	5.7%	1,434,654	4,437	1,880,532
2005	216,701	232,963	5.7%	1,047,792	4,310	1,501,766

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
2000	\$ 31,213	\$ 53,178*	13.5%	\$ 439,566	\$ 503	\$ 524,460
2001	31,341	52,960*	10.6%	(334,406)	2,744	(247,361)
2002	33,801	90,664*	17.4%	(328,160)	1,937	(201,758)
2003	34,751	50,917	9.1%	76,117	3,281	165,066
2004	36,313	52,769	9.6%	578,008	2,733	669,823
2005	37,873	55,802	9.6%	435,327	2,113	531,115

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Fiscal Year</u>	<u>Member Contribution</u>	<u>Employer Contribution</u>		<u>Net Investment Income</u>	<u>Other</u>	<u>Total</u>
		<u>Amount</u>	<u>Percent of Covered Payroll</u>			
2000	\$ 4,382	\$ 6,487	9.2%	\$ 253	\$ 32	\$ 11,154
2001	5,308	8,054	8.8%	(750)	20	12,632
2002	5,882	8,830	8.7%	(2,290)	12	12,434
2003	6,430	9,645	8.7%	1,386	11	17,472
2004	6,672	10,029	8.8%	9,131	4	25,836
2005	7,192	10,814	8.8%	8,714	9	26,729

* Includes additional municipal contributions for former Police and Fire Consolidation Fund cities that were underfunded when the fund was terminated.

Schedule of Expense by Type

Last Six Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
2000	\$527,119	\$19,366	\$8,329	\$1,527	\$556,341
2001	592,210	18,768	8,344	2,441	621,763
2002	642,088	16,267	8,680	2,356	669,391
2003	664,459	18,242	8,628	1,374	692,703
2004	687,124	22,556	8,830	2,725	721,235
2005	715,043	24,952	9,118	2,040	751,153

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
2000	\$165,719	\$94,754	\$ 679	\$1,549	\$262,701
2001	192,246	3,358	639	447	196,690
2002	212,405	711	647	255	214,018
2003	225,434	643	675	301	227,053
2004	237,442	644	712	541	239,339
2005	251,429	734	703	477	253,343

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Fiscal Year</u>	<u>Benefits</u>	<u>Refunds</u>	<u>Administrative Expenses</u>	<u>Other</u>	<u>Total</u>
2000	\$ 20	\$ 30	\$ 111	\$ 0	\$ 161
2001	173	160	130	1	464
2002	338	272	137	1	748
2003	559	409	149	2	1,119
2004	805	588	162	5	1,560
2005	1,041	691	176	9	1,917

Schedule of Benefit Expense by Type

Last Six Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
2000	\$497,357	\$17,282	\$12,480	\$19,366	\$546,485
2001	559,482	18,650	14,078	18,768	610,978
2002	609,849	16,719	15,520	16,267	658,355
2003	633,640	14,438	16,381	18,242	682,701
2004	656,072	13,625	17,427	22,556	709,680
2005	683,440	13,025	18,578	24,952	739,995

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
2000	\$140,927	\$ 9,858	\$14,934	\$94,754	\$260,473
2001	162,863	11,149	18,234	3,358	195,604
2002	178,965	11,691	21,749	711	213,116
2003	189,640	11,698	24,096	643	226,077
2004	199,722	11,814	25,906	644	238,086
2005	211,389	12,134	27,906	734	252,163

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

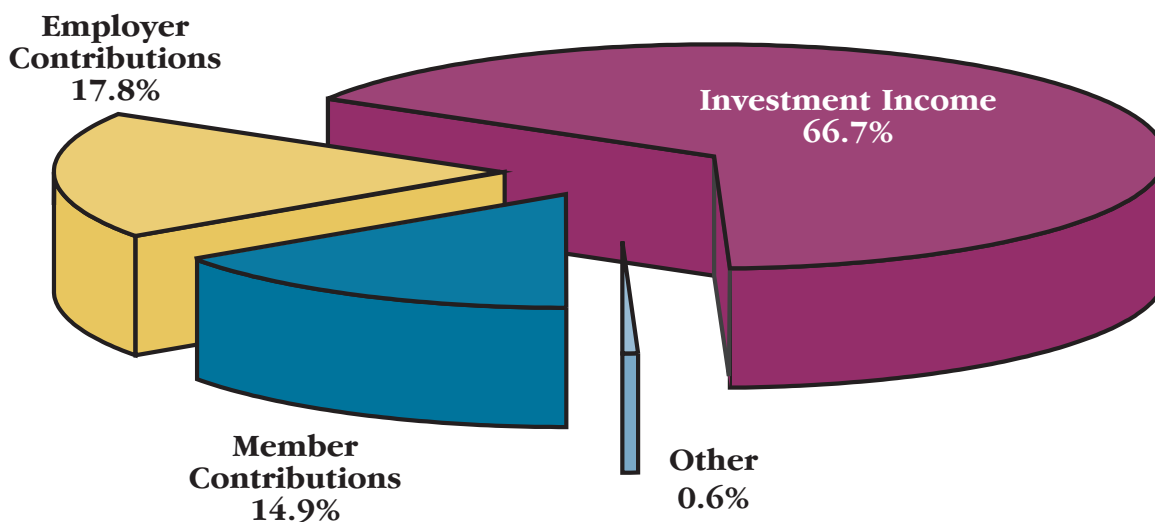
<u>Fiscal Year</u>	<u>Retirement</u>	<u>Survivor</u>	<u>Disability</u>	<u>Refund</u>	<u>Total</u>
2000	\$ 2	\$ 0	\$ 18	\$ 30	\$ 50
2001	12	0	161	160	333
2002	32	0	306	272	610
2003	74	1	484	409	968
2004	160	1	644	588	1,393
2005	260	1	780	691	1,732

Revenues and Expenses

Average over last 20 years

REVENUES BY SOURCE (FY1986 - FY2005)

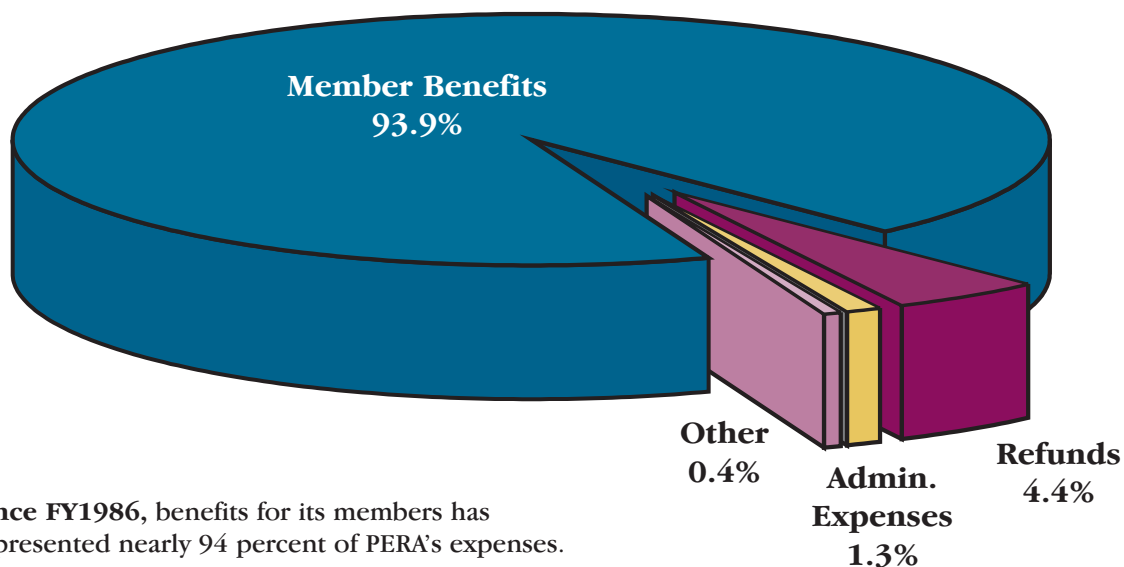
All Funds



Over the past 20 years, investment earnings have been responsible for approximately two thirds of PERA's revenues.

EXPENSE BY TYPE (FY1986 - FY2005)

All Funds



Since FY1986, benefits for its members has represented nearly 94 percent of PERA's expenses.

Schedule of Retired Members

by Amount and Type of Benefit

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Survivor</u>	<u>Disabilitant</u>	<u>Total</u>
\$ 1- 500	20,761	2,472	705	23,938
501-1,000	11,134	1,589	559	13,282
1,001-1,500	5,832	851	331	7,014
1,501-2,000	2,973	618	161	3,752
2,001-3,000	3,517	646	75	4,238
3,001-4,000	1,919	277	10	2,206
4,001-5,000	1,038	108	9	1,155
5,001-6,000	511	44	1	556
6,001-7,000	256	29	2	287
7,001-8,000	103	9	0	112
Over 8,000	<u>103</u>	<u>7</u>	<u>0</u>	<u>110</u>
Total	48,147	6,650	1,853	56,650

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Survivor</u>	<u>Disabilitant</u>	<u>Total</u>
\$ 1- 500	185	83	3	271
501-1,000	130	84	5	219
1,001-1,500	150	207	17	374
1,501-2,000	190	304	51	545
2,001-3,000	796	411	192	1,399
3,001-4,000	1,490	107	222	1,819
4,001-5,000	1,092	53	125	1,270
5,001-6,000	406	10	54	470
6,001-7,000	157	1	12	170
7,001-8,000	51	1	4	56
Over 8,000	<u>21</u>	<u>0</u>	<u>1</u>	<u>22</u>
Total	4,668	1,261	686	6,615

PUBLIC EMPLOYEES CORRECTIONAL FUND*

<u>Amount of Monthly Benefit</u>	<u>Annuitant</u>	<u>Survivor</u>	<u>Disabilitant</u>	<u>Total</u>
\$ 1- 500	108	6	5	119
501-1,000	5	1	29	35
1,001-1,500	0	1	4	5
1,501-2,000	0	0	14	14
2,001-3,000	0	0	7	7
3,001-4,000	0	0	0	0
4,001-5,000	0	0	0	0
5,001-6,000	0	0	0	0
6,001-7,000	0	0	0	0
7,001-8,000	0	0	0	0
Over 8,000	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	113	8	59	180

* Since PECF members participated in the PERF prior to 7/1/99, most of the plan's annuitants derive the majority of their benefit from the latter fund.

Average Benefit Payments

Last 5 Years

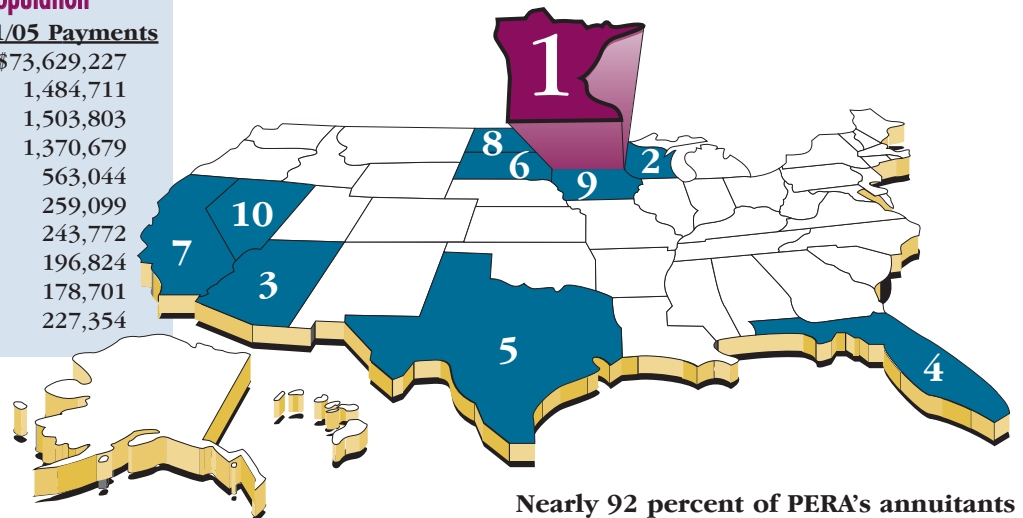
PUBLIC EMPLOYEES RETIREMENT FUND

Retirement Effective Dates <u>July 1, 2000 to June 30, 2005</u>	Years of Service						
	<u>0-5</u>	<u>5-10</u>	<u>10-15</u>	<u>15-20</u>	<u>20-25</u>	<u>25-30</u>	<u>30+</u>
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$88	\$197	\$355	\$553	\$812	\$1,130	\$2,217
Number of Current Retirees	256	399	467	441	486	371	386
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$94	\$192	\$373	\$581	\$801	\$1,114	\$2,077
Number of Current Retirees	249	335	438	384	411	377	344
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$87	\$190	\$387	\$576	\$880	\$1,208	\$2,064
Number of Current Retirees	331	383	442	433	447	392	420
Period 7/1/03 to 6/30/04:							
Average Monthly Benefit	\$103	\$197	\$404	\$609	\$885	\$1,211	\$2,140
Number of Current Retirees	349	404	463	543	433	406	532
Period 7/1/04 to 6/30/05:							
Average Monthly Benefit	\$101	\$206	\$383	\$626	\$901	\$1,267	\$2,004
Number of Current Retirees	252	322	362	502	392	402	491
Period 7/1/00to 6/30/05:							
Average Monthly Benefit	\$95	\$196	\$380	\$591	\$855	\$1,188	\$2,098
Number of Current Retirees	1,437	1,843	2,172	2,303	2,169	1,948	2,173

PERA ANNUITANT RESIDENCY

Top 10 States by PERA Annuitant Population

<u>State</u>	<u>Population</u>	<u>6/1/05 Payments</u>
1. Minnesota	57,861	\$73,629,227
2. Wisconsin	1,079	1,484,711
3. Arizona	1,020	1,503,803
4. Florida	799	1,370,679
5. Texas	370	563,044
6. South Dakota	239	259,099
7. California	206	243,772
8. North Dakota	184	196,824
9. Iowa	179	178,701
10. Nevada	145	227,354



Nearly 92 percent of PERA's annuitants remain residents of Minnesota.

Average Benefit Payments

Last Five Years

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Retirement Effective Dates <u>July 1, 2000 to June 30, 2005</u>	Years of Service						
	<u>0-5</u>	<u>5-10</u>	<u>10-15</u>	<u>15-20</u>	<u>20-25</u>	<u>25-30</u>	<u>30+</u>
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$253	\$953	\$1,329	\$1,768	\$2,866	\$3,664	\$4,412
Number of Current Retirees	13	6	6	14	59	134	37
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$281	\$984	\$1,856	\$1,914	\$2,915	\$3,658	\$4,328
Number of Current Retirees	4	10	11	14	47	115	27
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$281	\$812	\$1,397	\$1,956	\$2,981	\$3,753	\$4,689
Number of Current Retirees	11	10	12	24	50	113	51
Period 7/1/03 to 6/30/04:							
Average Monthly Benefit	\$480	\$733	\$1,559	\$2,215	\$2,934	\$3,890	\$4,799
Number of Current Retirees	5	10	13	27	34	129	39
Period 7/1/04 to 6/30/05:							
Average Monthly Benefit	\$305	\$1,049	\$1,490	\$2,069	\$2,966	\$4,150	\$4,692
Number of Current Retirees	10	14	6	21	41	102	45
Period 7/1/00 to 6/30/05:							
Average Monthly Benefit	\$301	\$914	\$1,549	\$2,018	\$2,929	\$3,813	\$4,611
Number of Current Retirees	43	50	48	100	231	593	199

PUBLIC EMPLOYEES CORRECTIONAL FUND*

Retirement Effective Dates <u>July 1, 2000 to June 30, 2005</u>	Years of Service						
	<u>0-5</u>	<u>5-10</u>	<u>10-15</u>	<u>15-20</u>	<u>20-25</u>	<u>25-30</u>	<u>30+</u>
Period 7/1/00 to 6/30/01:							
Average Monthly Benefit	\$71	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	12	0	0	0	0	0	0
Period 7/1/01 to 6/30/02:							
Average Monthly Benefit	\$165	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	15	0	0	0	0	0	0
Period 7/1/02 to 6/30/03:							
Average Monthly Benefit	\$187	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	21	0	0	0	0	0	0
Period 7/1/03 to 6/30/04:							
Average Monthly Benefit	\$246	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	26	0	0	0	0	0	0
Period 7/1/04 to 6/30/05:							
Average Monthly Benefit	\$358	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	26	0	0	0	0	0	0
Period 7/1/00 to 6/30/05:							
Average Monthly Benefit	\$230	\$0	\$0	\$0	\$0	\$0	\$0
Number of Current Retirees	100	0	0	0	0	0	0

* Since PECF members participated in the PERF prior to 7/1/99, most of the plan's annuitants derive the majority of their benefit from the latter fund.

Participating Employers

Employers listed below have employees in PERA's Basic, Coordinated, Correctional or Police and Fire benefit plans

CITIES

ADA	BENSON	CHANDLER	DELAVAN	FOSTON	HAWLEY
ADAMS	BERTHA	CHANHASSEN	DELLWOOD	FOUNTAIN	HAYFIELD
ADRIAN	BETHEL	CHASKA	DENT	FRANKLIN	HAYWARD
AFTON	BIG FALLS	CHATFIELD	DETROIT LAKES	FRAZEE	HECTOR
AITKIN	BIG LAKE	CHISAGO	DEXTER	FREEBORN	HENDERSON
AKELEY	BIGELOW	CHISHOLM	DILWORTH	FREEPORT	HENDRICKS
ALBANY	BIGFORK	CHOKIO	DODGE CENTER	FRIDLEY	HENDRUM
ALBERT LEA	BINGHAM LAKE	CIRCLE PINES	DONNELLY	FROST	HENNING
ALBERTA	BIRCHWOOD	CLARA CITY	DOVER	FULDA	HERMAN
ALBERTVILLE	BIRD ISLAND	CLARA CITY	DULUTH	GARFIELD	HERMANTOWN
ALDEN	BISCAY	CARE CENTER	DUMONT	GARRISON	HERON LAKE
ALEXANDRIA	BIWABIK	CLAREMONT	DUNDAS	GARVIN	HEWITT
ALPHA	BLACKDUCK	CLARISSA	DUNDEE	GARY	HIBBING
ALTURA	BLAINE	CLARKFIELD	DUNNELL	GAYLORD	HILL CITY
ALVARADO	BLOOMING PRAIRIE	CLARKS GROVE	EAGAN	GENEVA	HILLS
AMBOY	BLOOMINGTON	CLEAR LAKE	EAGLE BEND	GEORGETOWN	HILLTOP
ANDOVER	BLUE EARTH	CLEARBROOK	EAGLE LAKE	GHENT	HINCKLEY
ANNANDALE	BOVEY	CLEARWATER	EAST BETHEL	GIBBON	HITTERDAL
ANOKA	BOYD	CLEMENTS	EAST GRAND FORKS	GILBERT	HOFFMAN
APPLE VALLEY	BRAHAM	CLEVELAND	EAST GULL LAKE	GILMAN	HOKAH
APPLETON	BRAINERD	CLIMAX	EASTON	GLENCOE	HOLDINGFORD
ARDEN HILLS	BRANDON	CLINTON	ECHO	GLENVILLE	HOLLAND
ARGYLE	BRECKENRIDGE	CLONTARF	EDEN PRAIRIE	GLENWOOD	HOLLANDALE
ARLINGTON	BREEZY POINT	CLOQUET	EDEN VALLEY	GLYNDON	HOLLOWAY
ASHBY	BREWSTER	COATES	EDGERTON	GOLDEN VALLEY	HOPKINS
ASKOV	BRICELYN	COHASSET	EDINA	GONVICK	HOUSTON
ATWATER	BROOK PARK	COKATO	EITZEN	GOOD THUNDER	HOWARD LAKE
AUDUBON	BROOKLYN CENTER	COLD SPRING	ELBOW LAKE	GOODHUE	HOYT LAKES
AURORA	BROOKLYN PARK	COLERAINE	ELGIN	GOODRIDGE	HUGO
AUSTIN	BROOTEN	COLOGNE	ELIZABETH	GOODVIEW	HUTCHINSON
AVOCA	BROWERVILLE	COLUMBIA HEIGHTS	ELK RIVER	GRACEVILLE	INDEPENDENCE
AVON	BROWNS VALLEY	COMFREY	ELKO	GRANADA	INTERNATIONAL FALLS
BABBITT	BROWNSDALE	CONGER	ELKTON	GRAND MARAIS	INVER GROVE HEIGHTS
BACKUS	BROWNSVILLE	COOK	ELLEDALE	GRAND MEADOW	IONA
BADGER	BROWNTON	COON RAPIDS	ELLSWORTH	GRAND RAPIDS	IRONTON
BAGLEY	BUFFALO	CORCORAN	ELMORE	GRANITE FALLS	ISANTI
BALATON	BUFFALO LAKE	CORRELL	ELY	GRANT	ISLE
BARNESVILLE	BUHL	COSMOS	ELYSIAN	GRASSTON	IVANHOE
BARNUM	BURNSVILLE	COTTAGE GROVE	EMILY	GREEN ISLE	JACKSON
BARRETT	BUTTERFIELD	COTTONWOOD	EMMONS	GREENBUSH	JANESVILLE
BATTLE LAKE	BYRON	COURTLAND	ERHARD	GREENFIELD	JASPER
BAUDETTE	CALEDONIA	CROMWELL	ERSKINE	GREENWOOD	JEFFERS
BAXTER	CALLAWAY	CROOKSTON	EVANSVILLE	GREY EAGLE	JENKINS
BAYPORT	CALUMET	CROSBY	EVELETH	GROVE	JORDAN
BEARDSLEY	CAMBRIDGE	CROSSLAKE	EXCELSIOR	GRYGLA	KANDIYOHI
BEAVER BAY	CAMPBELL	CRYSTAL	EYOTA	HACKENSACK	KARLSTAD
BEAVER CREEK	CANBY	CURRIE	FAIRFAX	HADLEY	KASOTA
BECKER	CANNON FALLS	CYRUS	FAIRMONT	HALLOCK	KASSON
BEJOU	CANTON	DALTON	FALCON HEIGHTS	HALSTAD	KEEWATIN
BELGRADE	CARLOS	DANUBE	FARIBAULT	HAM LAKE	KELLIHER
BELLE PLAINE	CARLTON	DANVERS	FARMINGTON	HAMBURG	KELLOGG
BELLECHESTER	CARVER	DARWIN	ELTON	HAMPTON	KENNEDY
BELLINGHAM	CASS LAKE	DASSEL	FERGUS FALLS	HANCOCK	KENSINGTON
BELVIEW	CEDAR MILLS	DAWSON	FERTILE	HANLEY FALLS	KENT
BEMIDJI	CENTER CITY	DAYTON	FIFTY LAKES	HANOVER	KENYON
BENA	CENTERVILLE	DE GRAFF	FINLAYSON	HANSKA	KERKHOVEN
	CEYLON	DEEPHAVEN	FLENSBURG	HARDWICK	KETTLE RIVER
	CHAMPLIN	DEER CREEK	FLOODWOOD	HARMONY	KIESTER
		DEER RIVER	FOLEY	HARRIS	KIMBALL
		DEERWOOD	FOREST LAKE	HARTLAND	KINNEY
		DELANO	FORESTON	HASTINGS	

LA CRESCENT	MAZEPPA	NORTHROP	ROCKVILLE	STURGEON LAKE	WINGER
LAFAYETTE	MC GRATH	NORWOOD	ROGERS	SWANVILLE	WINNEBAGO
LAKE BENTON	MC GREGOR	YOUNG AMERICA	ROLLINGSTONE	TACONITE	WINONA
LAKE BRONSON	MC INTOSH	OAK GROVE	ROSE CREEK	TAYLORS FALLS	WINSTED
LAKE CITY	MC KINLEY	OAK PARK HEIGHTS	ROSEAU	THIEF RIVER FALLS	WINTHROP
LAKE CRYSTAL	MEADOWLANDS	OAKDALE	ROSEMOUNT	THOMSON	WINTON
LAKE ELMO	MEDFORD	ODESSA	ROSEVILLE	TINTAH	WOLF LAKE
LAKE LILLIAN	MEDINA	OGEMA	ROTHSAY	TONKA BAY	WOLVERTON
LAKE PARK	MEDROSE	OGILVIE	ROUND LAKE	TOWER	WOOD LAKE
LAKE SHORE	MENAHGA	OKABENA	ROYALTON	TRACY	WOODBURY
LAKE ST CROIX BEACH	MENDOTA HEIGHTS	OKLEE	RUSH	TRIMONT	WOODLAND
LAKE WILSON	MENTOR	OLIVIA	RUSHFORD	TRUMAN	WORTHINGTON
LAKEFIELD	MIDDLE RIVER	ONAMIA	RUSHMORE	TWIN LAKES	WRENSHALL
LAKELAND	MILACA	ORONO	RUSSELL	TWIN VALLEY	WYKOFF
LAKEVILLE	MILAN	ORONOCO	RUTHTON	TWO HARBORS	WYOMING
LAMBERTON	MILLERVILLE	ORR	SACRED HEART	TYLER	ZIMMERMAN
LANCASTER	MILLVILLE	ORTONVILLE	SANBORN	ULEN	ZUMBRO FALLS
LANDFALL	MILROY	OSAKIS	SANDSTONE	UNDERWOOD	ZUMBROTA
LANESBORO	MILTON	OSLO	SARTELL	UPSALA	
LAPRAIRIE	MILTONA	OSSEO	SAUK CENTRE	VADNAIS HEIGHTS	
LAUDERDALE	MINNEAPOLIS	OSTRANDER	SAUK RAPIDS	VENTURA	
LE CENTER	MINNEOTA	OTSEGO	SAVAGE	VERGAS	
LE SUEUR	MINNESOTA LAKE	OWATONNA	SCANLON	VERMILLION	
LENGBY	MINNETONKA	PALISADE	SEBEKA	VERNDALE	
LEROY	MINNETONKA BEACH	PARK RAPIDS	SHAFER	VERNON CENTER	
LESTER PRAIRIE	MINNETRISTA	PARKERS PRAIRIE	SHAKOPEE	VESTA	
LEWISTON	MONTEVIDEO	PAYNESVILLE	SHELLY	VICTORIA	
LEWISVILLE	MONTGOMERY	PELICAN RAPIDS	SHERBURN	VIKING	
LEXINGTON	MONTICELLO	PEMBERTON	SHOREVIEW	VILLARD	
LILYDALE	MONTROSE	PENNOCK	SHOREWOOD	VIRGINIA	
LINDSTROM	MOORHEAD	PEQUOT LAKES	SILVER BAY	WABASHA	
LINO LAKES	MOOSE LAKE	PERHAM	SILVER LAKE	WABASSO	
LISMORE	MORA	PETERSON	SLAYTON	WACONIA	
LITCHFIELD	MORGAN	PIERZ	SLEEPY EYE	WADENA	
LITTLE CANADA	MORRIS	PILLAGER	SOUTH HAVEN	WAHKON	
LITTLE FALLS	MORRISTOWN	PINE CITY	SOUTH ST PAUL	WAITE PARK	
LITTLEFORK	MORTON	PINE ISLAND	SPICER	WALDORF	
LONG BEACH	MOTLEY	PINE RIVER	SPRING GROVE	WALKER	
LONG LAKE	MOUND	PIPESTONE	SPRING LAKE PARK	WALNUT GROVE	
LONG PRAIRIE	MOUNDS VIEW	PLAINVIEW	SPRING PARK	WANAMINGO	
LONGVILLE	MOUNTAIN IRON	PLATO	SPRING VALLEY	WANDA	
LONSDALE	MOUNTAIN LAKE	PLUMMER	SPRINGFIELD	WARREN	
LORETTO	MURDOCK	PLYMOUTH	ST ANTHONY	WARROAD	
LUCAN	NASHWAUK	PRESTON	ST BONIFACIUS	WASECA	
LUVERNE	NERSTRAND	PRINCETON	ST CHARLES	WATERTOWN	
LYLE	NEVIS	PRINSBURG	ST CLAIR	WATERVILLE	
LYND	NEW AUBURN	PRIOR LAKE	ST CLOUD	WATKINS	
MABEL	NEW BRIGHTON	PROCTOR	ST FRANCIS	WATSON	
MADELIA	NEW GERMANY	RACINE	ST HILAIRE	WAUBUN	
MADISON	NEW HOPE	RAMSEY	ST JAMES	WAVERLY	
MADISON LAKE	NEW LONDON	RANDALL	ST JOSEPH	WAYZATA	
MAHNOMEN	NEW MUNICH	RANDOLPH	ST LEO	WELCOME	
MAHTOMEDI	NEW PRAGUE	RANIER	ST LOUIS PARK	WELLS	
MANKATO	NEW RICHLAND	RAYMOND	ST MICHAEL	WENDELL	
MANTORVILLE	NEW ULM	RED LAKE FALLS	ST PAUL	WEST CONCORD	
MAPLE GROVE	NEW YORK MILLS	RED WING	ST PAUL PARK	WEST ST PAUL	
MAPLE LAKE	NEWFOLDEN	REDWOOD FALLS	ST PETER	WESTBROOK	
MAPLE PLAIN	NEWPORT	REMER	ST STEPHEN	WHEATON	
MAPLETON	NICOLLET	RENDSVILLE	STACY	WHITE BEAR LAKE	
MAPLEVIEW	NIELSVILLE	RENVILLE	STAPLES	WILLERNIA	
MAPLEWOOD	NISSWA	RICE	STARBUCK	WILLIAMS	
MARBLE	NORTH BRANCH	RICHFIELD	STEPHEN	WILLMAR	
MARIETTA	NORTH MANKATO	RICHMOND	STEWART	WILMONT	
MARINE ON ST CROIX	NORTH OAKS	ROBBINSDALE	STEWARTVILLE	WINDOM	
MARSHALL	NORTH ST PAUL	ROCHESTER	STILLWATER		
MAYER	NORTHFIELD	ROCK CREEK	STOCKTON		
MAYNARD	NORTHOME	ROCKFORD	STORDEN		

TOWNSHIPS

ACOMA
ADAMS
ADRIAN
AETNA
AITKIN
ALBA
ALBERT LEA
ALBION
ALDRICH
ALTON
ALVWOOD
AMHERST
ANDOVER
ANN LAKE
ANTRIM
ARBO
ARDENHURST
ARENDAHL
ARLINGTON
ARNA
ARTHUR
ASHLAND
ATHENS
ATKINSON
AVON
BADOURA
BAKER
BALDWIN
BALKAN
BALL BLUFF
BALSAM
BANDON
BARCLAY
BARRY
BARTLETT
BASHAW
BASS BROOK
BASSETT
BAY LAKE
BEARVILLE

STATISTICAL SECTION

BEATTY	CARROLTON	DULUTH	GLEN	HOMESTEAD	LEON
BEAULIEU	CARSON	DUNN	GLENDORADO	HONNER	LERAY
BEAVER CREEK	CASCADE	EAGLE LAKE	GNESEN	HOUSTON	LIBERTY
BEAVER FALLS	CASTLE ROCK	EAGLE VIEW	GOOD HOPE	IDA	LIDA
BECKER	CEDAR	EAGLES NEST	GOOSE PRAIRIE	IDEAL	LIME
BELGRADE	CEDAR MILLS	EAST SIDE	GRACEVILLE	IDUN	LIME LAKE
BELLE CREEK	CENTER	EASTERN	GRAHAM	INDUSTRIAL	LINCOLN
BELLE PLAINE	CHANARAMBIE	EDEN LAKE	GRAHAM LAKES	INGUADONA	LINDEN
BELLE PRAIRIE	CHARLESTOWN	EDNA	GRANBY	INMAN	LINWOOD
BELLE RIVER	CHASKA	EFFINGTON	GRAND LAKE	IONA	LITCHFIELD
BELLEVUE	CHATHAM	ELDORADO	GRAND MEADOW	IRON RANGE	LITTLE ELBOW
BELMONT	CHENGWATANA	ELGIN	GRAND PRAIRIE	IRONDALE	LITTLE FALLS
BELVIDERE	CHERRY	ELIZABETH	GRAND RAPIDS	IRVING	LITTLE PINE
BEMIDJI	CHERRY GROVE	ELK LAKE	GRANITE FALLS	ISANTI	LIVONIA
BENTON	CHESTER	ELLINGTON	GRANT VALLEY	ISLAND LAKE	LONE PINE
BERGEN	CHIPPEWA FALLS	ELLSBURG	GREAT SCOTT	JANESVILLE	LONE TREE
BERNADOTTE	CHISAGO LAKE	ELM CREEK	GREENBUSH	JAY	LONG LAKE
BIG LAKE	CLAYTON	ELM DALE	GREENLEAF	JO DAVIS	LOUISVILLE
BIG STONE	CLEAR LAKE	ELMER	GREENVALE	JOHNSONVILLE	LUXEMBURG
BIRCH CREEK	CLEARWATER	ELMIRA	GREENWAY	KANABEC	LYLE
BISMARCK	CLIFTON	EMBARRASS	GREENWOOD	KANARANZI	LYNDEN
BIWABIK	CLOVER	EMPIRE	GREY CLOUD ISLAND	KANDIYOHI	LYNN
BLACKBERRY	COKATO	ERIN	GREY EAGLE	KASOTA	MACVILLE
BLACKHOOF	COLLEGEVILLE	ESPELIE	GULLY	KATHIO	MAGNOLIA
BLAKELEY	COLUMBIA	EVANSVILLE	GUTHRIE	KEGO	MAINE
BLIND LAKE	COLUMBUS	EVERGREEN	HALDEN	KENYON	MAINE PRAIRIE
BLOOMFIELD	COLVIN	FAIR HAVEN	HALSTAD	KETTLE RIVER	MANANNAH
BLOOMING GROVE	COMPTON	FAIRBANKS	HAMMER	KIESTER	MANFRED
BLUE HILL	CONCORD	FAIRFIELD	HAMPTON	KILKENNY	MANKATO
BOGUS BROOK	COON CREEK	FAIRMONT	HARMONY	KIMBERLY	MANTORVILLE
BONDIN	CORINNA	FAIRVIEW	HARRIS	KING	MANTRAP
BOWSTRING	CORMORANT	FALL LAKE	HARRISON	KINGSTON	MAPLE LAKE
BOY LAKE	COSMOS	FALUN	HASSAN	KNIFE LAKE	MAPLE RIDGE
BRADFORD	COTTON	FARM ISLAND	HAUGEN	KNUTE	MARBLE
BRANDON	COTTONWOOD	FARMINGTON	HAVANA	KRAGERO	MARCELL
BREITUNG	CRATE	FAYAL	HAVEN	KRAIN	MARION
BREMEN	CREDIT RIVER	FENTON	HAVERHILL	KROSCHER	MARSHALL
BRIGHTON	CROOKED LAKE	FILLMORE	HAWLEY	LA CRESCENT	MARSHAN
BRISTOL	CROW RIVER	FISH LAKE	HAY CREEK	LA CROSSE	MARTIN
BROCKWAY	CROW WING	FLEMING	HAYLAND	LA GARDE	MARYSVILLE
BROWNS VALLEY	CROW WING LAKES	FLOODWOOD	HAYWARD	LA GRANDE	MASON
BROWNSVILLE	CRYSTAL BAY	FLORENCE	HAZELTON	LAFAYETTE	MAXWELL
BRUNSWICK	CULDRUM	FLORIDA	HEGBERT	LAKE ANDREW	MAY
BUFFALO	CULVER	FOLDAHL	HEIGHT OF LAND	LAKE EDWARD	MAYHEW LAKE
BUH	DAGGETT BROOK	FOREST	HELEN	LAKE ELIZABETH	MAYVILLE
BURNHAMVILLE	DAHLGREN	FOREST CITY	HELENA	LAKE EMMA	MAZEPPA
BURNS	DALBO	FOREST LAKE	HELGA	LAKE FREMONT	MCDAVITT
BURTON	DARLING	FORESTVILLE	HENDERSON	LAKE GEORGE	MEADOWLANDS
BUTTERFIELD	DARWIN	FOX LAKE	HENRIETTA	LAKE HANSKA	MEHURIN
BUTTERNUT VALLEY	DEAD LAKE	FRAMNAS	HERON LAKE	LAKE MARSHALL	MERTON
BUZZLE	DECORIA	FRANCONIA	HIGDEM	LAKE PLEASANT	MICKINOCK
BYRON	DEERWOOD	FRANKFORT	HIGH FOREST	LAKE SARAH	MIDDLETOWN
CAIRO	DELL GROVE	FRANKLIN	HIGHWATER	LAKESIDE	MIDDLEVILLE
CALEDONIA	DENVER	FRASER	HINES	LAKETOWN	MIDWAY
CAMBRIA	DERRYNANE	FREDENBERG	HIRAM	LAKEVIEW	MILACA
CAMBRIDGE	DES MOINES RIVER	FREEDOM	HOBART	LAKEWOOD	MILFORD
CAMDEN	DEWALD	FREEMAN	HOFF	LAKIN	MILLERVILLE
CAMP	DEXTER	FRENCH	HOKAH	LAND	MILO
CANNON FALLS	DORA	FRENCH LAKE	HOLDEN	LANESBURGH	MINDEN
CANOSIA	DOUGLAS	FRIBERG	HOLDING	LANGOLA	MINNEOTA
CANTON	DOVER	GARDEN CITY	HOLLAND	LAWRENCE	MINNEWASKA
CARIMONA	DOVRAY	GARFIELD	HOLLY	LE SAUK	MISSION
CARLOS	DRESBACH	GARNES	HOLLYWOOD	LEAF LAKE	MOE
CARPENTER	DRYDEN	GARRISON	HOLT	LEAF RIVER	MOLTKE
		GENNESSEE	HOLYOKE	LEECH LAKE	MONEY CREEK
		GETTY	HOME	LEEDS	MONTGOMERY
		GIRARD	HOMEBROOK	LENT	MONTICELLO

MOONSHINE
 MORAN
 MORANVILLE
 MORKEN
 MORRISON
 MORSE
 MOTLEY
 MOUNT VERNON
 MOUNTAIN LAKE
 MUNSON
 NASHVILLE
 NASHWAUK
 NELSON
 NESSEL
 NEVADA
 NEVIS
 NEW AUBURN
 NEW HAVEN
 NEW LONDON
 NEW PRAIRIE
 NEW RICHLAND
 NEW SCANDIA
 NEW SOLUM
 NEWBURG
 NOKAY LAKE
 NORA
 NORDLAND
 NORMAN
 NORTH HERO
 NORTH STAR
 NORTHERN
 NORTHFIELD
 NORWAY
 NORWEGIAN
 GROVE
 OAK LAWN
 OAK PARK
 OAK VALLEY
 OAKLAND
 ODESSA
 ORION
 ORROCK
 ORTON
 OSAGE
 OSBORNE
 OSHKOSH
 OTENEAGEN
 OTISCO
 OTREY
 OTTERTAIL
 PENINSULA
 OTTO
 OWATONNA
 OXFORD
 PALMYRA
 PARKERS PRAIRIE
 PAXTON
 PAYNESVILLE
 PEACE
 PELICAN
 PELICAN LAKE
 PEMBINA
 PENN
 PETERSBURG
 PIKE BAY
 PIKE CREEK
 PILOT MOUND

PINE CITY
 PINE ISLAND
 PINE LAKE
 PINE RIVER
 PLAINVIEW
 PLEASANT PRAIRIE
 PLINY
 POKEGAMA
 POPPLE GROVE
 POSEN
 POWERS
 PRAIRIE VIEW
 PREBLE
 PRESTON
 PRINCETON
 PRIOR
 PROVIDENCE
 PULASKI
 QUEEN
 QUINCY
 RABBIT LAKE
 RACINE
 RANDOLPH
 RANSOM
 RAPIDAN
 RAVENNA
 RED LAKE FALLS
 RICE LAKE
 RICH VALLEY
 RICHARDSON
 RICHMOND
 RIVER FALLS
 RIVERSIDE
 ROCHESTER
 ROCK DELL
 ROCKFORD
 ROCKSBURY
 ROCKWOOD
 ROGERS
 ROLLING GREEN
 ROLLINGSTONE
 ROOSEVELT
 ROSEHILL
 ROSENDALE
 ROSEVILLE
 ROSS
 ROSS LAKE
 ROUND GROVE
 ROUND LAKE
 ROYALTON
 RUSHEBA
 RUTLAND
 SALEM
 SAND LAKE
 SANTIAGO
 SARGEANT
 SAUK RAPIDS
 SAVANNAH
 SCANDIA VALLEY
 SCHROEDER
 SCOTT
 SEAVEY
 SEVERANCE
 SHAMROCK
 SHELburne
 SHELBY
 SHELL LAKE

SHERIDAN
 SHETEK
 SHIELDSVILLE
 SHINGOBEE
 SIBLEY
 SILVER BROOK
 SILVER CREEK
 SILVER LAKE
 SINCLAIR
 SIOUX AGENCY
 SKANDIA
 SKELTON
 SOLEM
 SOLWAY
 SOUTH BEND
 SOUTH BRANCH
 SOUTH HARBOR
 SOUTHFORK
 SOUTHSIDE
 SPARTA
 SPENCER
 SPENCER BROOK
 SPRING GROVE
 SPRING LAKE
 SPRINGDALE
 SPRINGHILL
 SPRINGVALE
 SPRINGWATER
 SPRUCE GROVE
 ST JAMES
 ST JOSEPH
 ST MARTIN
 ST OLAF
 STANCHFIELD
 STANFORD
 STANTON
 STAPLES
 STAR LAKE
 STERLING
 STILLWATER
 STOCKHOLM
 STONY RUN
 STORDEN
 STURGEON
 STURGEON LAKE
 SUMMIT
 SUMNER
 SUMTER
 SUNDOWN
 SUNRISE
 SVERDRUP
 SWAN RIVER
 SWANVILLE
 SWEET
 SYLVAN
 TANSEM
 THOMSON
 THUNDER LAKE
 TRANSIT
 TRELPE
 TROUT LAKE
 TUMULI
 TURNER
 TURTLE CREEK
 TURTLE LAKE
 TWIN LAKES
 TWO RIVERS

URNESS
 VAIL
 VAN BUREN
 VASA
 VERDI
 VERMILLION
 VERNON
 VESTA
 VICTOR
 VIKING
 VILLARD
 VINELAND
 VIVIAN
 WABEDO
 WACONIA
 WACOUTA
 WAKEFIELD
 WALDEN
 WALTHAM
 WANAMINGO
 WANG
 WARD
 WARREN
 WARSAW
 WASIOJA
 WATAB
 WATERBURY
 WATERTOWN
 WATERVILLE
 WATOPA
 WAWINA
 WEBSTER
 WEIMER
 WELCH
 WELLINGTON
 WELLS
 WEST HERON
 LAKE
 WEST NEWTON
 WESTBROOK
 WHEATLAND
 WHITE
 WHITE BEAR
 WHITE OAK
 WILKINSON
 WILLIAMS
 WILMINGTON
 WILMONT
 WILSON
 WINDEMERE
 WING RIVER
 WINNEBAGO
 WINONA
 WINSOR
 WINSTED
 WISCOY
 WOLF LAKE
 WOLFORD
 WOOD LAKE
 WOODLAND
 WOODROW
 WOODSIDE
 WOODVILLE
 WORKMAN
 WRENSHALL
 WRIGHT
 WUORI

WYANETT
 WYOMING
 YORK
 YOUNG AMERICA
 YUCATAN
 ZUMBRO
 ZUMBROTA

OTTERTAIL
 PENNINGTON
 PINE
 PIPESTONE
 POLK
 POPE
 RAMSEY
 RED LAKE
 REDWOOD
 RENVILLE
 RICE
 ROCK
 ROSEAU
 ST LOUIS
 SCOTT
 SHERBURNE
 SIBLEY
 STEARNS
 STEELE
 STEVENS
 SWIFT
 TODD
 TRAVERSE
 WABASHA
 WADENA
 WASECA
 WASHINGTON
 WATONWAN
 WILKIN
 WINONA
 WRIGHT
 YELLOW MEDICINE

COUNTIES

AITKIN
 ANOKA
 BECKER
 BELTRAMI
 BENTON
 BIG STONE
 BLUE EARTH
 BROWN
 CARLTON
 CARVER
 CASS
 CHIPPEWA
 CHISAGO
 CLAY
 CLEARWATER
 COOK
 COTTONWOOD
 CROW WING
 DAKOTA
 DODGE
 DOUGLAS
 FARIBAULT
 FILLMORE
 FREEBORN
 GOODHUE
 GRANT
 HENNEPIN
 HOUSTON
 HUBBARD
 ISANTI
 ITASCA
 JACKSON
 KANABEC
 KANDIYOHI
 KITSON
 KOOCHICHING
 LAC QUI PARLE
 LAKE
 LAKE OF THE
 WOODS
 LE SUEUR
 LINCOLN
 LYON
 MAHNOMEN
 MARSHALL
 MARTIN
 MCLEOD
 MEEKER
 MILLE LACS
 MORRISON
 MOWER
 MURRAY
 NICOLLET
 NOBLES
 NORMAN
 OLMSTED

SCHOOLS

ACORN DUAL LANGUAGE
 COMMUNITY ISD-4018
 ADA-BORUP ISD-2854
 ADRIAN ISD-511
 AITKIN ISD-1
 AKELEY-HACKENSACK-
 WALKER ISD 113
 ALBANY ISD-745
 ALBERT LEA ISD-241
 ALBERTA-CHOKIO ISD-771
 ALDEN-CONGER ISD-242
 ALEXANDRIA ISD-206
 ANNANDALE ISD-876
 ANOKA-HENNEPIN ISD-11
 ARROWHEAD REGIONAL
 COMPUTING
 ASHBY ISD-261
 ATWATER-COSMOS-
 GROVE CITY ISD-2396
 AURORA CHARTER SCHOOL
 AURORA-HOYT-BIWABIK ISD-
 2711
 AUSTIN ISD-492
 BACKUS-PINE RIVER ISD-2174
 BADGER ISD-676
 BAGLEY ISD-162
 BALATON ISD-411
 BARNESVILLE ISD-146
 BARNUM ISD-91

BATTLE LAKE ISD-542
BECKER ISD-726
BELGRADE-BROOTEN ISD-2364
BELLE PLAINE ISD-716
BELLINGHAM ISD-371
BEMIDJI ISD-31
BEMIDJI REGIONAL INTERDISTRICT COUNCIL
BENSON ISD-777
BENTON-STEARNES SPECIAL EDUCATION
BERTHA-HEWITT ISD-786
BIG LAKE ISD-727
BIRD ISLAND -OLIVIA ISD-2534
BLACKDUCK ISD-32
BLOOMING PRAIRIE ISD-756
BLOOMINGTON ISD-271
BLUE EARTH-WINNEBAGO ISD-2860
BLUFFVIEW MONTESSORI ISD-4001
BORDER REGION ED DIST ISD-6020
BOYD-DAWSON ISD-378
BRAHAM ISD-314
BRAINERD ISD-181
BRANDON ISD-207
BRECKENRIDGE ISD-846
BREWSTER ISD-513
BRICELYN-EASTON-REEBORN-WELL ISD-2134
BROOKLYN CENTER ISD-286
BROWERVILLE ISD-787
BROWNS VALLEY ISD-801
BUFFALO ISD-877
BUFFALO LAKE-HECTOR ISD-2159
BUHL-MOUNTAIN IRON ISD-712
BURNSVILLE ISD-191
BUTTERFIELD ISD-836
BYRON ISD-531
CALEDONIA ISD-299
CAMBRIDGE-ISANTI ISD-911
CAMPBELL TINTAH ISD-852
CANBY ISD-891
CANNON FALLS ISD-252
CANTON-MABEL ISD-238
CARLTON ISD-93
CARVER-SCOTT EDUCATIONAL COOP #930
CASS LAKE ISD-115
CEDAR-RIVERSIDE COMMUNITY ISD-4004
CENTENNIAL ISD-12
CENTRAL MINNESOTA E R D C
CHASKA ISD-112
CHISAGO LAKES ISD-2144
CHISHOLM ISD-695
CHOSEN VALLEY ISD-227
CIRCLE PINES ISD-12
CITY ACADEMY ISD-4000
CLAREMONT-DODGE CENTER-
W CONCORD ISD-2125
CLEARBROOK-GONVICK ISD-2311
CLEVELAND ISD-391
CLIMAX ISD-592
CLINTON-GRACEVILLE-BEARDSLEY ISD-2888
CLOQUET ISD-94
COKATO-DASSEL ISD-466
COLD SPRING ISD-750
COLERAINE ISD-316
COLUMBIA HEIGHTS ISD-13
COMFREY ISD-81
COMMUNITY OF PEACE ACADEMY ISD-4015
CONCORDIA EARLY LEARNING SCHOOL
COOK -ISD166
COON RAPIDS LEARNING CENTER
COTTONWOOD-WOOD LAKE ISD-2167
CROMWELL ISD-95
CROOKSTON ISD-593
CROSBY-IRONTON ISD-182
CROSSLAKE COMMUNITY SCHOOL
CROSSLAKE TELEPHONE
CYBER VILLAGE ACADEMY ISD-4025
CYRUS ISD-611
DAKOTA INTERMEDIATE DIST-917
DEER RIVER ISD-317
DELANO ISD-879
DETROIT LAKES ISD-22
DETROIT LAKES NW TECH COLLEGE ISD-2200
DILLWORTH-GLYNDON-FELTON ISD-2164
DOVER-EYOTA ISD-533
DULUTH ISD-709
E CHAIN-GRANADA-HUNTLEY ISD-2536
EAGLE BEND ISD-2759
EAST CENTRAL ISD 2580
EAST GRAND FORKS ISD-595
ECI NOOMPA WOONSPE
CHARTER SCH ISD-4028
EDEN PRAIRIE ISD-272
EDEN VALLEY-WATKINS ISD-463
EDGERTON ISD-581
EDINA ISD-273
ELGIN ISD-806
ELK RIVER ISD-728
ELLSWORTH ISD-514
ELY ISD-696
EMILY ISD-4012
ESKO ISD-99
EVANSVILLE ISD-208
EVELETH-GILBERT ISD-2154
FAIRMONT-CEYLON ISD-2752
FARIBAULT ISD-656
FARMINGTON ISD-192
FERGUS FALLS ISD-544
FERGUS FALLS SPECIAL EDUCATION 935
FERTILE ISD-599
FISHER ISD-600
FLOODWOOD ISD-698
FOLEY ISD-51
FOREST LAKE ISD-831
FORT SNELLING ACADEMY
FOSSTON ISD-601
FOUR DIRECTIONS CHARTER SCHOOL
FRAZEE-VERGAS ISD-23
FRESHWATER EDUC DIST-6004
FRIDLEY ISD-14
FULDA ISD-505
GFW ISD-2365
GLENCOE-SILVER LAKE ISD-2859
GLENVILLE ISD-245
GOODHUE EDUCATION DISTRICT ISD-6051
GOODHUE ISD-253
GOODRIDGE ISD-561
GRAND MEADOW ISD-495
GRAND RAPIDS ISD-318
GRANITE FALLS-CLARKFIELD-ECHO ISD-2190
GREENBUSH-MIDDLE RIVER ISD-2683
GRYGLA ISD-447
HALSTAD-HENDRUM ISD-2527
HANCOCK ISD-768
HARMONY-PRESTON-FOUNTAIN ISD-2198
HARTLAND-N RICHLAND-ELLENDALE ISD-2168
HASTINGS ISD-200
HAWLEY ISD-150
HAYFIELD ISD-203
HEART OF THE EARTH CENTER,
AM INDIAN EDUCATION
HENDERSON-LE SUEUR ISD-2397
HENDRICKS ISD-402
HENNEPIN ISD-287
HENNING ISD-545
HERMAN ISD-264
HERMANTOWN ISD-700
HERON LAKE-OKABENA ISD-330
HIAWATHA VALLEY ISD-6013
HIBBING ISD-701
HIGH SCHOOL FOR THE RECORDING ARTS
HIGHER GROUND ACADEMY
HILL CITY ISD-2
HILLS BEAVER CREEK ISD-671
HINCKLEY-FINLAYSON ISD-2165
HITTERDAL-ULEN ISD-914
HOLDINGFORD ISD-738
HOPKINS ISD-270
HOUSTON ISD-294
HOWARD LAKE-WAVERLY-WINSTED ISD-2687
HUTCHINSON ISD-423
INTERNATIONAL FALLS ISD-361
INVER GROVE HEIGHTS ISD-199
ISLE ISD-473
IVANHOE ISD-403
JACKSON CENTRAL ISD-2862
JANESVILLE-PEMBERTON-WALDORF ISD-2835
JORDAN ISD-717
KASSON-MANTORVILLE ISD-204
KELLIHER ISD-36
KELLOGG-WABASHA ISD-811
KENYON-WANAMINGO ISD-2172
KERKHOVEN-MURDOCK-SUNBURG ISD-775
KIMBALL ISD-739
KITTSOON CENTRAL ISD-2171
LA CRESCENT ISD-300
LA CRESCENT MONTESSORI ACADEMY
LAKE ISD-381
LAKE AGASSIZ SPECICAL EDUCATION COOP
LAKE BENTON ISD-404
LAKE CITY ISD-813
LAKE COUNTRY SERVICE COOP
LAKE CRYSTAL-WELCOME MEMORIAL ISD-2071
LAKE OF THE WOODS ISD-390
LAKE PARK-AUDUBON ISD-2889
LAKE SUPERIOR ISD-381
LAKEVILLE ISD-194
LANCASTER ISD-356
LANESBORO ISD-229
LAPORTE ISD-306
LEAF RIVER EDUCATIONAL DISTRICT ISD-6961
LEARNING ADVENTURES MIDDLE SCHOOL
LECENTER ISD-392
LEROY-OSTRANDER ISD-499
LESTER PRAIRIE ISD-424
LEWISTON ISD-857
LITCHFIELD ISD-465
LITTLE FALLS ISD-482
LITTLEFORK-BIG FALLS ISD-362
LONG PRAIRIE-GREY EAGLE ISD-2753

LONSDALE-MONTGOMERY ISD-394
 LIVERNE ISD-2184
 LYLE ISD-497
 LYND ISD-415
 MACCRAY ISD-2180
 MADELIA ISD-837
 MADISON ISD-2853
 MAHNOMEN ISD-432
 MAHTOMEDI ISD-832
 MANKATO ISD-77
 MAPLE LAKE ISD-881
 MAPLE RIVER ISD-2135
 MARSHALL CENTRAL ISD-441
 MARSHALL ISD-413
 MARTIN HUGHES CHARTER ISD-4040
 MATH AND SCIENCE ACADEMY
 MAZEPPA-ZUMBROTA ISD-2805
 MC GREGOR ISD-4
 MCLEOD WEST ISD-2887
 MEDFORD ISD-763
 MEEKER-WRIGHT SPECIAL EDUC COOP
 MELROSE ISD-740
 MENAHGA ISD-821
 METRO DEAF CHARTER ISD-4005
 METROPOLITAN ECSU REGION II
 MEXICA MULTICULTURAL EDUCATION
 MID STATE EDUCATION ISD-6979
 MIDWEST SPEC EDUC COOP 398
 MILACA ISD-912
 MILROY ISD-635
 MINNEAPOLIS SPECIAL SD-1
 MINNEOTA ISD-414
 MINNESOTA BUSINESS ACADEMY
 MINNESOTA RIVER VALLEY ISD-6018
 MINNESOTA TECHNOLOGY
 CHARTER DIST 4031
 MINNESOTA TRANSITIONS ISD-4017
 MINNESOTA VALLEY COOP CENTER
 MINNESOTA VALLEY EDUCATIONAL DISTRICT
 MINNETONKA ISD-276
 MINNEWASKA AREA ISD-2149
 MONTEVIDEO ISD-129
 MONTICELLO ISD-882
 MOORHEAD ISD-152
 MOOSE LAKE ISD-97
 MORA ISD-332
 MORGAN-FRANKLIN ISD-2754
 MORRIS ISD-769
 MOUNDS VIEW ISD-621
 MOUNTAIN LAKE ISD-173
 NASHWAUK-KEEWATIN ISD-319
 NETT LAKE ISD-707
 NEVIS ISD-308
 NEW HEIGHTS CHARTER ISD-4003
 NEW LONDON-SPICER ISD-345
 NEW PRAGUE ISD-721
 NEW SPIRIT CHARTER SCHOOL ISD-4029
 NEW ULM ISD-88
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 NEW YORK MILLS ISD-553
 NICOLLET ISD-507
 NORTH BRANCH ISD-138
 NORTH CENTRAL SERVICE COOPERATIVE 924
 NORTH LAKES ACADEMY
 NORTH ST PAUL-MAPLEWOOD ISD-622
 NORTHEAST EDUC COOP SERVICE UNIT
 NORTHEAST METRO INTERMEDIATE ISD-916
 NORTHFIELD ISD-659
 NORTHWEST MINNESOTA SERVICE COOP
 NORTHWEST REGIONAL INTERDISTRICT
 NORWOOD-YOUNG AMERICA ISD-108
 ODYSSEY CHARTER ISD-4030
 OGIWIE ISD-333
 OKLEE ISD-627
 ONAMIA ISD-480
 ORONO ISD-278
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 OSAKIS ISD-213
 OSSEO ISD-279
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 PACT CHARTER ISD-4008
 PARK RAPIDS ISD-309
 PARKERS PRAIRIE ISD-547
 PAYNESVILLE ISD-741
 PEAKS CHARTER SCHOOL ALEXANDRIA
 PEAKS CHARTER SCHOOL DULUTH
 PEAKS CHARTER SCHOOL SAINT CLOUD
 PELICAN RAPIDS ISD-548
 PEQUOT LAKES ISD-186
 PERHAM/DENT ISD-549
 PETERSON-RUSHFORD ISD-239
 PIERZ ISD-484
 PILLAGER ISD-116
 PINE CITY ISD-578
 PINE ISLAND ISD-255
 PINE POINT EXP SCH 25
 PIPESTONE-JASPER ISD-2689
 PLAINVIEW ISD-810
 PLUMMER ISD-628
 PRINCETON ISD-477
 PRIOR LAKE ISD-719
 PROCTOR ISD-704
 RANDOLPH ISD-195
 RED LAKE FALLS AREA SPEC EDUC COOP
 RED LAKE FALLS ISD-630
 RED LAKE ISD-38
 RED WING ISD-256
 REDROCK CENTRAL ISD-2884
 REDWOOD FALLS ISD-2897
 REGION I ESV
 REMER ISD-118
 RENVLL CO WEST ISD-3001
 RESOURCE TRAINING AND SOLUTIONS
 RICHFIELD ISD-280
 RIGHT STEP ACADEMY
 RIVER BEND ISD-6049
 ROBBINSDALE ISD-281
 ROCHESTER ISD-535
 ROCHESTER OFF-CAMPUS CHARTER ISD-4056
 ROCKFORD ISD-883
 ROOT RIVER EDUC DIST 6042
 ROSEAU ISD-682
 ROSEMOUNT ISD-196
 ROSEVILLE ISD-623
 ROTHSAW ISD-850
 ROUND LAKE ISD-516
 ROYALTON ISD-485
 RUNESTONE AREA LEARNING CENTER 6014
 RUSH CITY ISD-139
 RUSSELL ISD-418
 RUTHTON ISD-584
 SARTELL ISD-748
 SAUK CENTRE ISD-743
 SAUK CENTRE WEST EDUCATION ISD-6026
 SAUK RAPIDS ISD-47
 SCHOOLCRAFT LEARNING COMMUNITY
 SEBEKA ISD-820
 SHAKOPEE ISD-720
 SHERBURNE-TRIMONT-WELCOME ISD-2448
 SIBLEY EAST ISD-2310
 SKILLS FOR TOMORROW JR HIGH ISD-4037
 SKILLS FOR TOMORROW SR HIGH ISD-4006
 SLAYTON-CHANDLER-
 LAKE WILSON ISD-2169
 SLEEPY EYE ISD-84
 SOJOURNER TRUTH ACADEMY
 CHARTER SCHOOL
 SOUTH CENTRAL SERVICE COOPERATIVE
 SOUTH KOOCHICHING ISD-363
 SOUTH ST PAUL SPECIAL ISD-6
 SOUTH WASHINGTON ISD-833
 SOUTHEAST SERVICE COOPERATIVE
 SOUTHLAND ISD-500
 SPRING GROVE ISD-297
 SPRING LAKE PARK ISD-16
 SPRING VALLEY-WYKOFF ISD-2137
 SPRINGFIELD ISD-85
 ST ANTHONY ISD-282
 ST CHARLES ISD-858
 ST CLAIR ISD-75
 ST CLOUD ISD-742
 ST FRANCIS ISD-15
 ST JAMES ISD-840
 ST LOUIS CO ISD-2142
 ST LOUIS PARK ISD-283
 ST MICHAEL-ALBERTVILLE ISD-885
 ST PAUL FAMILY LEARNING CENTER
 ST PAUL ISD-625
 ST PETER ISD-508
 STAPLES/MOTLEY ISD-2170
 STATE COMMUNITY COLLEGES
 STEPHEN-ARGYLE ISD-2856
 STEWARTVILLE ISD-534
 STILLWATER ISD-834
 SW & W CENTRAL EDUC SERVICE 991
 SWANVILLE ISD-486
 THIEF RIVER FALLS ISD-564
 TRACY ISD-417
 TRI DISTRICT ISD-6067
 TRI-COUNTY SCHOOLS ISD-2358
 TRUMAN ISD-458
 TWIN CITIES ACADEMY
 TWIN VALLEY/GARY ISD-2215
 TYLER ISD-409
 UNDERWOOD ISD-550
 UPSALA ISD-487
 VERNDALE ISD-818
 VILLAGE SCHOOL OF NORTHFIELD ISD-4021
 VIRGINIA ISD-706
 WABASSO ISD-640
 WACONIA ISD-110
 WADENA ISD-2155
 WARREN ISD-2176
 WARROAD ISD-690
 WASECA ISD-829
 WASIOJA EDUCATION
 TECHNOLOGY COOPERATIVE
 WATERTOWN-MAYER ISD-111

STATISTICAL SECTION

WATERVILLE-ELYSIAN-MORRISTOWN ISD-2143
WAUBUN ISD-435
WAYZATA ISD-284
WEST CENTRAL AREA ISD-2342
WEST ST PAUL ISD-197
WESTBROOK WALNUT GROVE ISD-2898
WESTONKA ISD-277
WHEATON ISD-803
WHITE BEAR LAKE ISD-624
WILLMAR ISD-347
WILLOW RIVER ISD-577
WINDOM ISD-177
WIN-E-MAC ISD-2609
WINONA ISD-861
WORLD LEARNER CHARTER ISD-4016
WORTHINGTON ISD-518
WRENSHALL ISD-100
WRIGHT TECHNICAL CENTER ISD-966
ZUMBRO ISD-6012

MISCELLANEOUS

ADAMS HEALTH CARE CENTER
AFSCME COUNCIL 65
AITKIN COUNTY SWCD
ALEXANDRIA LAKE AREA SANITARY DISTRICT
ANOKA COUNTY SWCD
AREA II MINNESOTA RIVER BASIN PRODUCTS
ARROWHEAD LIBRARY SYSTEM
ARROWHEAD REGIONAL
DEVELOPMENT COMMISSION
ASSOCIATION OF MINNESOTA COUNTIES
BATTLE LAKE AREA LANDFILL ASSOCIATION
BATTLE LAKE MOTOR PATROL ASSOCIATION
BATTLE LAKE NURSING HOME
BECKER COUNTY SWCD
BELLE CREEK WATERSHED DISTRICT
BELTRAMI COUNTY SWCD
BELVIEW PARKVIEW HOME
BENTON COUNTY SWCD
BIG STONE COUNTY SWCD
BLUE EARTH COUNTY SWCD
BLUE EARTH RIVER BASIN INITIATIVE
BOARD OF PUBLIC DEFENDERS
BOIS DE SIOUX WATERSHED DISTRICT
BOVEY COLERAINE TREATMENT PLANT COMM
BRAHAM-ISANTI-MILACA JPB
BROWN COUNTY SWCD
CALLAWAY OGEMA POLICE DEPARTMENT JPB
CARLTON COUNTY SWCD
CARVER COUNTY SWCD
CASS COUNTY SWCD
CCLNS JOINT POWERS BOARD #3
CENTENNIAL LAKES POLICE DEPT
CENTRAL MINNESOTA COUNTY
SWCD - CLUSTER 5
CENTRAL ST CROIX VALLEY CABLE
CHISAGO COUNTY SWCD
CHISHOLM-HIBBING AIRPORT AUTHORITY
CITY EMPLOYEES' UNION 363
CLARKFIELD CARE CENTER
CLAY COUNTY SWCD
CLEARWATER COUNTY SWCD

CLEARWATER RIVER WATERSHED DISTRICT
COOK COUNTY SWCD
COON CREEK WATERSHED DISTRICT
COTTONWOOD COUNTY SWCD
COTTONWOOD-JACKSON HEALTH SERVICE
CROW RIVER RECREATION DEPARTMENT
CROW WING COUNTY SWCD
DAKOTA COUNTY SWCD
DASSEL NURSING HOME
DELAVIN-EASTON PUBLIC SAFETY
DEPT OF MILITARY AFFAIRS
DODGE COUNTY SWCD
DOUGLAS COUNTY SWCD
DOVER-EYOTA ST CHARLES
SANITARY DISTRICT
DULUTH AIRPORT AUTHORITY
EAST CENTRAL COOPERATIVE CENTER
EAST CENTRAL REGIONAL
DEVELOPMENT COMM
EAST CENTRAL REGIONAL LIBRARY
EAST OTTER TAIL COUNTY SWCD
EAST POLK COUNTY SWCD
EAST RANGE JOINT POWERS BOARD
EDUCATION MINNESOTA
EFSO JOINT RECREATION BOARD
ELLSWORTH PARKVIEW MANOR NURSING
FARIBAUT COUNTY SWCD
FERTILE FAIR MEADOW NURSING HOME
FREEBORN COUNTY SWCD
GAYLORD LAKEVIEW HOME
GLENCOE REGIONAL HEALTH CENTER
GLENWOOD JOINTPOWER SCH DIST
GOODHUE COUNTY SWCD
GOVERNMENT TRAINING SERVICE
GRANT COUNTY SWCD
GREAT RIVER REGIONAL LIBRARY
GREENWAY JOINT RECREATION
ASSOCIATION
HAWLEY AREA EMS JPB
HAYFIELD FIELD CREST CARE CENTER
HEADWATER NUTRITION PROJECT
HEADWATERS REGIONAL
DEVELOPMENT COMM
HERON LAKE WATERSHED DISTRICT
HIGHLAND VOCATIONAL
HUBBARD COUNTY SWCD
HUMAN SERVICE BOARD
MARTIN-FARIBAUT CO
IMPACT 6 JOINT POWERS BOARD
ISANTI COUNTY SWCD
ITASCA COUNTY SWCD
JANESVILLE NURSING HOME
JPB ZONE 10
KANABEC COUNTY SWCD
KANDIYOHI AREA TRANSIT JPB
KANDIYOHI COUNTY SWCD
KITCHIGAMI REGIONAL LIBRARY
KITTSOON COUNTY SWCD
KITTSOON-MARSHALL RURAL WATER SYST
KOOCHICHING COUNTY SWCD
LAC QUI PARLE COUNTY SWCD
LAC QUI PARLE/
YELLOW MEDICINE WATERSHED
LAKE AGASSIZ REGIONAL LIBRARY
LAKE COUNTY SWCD
LAKEFIELD COLONIAL NURSING HOME
LAKE MINNETONKA
COMMUNICATION COMMISSION
LAKE MINNETONKA

CONSERVATION DISTRICT
LAKE OF THE WOODS COUNTY SWCD
LAKES AREA RECREATION
LAKEVIEW HOME
LAMBERTON VALLEY VIEW MANOR
LEAGUE OF MINNESOTA CITIES
LINCOLN-LYON & MURRAY HUMAN SERVICES
LINCOLN COUNTY SWCD
LOCAL 132
LOCAL GOVERNMENT INFORMATION SYSTEM
LONG LAKE CONSERVATION CENTER
LOWER MINNESOTA RIVER
WATERSHED DISTRICT
LYON COUNTY SWCD
MAHNOMEN COUNTY SWCD
MAHNOMEN HEALTH CENTER JPB
MN ASSOC OF PROFESSIONAL EMPLOYEES
MARSHALL COUNTY SWCD
MARSHALL- POLK RURAL WATER SYSTEM
MARSHALL-BELTRAMI COUNTY SWCD
MARTIN COUNTY SWCD
MARTIN-FARIBAUT CO
PRAIRIELAND WASTE BD
MEEKER COUNTY SWCD
MENAHA NURSING HOME
METRO INTER-COUNTY ASSOCIATION
METRO WASTE CONTROL COMMISSION
METRONET
METROPOLITAN AIRPORTS COMMISSION
METROPOLITAN CABLE NETWORK
METROPOLITAN COUNCIL
METROPOLITAN COUNCIL TRANSIT OPS
METROPOLITAN LIBRARY SERVICE AGENCY
METROPOLITAN MOSQUITO
CONTROL DISTRICT
METROPOLITAN SPORTS
FACILITY COMMISSION
MIDDLE RIVER/SNAKE RIVER WD
MID-MINNESOTA DEVELOPMENT
COMMISSION
MILLE LACS COUNTY SWCD
MILLE LACS TRIBAL POLICE
MINNEAPOLIS YOUTH COOR BOARD
MINNEHAHA CREEK WD
MINNESOTA COUNTIES
COMPUTER COOPERATIVE
MINNESOTA COUNTIES INS TRUST
MINNESOTA MUNICIPAL
UTILITY ASSOCIATION
MINNESOTA RIVER SOURCE JPB
MINNESOTA STATE SHERIFFS ASSOCIATION
MINNESOTA VALLEY REGIONAL LIBRARY
MINNESOTA VALLEY TRANSIT AUTHORITY
MOOSE LAKE-WINDEMERE
MORRISON COUNTY SWCD
MOWER COUNTY SWCD
MULTI COUNTY NURSING SERVICE
NEW RICHLAND CARE CENTER
NICOLLET TRI-CITY JOINT POWERS BD
NICOLLET COUNTY SWCD
NOBLES COUNTY SWCD
NORMAN COUNTY SWCD
NORTH CENTRAL MINNESOTA
COUNTY SWCD JPB
NORTH COUNTRY LIBRARY COOPERATIVE
NORTH COUNTRY VOCATIONAL
COOP CENTER
NORTH FORK CROW RIVER
WATERSHED DISTRICT

NORTH KITTSON RWS
 NORTH METRO MAYORS ASSOCIATION
 NORTH METROPOLITAN TELECOMMUNICATIONS
 NORTH SHORE COLLABORATIVE JPB
 NORTH ST LOUISCOUNTY SWCD
 NORTH SUBURBAN CABLE COMMISSION
 NORTHEAST MINNESOTA OFFICE JOB TRAINING
 NORTHERN DAKOTA CABLE COMMISSION
 NORTHERN LIGHTS LIBRARY NETWORK
 NORTHWEST HENNEPIN HUMAN SERVICE
 NORTHWEST REGIONAL DEVELOPMENT COMM
 NORTHWEST SUBURBAN CABLE COMMUN COMM
 NORTHWESTERN MINNESOTA JOINT POWER BOARD
 OAK TERRACE NURSING HOME
 OLMSTED COUNTY SWCD
 OTTERTAIL WATER MANAGMENT DIST
 PACT 4 FAMLIES COLLABORATIVE
 PELICAN RIVER WD
 PENNINGTON COUNTY SWCD
 PENNINGTON-RED LAKE NURSING SERVI
 PINE COUNTY SWCD
 PINE RIVER SD
 PINE TO PRAIRIE COOP CENTER
 PIONEERLAND LIBRARY SYSTEM
 PIPESTONE COUNTY SWCD
 PLAINVIEW-ELGIN WATER DISTRICT
 PLUM CREEK LIBRARY SYSTEM
 POLICE DEPT OF SHERBURN AND WELCOME
 POPE COUNTY SWCD
 PRAIRIE LAKES DETENTION CENTER
 PRIME WEST HEALTH SYSTEM JPB
 PRIOR LAKE-SPRING LAKE WD
 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
 QUAD CITY CABLE COMMISSION
 QUAD CITY COOPERATIVE
 RAINBOW RIDER TRANSIT BOARD
 RAMSEY-WASHINGTON SUBURBAN CABLE COMM
 RANGE ASSOCIATION OF MUNICIPALITIES
 RED LAKE COUNTY SWCD
 RED LAKE WD
 RED RIVER VALLEY VOCATIONAL COOP CTNR
 REDWOOD COUNTY SWCD
 REDWOOD-COTTONWOOD RIVERS CONTROL AREA
 REGION IX DEVELOPMENT COMMISSION
 REGION V DEVELOPMENT COMMISSION
 RENVILLE COUNTY SWCD
 RENVILLE NURSING HOME
 RICE COUNTY SWCD
 RICE CREEK WD
 RICE-STEELE CONSOLIDATED DISPATCH
 RICH PRAIRIE SEWER AND WATER DISTRICT
 ROCK COUNTY RWS
 ROSEAU COUNTY SWCD
 ROSEAU RIVER WATERSHED DISTRICT
 RUNESTONE COOPERATIVE CENTER
 RUSHFORD VILLAGE
 RUSH LAKE AREA SD
 SAND HILL RIVER WATERSHED DISTRICT
 SAUK CENTRE WD
 SCOTT COUNTY SWCD
 SCOTT JOINT CITY PROSECUTION
 SERPENT LAKE SANITARY SEWER DISTRICT
 SERVICE EMPLOYEES LOCAL 63
 SHERBURNE COUNTY SWCD
 SIBLEY COUNTY SWCD
 SOUTH CENTRAL MINNESOTA INTERLIBRARY EXC
 SOUTH LAKE MINNETONKA POLICE DEPT
 SOUTH ST LOUIS COUNTY SWCD
 SOUTH WASHINGTON WATERSHED DISTRICT
 SOUTHEAST COUNTY SWCD TECH SUPPORT JPB
 SOUTHERN MN -BASED PURCHASING JPB
 SOUTHERN MN MUNICIPAL POWER AGENCY
 SPRING GROVE AMBULANCE CORP
 SPRING LAKE PARK-BLAINE-MOUNDS VIEW FIRE
 SPRING LAKE PARK FIRE JPB
 ST BONIF/MINNESTRISTA POLICE COMMISSION
 ST CLOUD AREA PLAN ORGINIZATION
 ST CLOUD METRO TRANSIT COMMISSION
 ST LOUIS & LAKE REGIONAL RAILROAD
 ST PAUL ARENA COMPANY
 STATE SUPREME COURT JUDICIAL DISTRICT
 STEARNS COUNTY SWCD
 STEELE COUNTY SWCD
 STEVENS COUNTY SWCD
 STMA ARENA JPB
 SUB SCH EMP #284
 SUNNYSIDE NURSING HOME
 SW MULTI-CO INTERLIB EXCHG
 SW REGIONAL DEVEL COMM
 SWIFT COUNTY SWCD
 TODD COUNTY SWCD
 TOWNSHIP MAINTANCE ASSOCIATION
 TRAILBLAZER JOINT POWERS BOARD
 TRAVERSE COUNTY SWCD
 TRAVERSE DES SIOUX REGIONAL LIBRARY
 TRI-CITY BIOSOLIDS DISPOSAL AUTHORITY
 TRIMONT HEALTH CARE CENTER
 TURTLE CREEK WD
 TWO RIVER WATERSHED DISTRICT
 ULEN VIKING MANOR
 UNIVERSITY OF MINNESOTA
 UPPER MINNESOTA RIVER WD
 UPPER MINNESOTA VALLEY REG DEVEL COMM
 UTILITIES PLUS
 VADNAIS LAKE AREA
 VIKING LIBRARY SYSTEM
 WABASHA COUNTY SWCD
 WADENA COUNTY SWCD
 WASECA COOPERATIVE CENTER
 WASECA COUNTY SWCD
 WASHINGTONCOUNTY SWCD
 WATONWAN COUNTY SWCD
 WEST CENTRAL AREA AGENCY ON AGING
 WEST CENTRAL MINNESOTA JPB
 WEST HENNEPIN PUBLIC SAFETY
 WEST METRO FIRE-RESCUE DISTRICT
 WEST COUNTY SWCD
 WEST POLK COUNTY
 WESTERN AREA CITY & COOPERATIVE
 WESTERN LAKE SUPERIOR SANITARY DISTRICT
 WHITEWATER WATERSHED PROJECT JPB
 WILKIN COUNTY SWCD
 WINONA COUNTY SWCD
 WORTHINGTON CABLE 3 JOINT POWERS BOARD
 YELLOW MEDICINE COUNTY SWCD
 YELLOW MEDICINE RIVER WD

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