

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



Board Members:

Governor
Tim Walz

State Auditor
Julie Blaha

Secretary of State
Steve Simon

Attorney General
Keith Ellison

**Executive Director
& Chief Investment
Officer**

Mansco Perry

**60 Empire Drive
Suite 355**

**St. Paul, MN 55103
(651) 296-3328**

Fax: (651) 296-9572

**E-mail:
minn.sbi@state.mn.us**

**Website:
<http://mn.gov/sbi>**

**An Equal Opportunity
Employer**

Investment Authority for the Statewide Volunteer Firefighters Fund

The assets of the Public Employee Retirement Association's Statewide Volunteer Firefighters Fund are invested in the Volunteer Firefighter Account within the Supplemental Investment Fund which is administered under the direction and authority of the Minnesota State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapter 11A and 353G. The supplemental Investment Fund is an investment pool that includes retirement assets of a variety of the state and local government retirement plans including the Statewide Volunteer Firefighters Fund. For more information on the Supplemental Investment Fund structure and management, see the SBI's annual report available at <http://mn.gov/sbi/>.

Investment Policy

The SBI includes Minnesota's Governor, State Auditor, Secretary of State, and Attorney General. The Minnesota Legislature has established a 17-member Investment Advisory Council (IAC) to advise the SBI and its staff on Investment-related matters. Investment policy states that the SBI will operate within 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 income to be derived therefrom."

The Volunteer Firefighter Account investments include a balanced portfolio of U.S. and international common stocks, fixed income securities, and cash. The long-term target asset allocation of the Volunteer Firefighter Account is as follows:

Asset Class	Target Allocation
Domestic Stocks	35%
International Stocks	15%
Bonds	45%
Cash	5%

Statewide Volunteer Firefighters Fund Assets Under Management

The SBI has prepared the Schedule of Investments by Employer for the Statewide Volunteer Firefighters Fund as of December 31, 2018, and takes responsibility for the accuracy of the investment amounts presented.

Annual Audit

Each year a financial and compliance audit of the SBI is performed by the Minnesota Office of the Legislative Auditor as part of its audit of the State of Minnesota's Comprehensive Annual Financial Report as of and for the year ended June 30. A copy of the auditor's conclusions for the year ended June 30, 2018 is attached.

Respectfully submitted,

Handwritten signature of Mansco Perry III in black ink.

**Mansco Perry III
Executive Director and Chief Investment Officer**

February 8, 2019

Minnesota State Board of Investment
 Statewide Volunteer Firefighters Fund
 Schedule of Investments by Employer
 As of December 31, 2018

Plan Name	Market Value
Aitkin Fire Relief	1,090,710.50
Alaska Fire	152,450.46
Albert Lea Township Relief Association	335,992.98
Alborn Fire	174,676.89
Alden (City of)	224,468.87
Ashby Fire	498,591.07
Aurora Fire	251,980.16
Barnum Fire	369,597.10
Barrett Fire	181,204.53
Belview	232,623.31
Benson Fire	462,675.06
Biwabik Fire Relief Association	276,359.13
Biwabik Township	269,566.88
Blomkest Fire	219,803.76
Brandon VFD	324,116.99
Breitung Township VFD	346,855.60
Brevator Fire	205,715.43
Bricelyn Fire	420,431.41
Brook Park	258,694.08
Browerville Relief Association	378,136.29
Brownsville Fire Relief	253,257.33
Buyck VFD	115,703.71
Cambridge Fire Relief	907,945.45
Canby Fire	601,722.91
Canton Fire Relief Association	79,058.02
Carsonville Fire	245,097.99
Center City Fire	405,641.47
Central Lakes VFD	60,131.95
Clarks Grove	180,816.15
Clifton Relief Association	481,230.57
Colvill Area VFD	148,061.19
Colvin Volunteer Firefighters	91,272.60
Cosmos Fire Department Relief Association	321,879.00
Cottage Grove Fire	2,811,575.04
Cotton Firefighters Relief Association	295,108.59
Cottonwood Firemen Relief Association	469,726.97
Crane Lake VFD	173,629.78
Crookston Firefighters' Relief Association	782,856.67
Culver	106,201.63

Dalbo Fire Dept Relief Association	412,929.31
De Graff	66,610.86
Delavan Fire	206,009.59
Dent Firefighters Relief Association	334,868.66
Eagle's Nest Fire	39,075.77
Echo Firemens Relief Association	288,764.17
Elbow Tulaby Lakes	146,069.67
Ellsburg Fire	132,170.74
Elmore Fire	284,445.52
Ely Fire	529,423.80
Embarrass VFD	262,887.45
Emmons (City of)	419,143.55
Evergreen Fire	44,236.55
Fairfax Fire	404,930.42
Federal Dam Fire Relief	163,595.08
Forada Fire	585,839.61
Fredenberg Fire	272,166.15
French Township Firefighters' Relief Association	152,410.23
Frost Fire	199,792.71
Geneva Fire Relief Association	243,204.33
Gilbert Fire Dept Relief Association	253,490.86
Gnesen Volunteer Fire Relief	292,747.40
Goodview Fire Relief	480,860.26
Grand Lake Volunteer Fire Dept. R.A.	480,864.01
Grand Marais (City of)	446,448.55
Granite Falls Fireman's Relief Assoc.	555,903.44
Greenwood Fire	676,301.21
Hamburg Fire Department Relief Association	366,374.19
Hardwick Fire	183,352.74
Hayfield Fire Relief Association	546,393.12
Henning Fire	470,869.84
Hermantown Firefighters' Relief Association	1,556,223.40
Hewitt Fire	148,767.42
Hill City	244,531.08
Hills Fire Relief	236,104.07
Hitterdal Volunteer Firefighters' Relief Association	257,845.11
Hollandale Fire	122,839.29
Houston Fire	534,229.07
HOVLAND AREA FIREFIGHTERS RELIEF ASSOC	199,075.88
Hoyt Lakes	312,861.53
INDUSTRIAL FIRE FIGHTERS RELIEF ASSOC	384,999.77
International Falls Relief Association	770,521.71
Isanti	2,579,233.98
Kelliher Fire	241,713.00
Kettle River Fire	125,636.12
Kiester Fire	187,084.78
Lake Bronson Fire	211,770.50

Lake Kabetogama Fire Relief	237,318.07
Lakeland VFD	380,960.58
Lancaster Fire Relief Association	157,846.79
Le Sueur Fire Relief Association	1,162,358.23
Leaf Valley Fire	265,219.95
Lester Prairie VFD	435,943.61
Lexington (City of)	605,061.59
Lino Lakes Fire Relief	389,319.57
Linwood Fire	869,840.50
Lutsen Township	264,946.57
Lynd Firemen's Relief Association	100,423.71
Mahtomedi Fire	1,660,697.25
Mahtowa Fire Relief Assoc	267,138.57
Manchester	203,543.31
MAYER FIRE DEPARTMENT RELIEF ASSOC	831,724.31
McGregor Fire Relief	828,226.84
McKinley Fire	123,216.47
Melrose Fire Relief Association	622,638.84
Middle River Fire Relief	187,801.21
Milaca Firefighters Relief Association	655,600.24
Miltona Fire Relief	243,620.31
Minnesota City Volunteer Fire Department Retirement Plan	7,328.75
Montrose	987,065.84
Mountain Iron FRA	357,793.20
Newfolden Fire Department Relief Association	181,530.63
Normanna VFD	90,956.47
North Star Fire	103,012.13
Northeast Sherburne Fire Rescue (Baldwin Township)	595,975.38
Northhome Fire	121,233.84
Northland Fire Relief	89,377.29
NORWOOD YOUNG AMERICA FIREFIGHTERS RELIEF ASSN	716,642.30
Oak Grove Fire	1,547,582.72
Oakdale Fire	3,241,039.12
Ogema Area Firemen Association	-
Ogilvie VFD	297,734.90
OSAKIS FIREMEN'S RELIEF ASSOC	873,342.89
Ottertail Fire	543,293.50
Palisade	245,862.70
Palo Regional Fire/Town of White	333,308.84
Parkers Prarie Fire	414,114.90
Pennock Fire	377,711.42
Pequaywan Lake Fire	121,942.68
Pickwick Fire	23,465.74
Pike-Sandy-Britt Volunteer Fire Relief Association	358,525.61
Plato Fire Relief	408,487.83
Porter Fire	660,666.67
Princeton Fire Relief Association	1,348,622.40

Raymond Volunteer Fire	368,661.90
RICE LAKE FIREMENS RELIEF ASSOC	446,485.81
Russell Fire Relief Association	161,556.08
Sabin Elmwood Fire Relief	375,820.91
Sacred Heart Fire	162,379.95
Saint Francis Fire Relief Association	743,848.53
Saint Leo Fire Relief	212,010.80
Saint Paul Park Fire Relief Association	766,458.17
Scandia (City of)	604,334.80
Scandia Valley Fire	393,651.38
Schroeder Fire	197,844.65
Shafer Volunteer Firemens Benefit Association	238,024.56
SHEVLIN FIREMEN'S RELIEF ASSN	318,611.31
Silver Lake	332,168.40
Solway Fire(Cloquet)	291,055.16
Solway Firefighters(* Main)	143,755.69
Spring Grove Fire Dept. Relief A	244,930.88
Spring Lake Park	16,032,177.73
Stephen Fire	323,844.21
Sunburg VFD	232,826.04
Tower Fire	237,952.61
Twin Valley	326,283.93
Ulen Volunteer Fire	272,099.20
Vadnais Heights Fire	1,363,970.89
Vermilion Lake Fire	244,145.72
Vesta Firemen's Relief Association	163,592.43
Victoria Fire Relief Assoc	1,222,242.84
Vining Fire Relief Association	128,506.68
Waconia Fire	1,307,177.26
Waite Park FRA	786,239.55
Warba - Feeley - Sago	231,675.99
Watertown Fire Relief Association	1,238,144.09
Wells Fire Relief Association	534,846.70
White Bear Lake	6,044,835.71
Willmar Fire	1,545,096.95
Winnebago Fire	527,812.94
Winthrop Fire Department Relief Association	598,173.42
Wolf Lake Fire	244,629.22
Wood Lake Fire Relief Association	196,195.87
Wrenshall Fire Relief	281,062.24
Wright Fire	203,932.52



OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

February 7, 2019

Mr. Mansco Perry III, Executive Director and Chief Investment Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
Saint Paul, MN 55103

Dear Mr. Perry:

The Office of the Legislative Auditor has completed its audit of certain financial activities at the Minnesota State Board of Investment. This work supports our audit of the State of Minnesota's financial statements for the year ended June 30, 2018. The primary objective of the audit is to render an opinion on the State of Minnesota's financial statements, which will be included in the *Comprehensive Annual Financial Report*, prepared by the Department of Management and Budget. The work in your department also supports our audit opinions on the financial statements of the three state retirement systems: Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association. This is not a comprehensive audit of the Minnesota State Board of Investment.

In planning and performing this audit, we considered SBI's internal control system to determine the audit procedures that are appropriate. We gained an understanding, but did not test SBI's internal control. As part of this audit, we also reviewed certain investment related financial activity presented in the financial statements and notes to the financial statements for the State of Minnesota and the three state retirement systems. This activity includes, but is not limited to, investment balances, investment fees, and securities lending.

On December 14, 2018, we issued an unqualified (clean) opinion on the State of Minnesota's *Comprehensive Annual Financial Report* for the fiscal year ended June 30, 2018. In addition, we issued an unqualified (clean) opinion on the financial statements of each of the three state retirement systems. We also provided the state and three state retirement systems with a report on the Internal Control over Financial Reporting. For the fiscal year ending June 30, 2018, we had no written findings or recommendations directed toward the Minnesota State Board of Investment in the report to the Department of Management and Budget and to the pension plans.

We appreciate the cooperation and assistance provided by the staff and administration of the State Board of Investment throughout our audit process.

Sincerely,

A handwritten signature in cursive script that reads "Tracy Gebhard".

Tracy Gebhard, CPA
Audit Director

Cc: Paul Anderson, Chief Financial Officer
LeaAnn Stagg, Chief Operating Officer