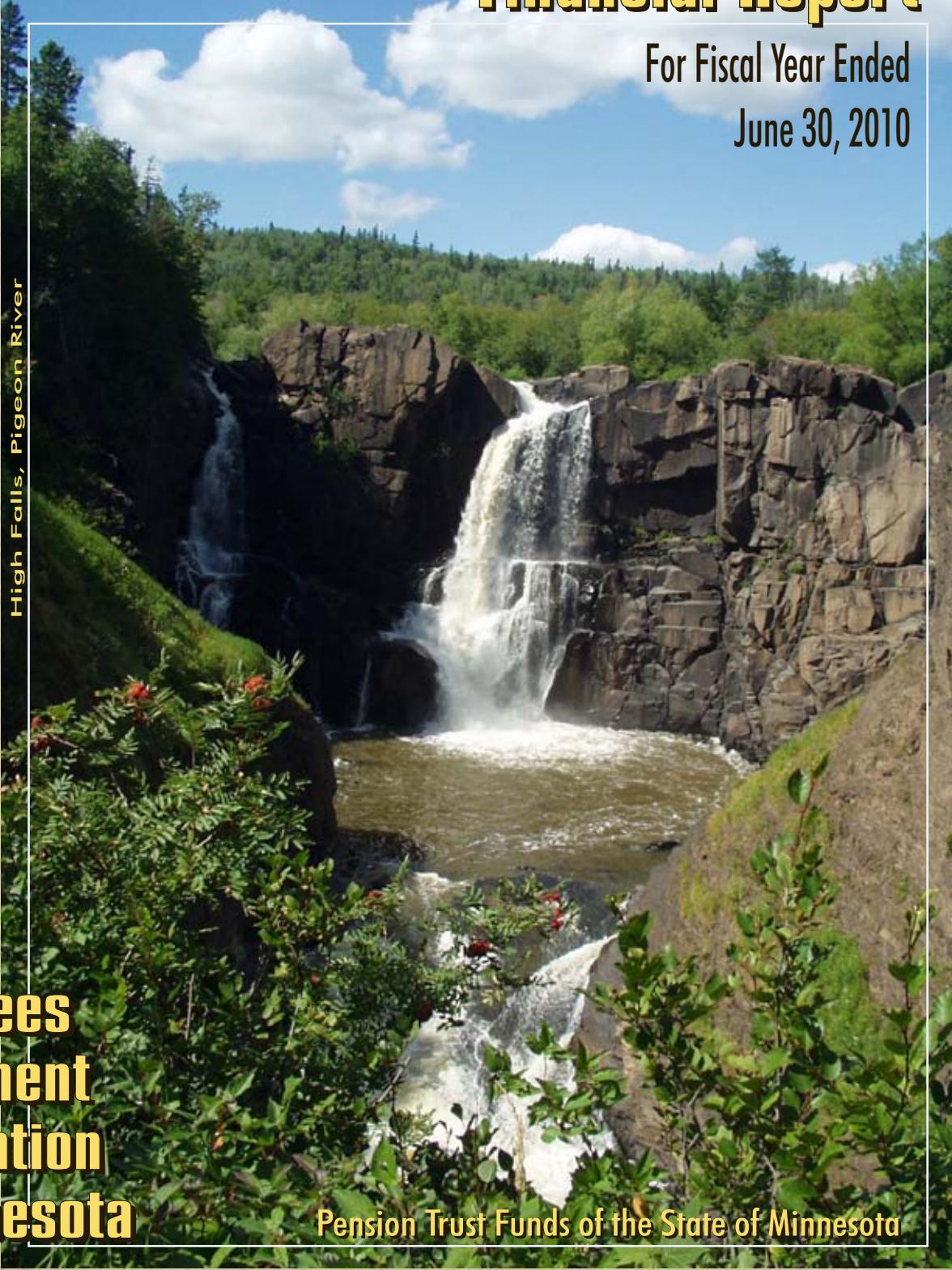
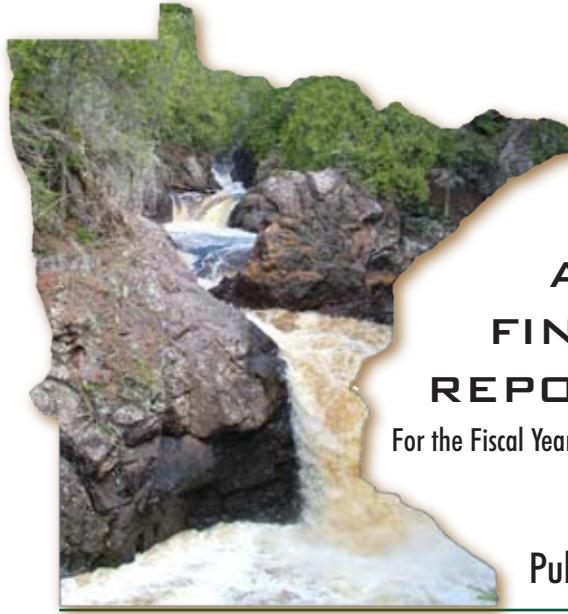


Comprehensive Annual Financial Report

**For Fiscal Year Ended
June 30, 2010**



THIS PAGE LEFT
BLANK INTENTIONALLY.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2010

Public Employees Retirement Association of Minnesota

79 Years of Service to Minnesota's Public Employees

BOARD OF TRUSTEES

Thomas L. Marshall — Board President, Elected Police and Fire Representative
Don Rambow — Board Vice President, Cities Representative
Rebecca Otto — State Auditor
Ross E. Arneson — Elected Membership Representative
Steven L. Devich — Elected Membership Representative
Marcia Farinacci — Annuitant Representative
Kathryn A. Green — School Board Representative
Dennis C. Hegberg — Counties Representative
Dawn M. Hulmer — Elected Membership Representative
Richard L. Jacobsen — Public Representative
Louise A. Olson — Elected Retiree/Disabilitant Membership Representative

EXECUTIVE DIRECTOR

Mary Most Vanek

REPORT PREPARED BY:

Finance and Case Management/Education Staff
David DeJonge — Assistant Executive Director
David Andrews — Accounting Director
Susan Thomas — Accounting Officer
John Paulson — Programs Administrator

Retirement Systems of Minnesota Building
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088
(651) 296-7460 ♦ www.mnpera.org



MINNESOTA'S RIVERS

Known as the Land of 10,000 Lakes, Minnesota also boasts hundreds of scenic rivers and streams. Our cover features the High Falls of the Pigeon River in Grand Portage State Park.

Photo by Rufus Sarsaparilla

Table of Contents

	Page
INTRODUCTORY SECTION	
Achievement Awards	3
President's Report	4
Letter of Transmittal	5
Administrative Organization	10
Board of Trustees	11
Retirement System Plan Summary	12
 FINANCIAL SECTION	
Legislative Auditor's Report	17
Management Discussion and Analysis	18
Basic Financial Statements:	
Statement of Plan Net Assets	24
Statement of Changes in Plan Net Assets	26
Notes to the Financial Statements	28
Required Supplementary Information:	
Schedule of Funding Progress	40
Schedule of Employer Contributions	41
Required Supplementary Information Notes	42
Supporting Schedules	
Schedule of Investment Expenses	43
Schedule of Payments to Consultants	43
Schedule of Administrative Expenses	44
 INVESTMENT SECTION	
Investment Report	45
Investment Results	46
Asset Allocation	47
List of Largest Assets Held	48
Investment Summary at Fair Value	49
Fair Value of Investments	50
Schedule of Investment Fees	51
 ACTUARIAL SECTION	
Actuary's Certification Letter	53
Summary of Actuarial Assumptions and Methods	55
Sample Annual Rates Per 10,000 Employees	58
Determination of Actuarial Value of Assets	59
Solvency Test	60
Schedule of Active Member Valuation Data	62
Schedule of Retirees and Beneficiaries	63
Determination of Contribution Sufficiency	64
Schedule of Changes in Unfunded Actuarial Accrued Liabilities	66
 STATISTICAL SECTION	
Introduction	67
Schedule of Changes in Net Assets	68
Revenues and Expenses	71
Benefits and Refunds by Type	72
Summary of Membership	74
Active Members by Age and Service	75
Schedule of New Retirees and Initial Benefit Paid	76
Schedule of Benefit Recipients by Type	79
PERA Annuitant Residency	83
Principal Participating Employers	85
Participating Employers	86

Introductory Section

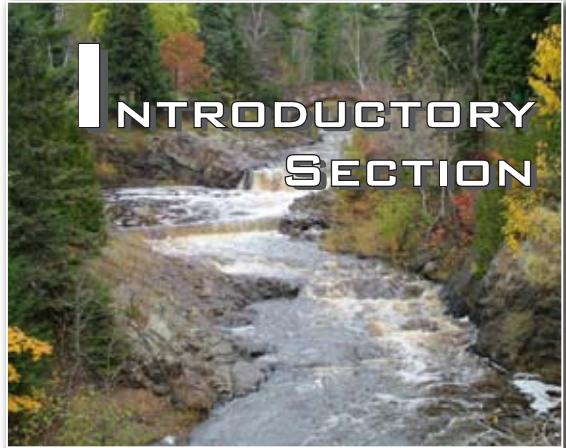
- [Achievement Awards](#)
- [President's Report](#)
- [Letter of Transmittal](#)
- [Administrative Organization](#)
- [Board of Trustees](#)
- [Retirement System Plan Summary](#)



Lester River, Duluth, Minnesota - *Photo by Aaron Falkenson* -

THIS PAGE LEFT
BLANK INTENTIONALLY.

Achievement Awards



INTRODUCTORY SECTION

PPCC

The Public Pension Coordinating Council recently recognized PERA for meeting administration and plan funding standards for public retirement systems.

GFOA

The Government Finance Officers Association (GFOA) recognizes public retirement systems that meet its rigorous reporting standards 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 2009 Comprehensive Annual Financial Report, the 25th 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 30, 2010

**Dear Members, Annuitants,
Beneficiaries and Governmental Employers:**

This 79th 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, 2010, PERA's net assets available for benefits at fair value exceeded \$16.8 billion, an increase of \$2.5 billion from a year ago due to excellent investment returns and the addition of two new retirement plans.

The total rate of return for PERA's investment assets was 15.2 percent, net of fees, for the 12 months ended June 30, 2010. For the past 10 years, PERA's investments exceeded the composite market return benchmark with an annualized return of 2.9 percent. Over the past 20 years, PERA's investments have returned 8% net of fees, 5.4 percentage points above the Consumer Price Index, despite two significant recessions during that period.

Two new retirement plans were added this year. The Statewide Volunteer Firefighter Retirement Plan was added in response to relief associations and fire departments that wanted to spend their limited resources responding to emergencies rather than investing assets and running a pension plan. We are proud to be asked to provide this service to our firefighting community. Six fire departments joined the plan on January 1, 2010, and several more have already committed to joining next January.

Legislation passed in 2010 consolidated the Minneapolis Employees Retirement Fund (MERF) into PERA on June 30, 2010. MERF will remain a fund separate from our other retirement plans, but administered by PERA staff. MERF was established in 1919, but closed to new members on July 1, 1978. Of MERF's 4,600 members, all but 245 are receiving benefits. We welcome MERF members into PERA's fold.

Legislation passed in 2010 made several changes to PERA's actuarial assumptions and plan provisions. Those changes, necessary to shore up our plans in light of recent asset losses caused by the Great Recession, include lowering cost of living increases for benefit recipients, lowering interest rates for members taking refunds, lowering augmentation rates for deferred members, and increasing



**Thomas L. Marshall
Board President**

contribution rates for active members and their employers. We have asked all members to embrace "shared sacrifice" in order that defined benefit pension plans might be possible for future members.

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

A handwritten signature in black ink that reads "Thomas L. Marshall".

**Thomas L. Marshall
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



December 29, 2010

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, 2010—our 79th 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.

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.

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 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. On June 30, 2010, PERA's membership included 154,912 current, active employees and 80,799 benefit recipients in the four multi-employer defined benefit plans, and another 7,227 members with money in the defined contribution plan. The four defined benefit plans include the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), the Public Employees Correctional Fund (PECF), and the Minneapolis Employees Retirement Fund (MERF).

ACCOUNTING SYSTEMS AND REPORTS

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). PERA's Comprehensive

Letter of Transmittal

(Continued)

Annual Financial Report also complies with Minnesota Statutes, Section 356.20. Transactions are reported on the accrual basis of accounting. Contributions from employers and members are recognized as revenue when earned and measurable. Expenses are recorded when corresponding liabilities are incurred, regardless of when 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. 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 Rebecca Otto; Secretary of State Mark Ritchie; and State Attorney General Lori Swanson.

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 decided to eliminate its previous committee structure and has restructured its process for evaluating asset allocation, stock and bond managers, and alternative investments. All proposed investment policies recommended to the Board are reviewed and discussed in detail by 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.

COMBINED FUNDS

Pension assets 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 Combined Retirement Fund. The greatest share of these assets, approximately 58 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, 2010, the Combined Retirement Fund produced a 15.2 percent rate of return.

The SBI has one overriding responsibility in the management of these funds: to ensure that sufficient 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 Combined Fund's ten-year annualized rate of return at June 30, 2010 was 2.9 percent, and its' twenty-year annualized rate of return was 8.0 percent, below our assumed rate of return of 8.5 percent.

ECONOMIC CONDITIONS AND OUTLOOK

The longest recession since the Great Depression of the 1930s officially ended in June 2009, eighteen months after the downturn began in December 2007, but its effects lingered on throughout fiscal year 2010. Most sources of growth in the economy were related to the federal government's \$787 billion stimulus program, which was enacted by Congress in February 2009. The recovery was also fueled by an economic recovery in developing countries; record low long-term interest rates; benign inflation; and improved business investment in equipment and software. Despite the influx of money into the economy, however, the recovery has been sluggish, leading many economists to believe we

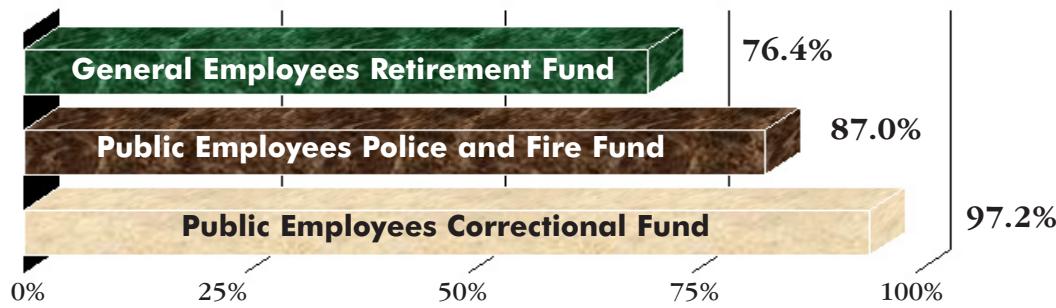
may be headed for a double-dip recession. Consumer confidence rebounded from a low of 25.3 in February 2009 to 54.3 in June 2010, but was falling during the last quarter of fiscal year 2010 (FY10) as stimulus measures faded. 8.4 million jobs were lost during the Great Recession, which took a toll on consumer confidence and spending. Unemployment exceeded 10% during the year before falling to 9.5% by June, 2010. Consumer spending typically makes up 70% of our economy. While consumer spending registered positive growth in FY10, most U.S. consumers are saving more and spending less, and are concerned about keeping their jobs. Until the economy begins to create new jobs, economic growth is expected to remain sluggish.

The markets reacted favorably during the year in anticipation that the end of the recession would result in a surge in economic growth. The Russell 3000 rose 15.7 percent in fiscal year 2010, and Barclays Capital Aggregate Bond Index rose 9.5 percent. When an economic rebound did not materialize, however, we saw declining values in the equity markets, both domestic and international, in the final quarter of the fiscal year.

Minnesota's economy was not immune from the financial crisis, but the recession did not hit Minnesota as hard as it hit other states. Minnesota's unemployment rate dropped from 8.4 percent to 6.8 percent in FY10 as 11,000 jobs were created. Median home prices in the Twin Cities metro area increased 11 percent. While median household income fell in calendar year 2009 to \$55,616 from \$57,288 in 2008, Minnesota's income was the thirteenth best in the country, well above the national average. The State's labor force participation rate in 2009 at 71.9 percent was the 5th best in the country. The manufacturing sector is improving due to strong exports, especially to Asia, Canada and the Middle East.

FUNDING RATIOS

(Percent Funded)



The chart above reflects funding ratios for three defined benefit funds administered by PERA.

State and local budget tightening will remain a drag on economic activity in fiscal year 2011, however. Minnesota's tax revenues were \$99 million short of forecasts in FY10 as a result of weak individual income tax revenues. It is estimated that the State will have a budget deficit of close to \$6 billion dollars in the 2012-2013 biennium, which would suggest that the State's economy will remain sluggish for some time to come. A loss of retirement savings and a decline in housing prices has forced many older folks to delay retirement, which may keep the unemployment rate high, especially among the younger population. While it seems Minnesota's economy is heading in the right direction, it appears as though the recovery will be slow. As long as the recovery is steadily positive, markets should react positively as well.

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 participants 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 40. This report shows the funding levels using the entry age normal actuarial cost

Letter of Transmittal

(Continued)

method, and reflect various changes in actuarial assumptions. At the end of fiscal year 2010, the ratio of assets to liabilities of the General Employees Retirement Fund was 76.4 percent. For the Public Employees Police and Fire Fund and the Public Employees Correctional Fund, the ratios were 87.0 percent and 97.25 percent, respectively. The funded ratio of the Minneapolis Employees Retirement Fund was 65.6 percent.

MAJOR INITIATIVES

PERA's staff worked on several large-scale projects during the year. Due to various efficiencies built in to our underlying systems over the past few years, we were able to keep up with an increasing work load while developing and implementing these new initiatives without needing to increase staff size.

PERA's defined contribution plan (DCP) has always been valued on a monthly basis. Effective July 1, 2009 the State Board of Investment (SBI) began to value the DCP on a daily basis. That change meant extensive changes to our programs, procedures and correspondence with members, both before and after implementation. SBI's change to daily valuation also affected the defined benefit plans and the way we receive and process investment information.

In response to requests from the volunteer firefighting community, a new statewide volunteer firefighter retirement plan was created and implemented January 1, 2010. The plan is an agent lump sum defined benefit plan open to any volunteer fire department in the State on a voluntary basis. On January 1, six fire departments with a total of 129 volunteer firefighters joined the new plan.

Legislation was also passed in 2010 that consolidated the Minneapolis Employees Retirement Fund under PERA's administration effective June 30, 2010. The Fund was headed toward insolvency within the next 7 years had nothing been done. MERF's Minneapolis office was closed, and administration of the Fund was transferred to PERA's St. Paul office. Employer and State contributions were increased, the structure of the fund was adjusted, and plan provisions were changed in an attempt to stabilize the fund. MERF will remain a sepa-

rate plan until the fund becomes 80 percent funded. At that time, it will be merged into the GERF.

PERA's Board spent most of the year working with our actuary to develop ways to shore up the various funds, which were all hit hard by the Great Recession. They determined that the unfunded liability was too large to be solved by one group of members or employers, so worked with employers and member groups to develop legislation that would share the sacrifice among all parties. Plan provisions, actuarial assumptions, and contribution rates were adjusted by the legislature in 2010.

PERA's staff continued to work toward our vision of making pension information available to members 24 hours a day/7 days a week. In fiscal year 2010, we added 1099 tax reporting information for benefit recipients to My PERA, our secure website, making that information available in early January each year. We also began printing and mailing Personal Benefit Statements in-house on a weekly basis, making delivery of that information more timely for members by sending members a statement within a week after their birthdays.

We will continue to enhance our suite of on-line tools available to members and employers so that everyone has their important retirement information at their fingertips at any time. Our focus is continuous improvement to our systems and services so that we can accommodate the needs of all stakeholders and constituencies of PERA.

PROFESSIONAL SERVICES

Actuarial consulting services during the fiscal year were provided by Mercer. 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 provided 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 active and deferred members and benefit recipients. In addition, this report is reproduced, in its entirety, on PERA's website, www.mnpera.org.

NATIONAL RECOGNITION

PERA has an outstanding staff and they are very dedicated to the utmost professionalism in administering the plans entrusted to the governance of the PERA Board of Trustees. In 2010 PERA received the Public Pension Coordinating Council's Public Pension Standards Award for Funding and Administration. This award is given in recognition of meeting professional standards that have been developed by three national organizations created to provide support and advocacy of the nation's public employee pension systems.

PERA also 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, 2009. This is the 25th 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.

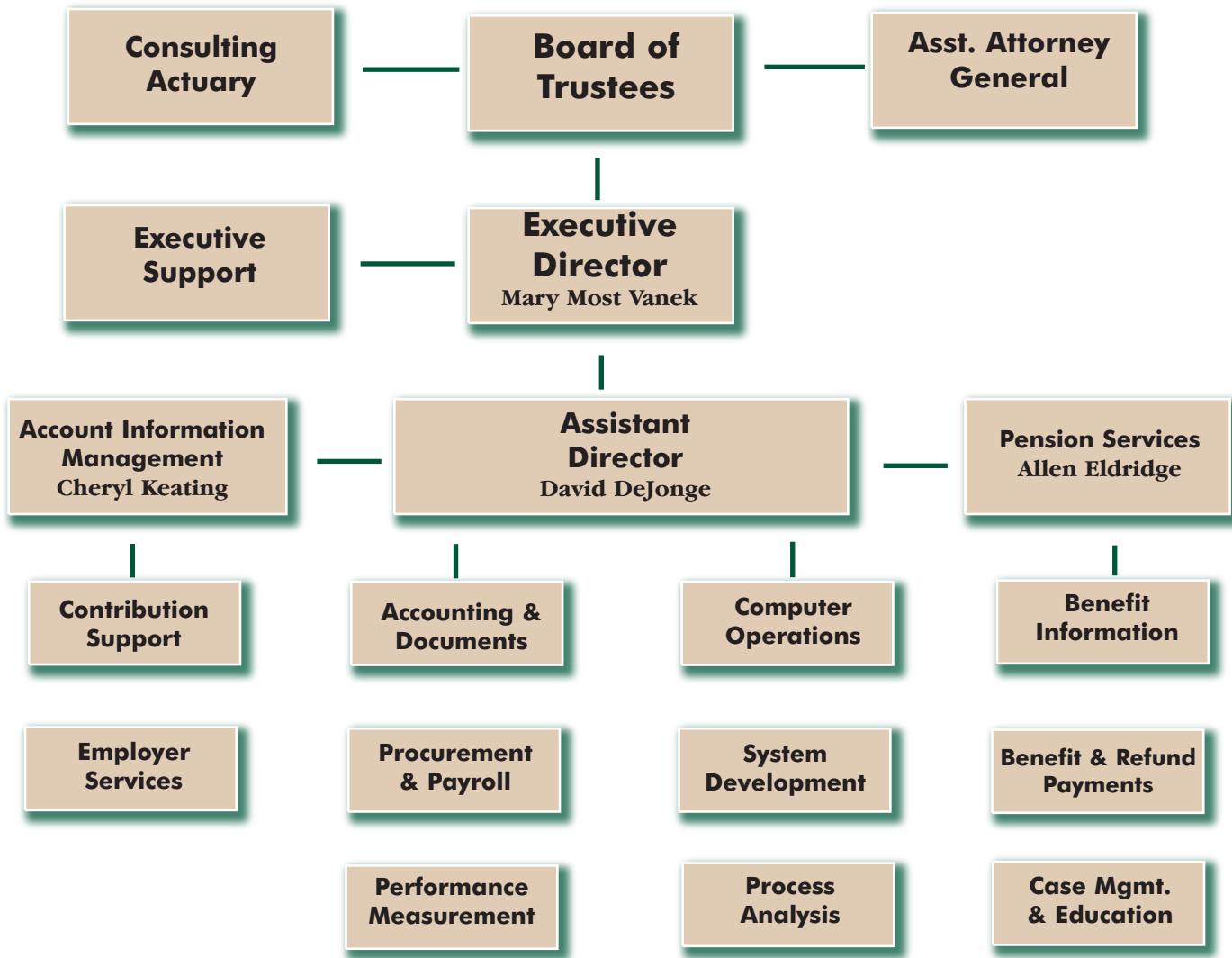
We are sure you join with us in expressing gratitude and appreciation to the staff and PERA's advisors for their efforts in producing this report and for their loyal and dedicated service to the Association and its members, annuitants, beneficiaries, and participating local governmental employers.

Respectfully submitted,

Mary Most Vanek
Executive Director

David DeJonge
Assistant Executive Director

Administrative Organization



M I S S I O N S T A T E M E N T

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.

P E R A ' s V I S I O N :

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

Board of Trustees

**Ross E. Arneson**

General Membership Representative
401 Carver Road, P.O. Box 3129
Mankato, Minnesota 56002

**Steven L. Devich**

General Membership Representative
City of Richfield
6700 Portland Ave. S.
Richfield, Minnesota 55423

**Marcia Farinacci**

Annuitant Representative
1466 North Grotto
St. Paul, Minnesota 55117

**Kathryn A. Green**

School Board Representative
401 3rd Avenue NW
Austin, Minnesota 55912

**Dennis C. Hegberg**

Counties Representative
Frandsen Bank & Trust
2001 West Broadway
Forest Lake, Minnesota 55025

**Dawn M. Hulmer**

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

**Richard L. Jacobsen**

Public Representative
12705 Parkwood Drive
Burnsville, Minnesota 55337

**Louise A. Olson**

Retiree/Disabilitant Representative
6963 109th Avenue
Clear Lake, Minnesota 55319

BOARD PRESIDENT

**Thomas L. Marshall**

Police and Fire Representative
4727 1st Avenue S.
Duluth, Minnesota 55803

BOARD VICE PRESIDENT

**Don Rambow**

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

STATE AUDITOR

**Rebecca Otto**

State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103

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 30 Basic members remain active public employees. Because of the small number in this sub-group of the General Fund, the remainder of the plan summary will only address the Coordinated Plan of the General Fund.

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 Association's next membership election will be held in 2011.

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 2,100 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 160,000 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 **General 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.

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 since been expanded to include physicians, city managers, and locally-elected public officials, except for county sheriffs.*

The **Statewide Volunteer Firefighter Retirement Plan** (SVFRP) was added to PERA's list of plans in January 2010. It is a lump-sum defined benefit plan open to any municipal volunteer fire department in the state. The municipality determines the level of benefits offered. Funding is provided through Minnesota State Fire Aid and, if required, additional municipal contributions.

Legislation in May 2010 made the **Minneapolis Employees Retirement Fund** (MERF) a separate division of PERA as of June 30, 2010. A traditional defined benefit plan, MERF is not coordinated with Social Security and was closed to new membership in 1979. It encompasses employees of the City of Minneapolis, non-teaching personnel at Minneapolis schools and some employees of the Minnesota State Colleges and Universities and the Metropolitan Airports Commission.

CONTRIBUTIONS

The table below shows contribution rates for employees and employers under the various plans administered by PERA as of June 30, 2010.** Rates are applied to total salary and are set by statute.

Fund	Employee Contribution	Employer Contribution
General Employees Retirement Fund		
Coordinated	6.00%	7.00%
Public Employees Police & Fire Fund	9.40%	14.10%
Local Government Correctional Fund	5.83%	8.75%
Defined Contribution Plan	5.00%	5.00%***
Minneapolis Employees Retirement Fund	9.75%	12.43%†

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).

Members hired prior to July 1, 2010 are vested for retirement benefits after 36 months of public service. Beginning July 1, 2010, the vesting requirement increases to 60 months.

Members of the Statewide Volunteer Firefighters Retirement Plan are vested after five years of credited service, while all active members of MERF have long surpassed that plan's 10 year vesting requirement.

Since the Defined Contribution Plan consists of individual accounts paying a lump-sum benefit, there are no vesting requirements on member or employer contributions and earnings.

RETIREMENT BENEFITS

Eligibility and Annuity Formulas

Coordinated Members

Two methods are used to compute benefits for Coordinated 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. 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 .025 percent for each month under age 65. A member with 30 or more years of service may retire at any age with the 0.25 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. 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

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 2010 calls for increases in member and employer contribution rates for both the Coordinated and Police and Fire plans in 2011. The combined employee/employer contributions will increase 0.5 percent

*** 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. City managers may also participate in the DCP as an alternative to Coordinated Plan membership.

† In addition to the base employer contribution, MERF employers share the responsibility of meeting the fund's unfunded liability with the State of Minnesota.

Summary

(Continued)

NOTE:

* 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.

** Beginning January 1, 2012, deferred pensions will grow at a rate of 1 percent per year for individuals who terminated public service prior to that date. Individuals leaving public service after December 31, 2011 will have their benefits fixed as of the date they end their public service.

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. (For members hired or rehired after June 30, 2007, the reduction is 2.4 percent per year.)

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.

Statewide Volunteer Firefighter Retirement Plan Members

Members qualify for a lump-sum benefit any time after age 50 with five or more years of service. A full, unreduced pen-

sion is payable after 20 years of service. The municipality and department determine the benefit level for each year of credited service.

Minneapolis Employees Retirement Fund Members

MERF members earn 2.0 percent of their high-five average salary for each of their first 10 years of public service and 2.5 percent thereafter. Full retirement age is 60 or the member must have accrued a minimum of 30 years of service. Members can retire as early as age 55 with 20 or more years of service under an alternative formula known as the "Two Dollar Bill Option" if hired prior to June 28, 1973.

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 retirement age. 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.

Minneapolis Employees Retirement Fund members have the choice of a single-life, with or without a death benefit. Also available are 100 percent or 50 percent joint and survivor annuities. A bounce back option is available for both joint and survivor pensions with a reduction in benefits. A 10-year term certain benefit is another option. Finally, MERF allows for custom annuity plans as long as they are actuarially equivalent to the single-life pension,

The Statewide Volunteer Firefighter Retirement Plan and the Defined Contribution Plan only provide lump-sum benefits.

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 held in escrow. The retiree may request repayment of these funds one year after leaving the position. If reemployment extends through the end of a calendar year, the deductions from that year may be reclaimed one year later.

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

Because they only provide lump-sum benefits, the Defined Contribution Plan and the Statewide Volunteer Firefighter Retirement Plan have no earnings limits.

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 members. For Police and Fire plan members, there is a minimum benefit of 60 percent of salary if disabled while engaged in hazardous activities related to the occupation. The minimum duty-related disability benefit is 47.5 percent for Correctional members. Disability under any other circumstances results in a minimum benefit of 45 percent of salary for Police and Fire members and 19 percent for Correctional members.**

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.

MERF disability benefits are based upon the capability of performing a member's ordinary duties and require that the member be under age 60. If the disability is not duty related, a member must have a minimum of five years of public service. The benefit formula is essentially the same as the retirement formula at age 60 using the actual number of years worked with the additional years the member would have

NOTE:

- * Earnings limits are waived for Coordinated members who begin receiving benefits under a Phased Retirement Agreement. Phased Retirement allows members age 62 and above to begin receiving a pension without termination of public service if they accept a reduction in hours worked to less than 1,044 per year. The agreements can be up to one year in length and can be renewed for up to five years. The program sunsets in 2011.

- ** A duty disability benefit will only be awarded if the disabling event occurred while the member was engaged in hazardous activities inherent to the occupation.

Summary

(Continued)

NOTE:

* Automatic lifetime Survivor Benefits are also available to the spouse of Police and Fire members who suffer total and permanent duty disability, as well as disabled Basic members. Survivor benefits for other disabled members are only available if the member chooses a Survivor Option to their disability benefit.

** 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.

worked to reach age 60. There is a maximum of 22 years of total service unless the member has earned more than 22 years of service on the job.

Neither the Defined Contribution Plan nor the Statewide Volunteer Firefighter Retirement Plan have specific disability benefits. However the DCP does allow for monthly benefit payments until the account balance is exhausted.

SURVIVOR BENEFITS

PERA also provides survivor (death) benefits for families of members who qualify for such coverage should they die before commencing retirement benefit payments. 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, Coordinated or Correctional member, there are alternative term-certain benefits of 10, 15, or 20 years duration. The monthly payment, however, may not exceed 75 percent of the member's average high five-year salary.**

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.

The surviving spouse of a MERF member with 20 or more years of service qualifies for the actuarial equivalent of the member's retirement benefit. If less than 20 years of service were earned, the spouse benefit is 30 percent of the member's average salary over the six months preceding death, with 10 percent of that salary for dependent children.

The Statewide Volunteer Firefighter Retirement Plan provides for payment of the member's accrued benefits to a surviving spouse or, if none, to minor children or, finally, the member's estate, based on retirement at age 50.

Similarly, the Defined Contribution Plan provides for payment of the account balance to beneficiaries.

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 (4 percent after June 30, 2011).

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.

Financial Section

- Legislative Auditor's Report**
- Management Discussion and Analysis**
- Basic Financial Statements**
- Notes to the Financial Statements**
- Required Supplementary Information**
- Schedule of Investment Expenses**
- Schedule of Payments to Consultants**
- Schedule of Administrative Expenses**



St. Croix River, Interstate Park - *Photo by Aaron Falkenson -*

THIS PAGE LEFT
BLANK INTENTIONALLY.

Legislative Auditor's Report



OLA

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

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, 2010, 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 plan net assets of PERA as of June 30, 2010, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note D to the financial statements, PERA added two new retirement plans. The Minneapolis Employees Retirement Fund, which formerly existed as a separate entity, was consolidated under PERA on June 30, 2010. The Statewide Volunteer Firefighter Retirement Plan was created by the Minnesota Legislature in 2009 and first received members and assets on December 31, 2009. In addition, as disclosed in Note B.6 to the basic financial statements, PERA adopted Governmental Accounting Standards Board Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* for the year ended June 30, 2010.

In accordance with Government Auditing Standards, we have also issued our report on our consideration of PERA's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, and contracts; and on 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. 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 Introductory, Investment, Actuarial, and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James R. Nobles
Legislative Auditor

Cecile M. Ferkul, CPA
Deputy Legislative Auditor

December 28, 2010

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, 2010 (FY10). 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 17.9% during the year from \$14.3 billion in fiscal year 2009 (FY09) to \$16.9 billion in FY10.
- Total additions for FY10 were \$4 billion, comprised of contributions of \$866,610,000, investment gains of \$2,276,120,000, a transfer of assets from two new retirement plans of \$854,167,000 and other income of \$242,000. Total additions for FY09 were a negative \$2.5 billion.
- Total deductions for the year increased from \$1,220,073,000 in FY09 to \$1,429,108,000 in FY10 due to an increase in the number of benefit recipients and a 2.5% COLA granted in January 2010.
- Total administrative expenses totaled \$11,898,000 in FY10, a 10% increase from \$10,784,000 in FY09 due to expenses we inherited when the Minneapolis Employees Retirement Fund was consolidated into PERA on June 30, 2010. Administrative expenses would have decreased in 2010 had it not been for the consolidation.
- As of June 30, 2010 the Public Employees Retirement Fund is actuarially funded at 76.4%. PERA's Police and Fire Fund is actuarially funded at 87.0%, and PERA's Correctional Fund is 97.25% funded. The Minneapolis Employees Retirement Fund is 65.6% funded.

Financial Analysis of PERA's Funds

PERA is the administrator of four multi-employer defined benefit plans, one agent lump-sum defined benefit plan, and one defined contribution plan. 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). In a defined benefit plan, pension benefits are determined by a member's salary or benefit level and credited years of service, regardless of contribution amounts and investment returns for those contributions over the working career of a member. PERA administers five such plans: the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), the Minneapolis Employees Retirement Fund (MERF), the Statewide Volunteer Firefighter Retirement Plan (SVF) and the Public Employees Local Government Correctional Services Retirement Fund (which is called the Public Employees Correctional Fund or PECEF).

One of the plans was renamed this year. The GEF is PERA's largest plan, and was previously called the Public Employees Retirement Fund (PERF). Legislation passed in 2010 officially changed the name of the fund to the General Employees Retirement Fund.

Two plans were added to PERA this year: the Minneapolis Employees Retirement Fund and the Statewide Volunteer Firefighter Retirement Plan. MERF was established in 1919 and has been a separate entity since then. On June 30, 2010 MERF was consolidated into PERA. It will remain a separate fund until it is 80 percent funded, at which time it will be fully merged into the GEF. The SVF is a brand new plan. Six fire departments joined the plan on January 1, 2010. New entities may only join on January 1st of each year.

General Employees Retirement Fund

Total assets as of June 30, 2010 were \$12.4 billion in the GEF, an increase of \$534 million or 4.5 percent from the prior year. The primary reason for the increase was positive investment performance during the year, which was partly offset by a decrease in securities lending collateral at the end of the year.

Total liabilities as of June 30, 2010 were \$1 billion, a decrease of \$687 million from the prior year, mostly due to a lower value of securities lending collateral on the books at year end.

Total net assets, the difference between total assets and total liabilities, increased about \$1.2 billion, or roughly 12 percent from the prior year. Ending net assets were \$11.3 billion on June 30, 2010.

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. Total contributions and net investment income for FY10 exceeded \$2.1 billion.

Employer contributions and member contributions increased from the previous year by a total of \$19 million, largely due to an employer contribution rate increase from 6.75 percent to 7 percent that took effect on January 1, 2010. Net investment income totaled \$1.5 billion as the result of a 15.2 percent rate of return in FY10, which compared favorably to FY09 when we had investment losses of \$2.4 billion.

Deductions from Plan Net Assets

Our largest expense was for retirement benefits to members and beneficiaries. Total benefits increased 4.9 percent to \$906 million in FY10. The increase in

Net Assets—Defined Benefit Plans (dollars in thousands)

	GERF		PEPFF		PECEF		MERF	
	2010	2009	2010	2009	2010	2009	2010	2009
ASSETS								
Cash & Receivables	\$ 15,425	\$ 15,804	\$ 3,138	\$ 49,222	\$ 723	\$ 612	\$ 12,813	\$ 42,435
Investments	11,330,597	10,152,679	4,457,134	3,956,298	211,144	166,958	831,221	811,282
Securities Lending Collateral	1,017,756	1,660,492	400,888	646,607	18,835	26,665	87,592	156,888
Capital Assets & Other	9,483	9,805	0	0	0	0	0	0
Total Assets	\$12,373,261	\$11,838,780	\$4,861,160	\$4,652,127	\$230,702	\$194,235	\$931,626	\$1,010,605
LIABILITIES								
Accounts Payable	\$ 6,758	\$ 51,162	\$ 6,535	\$ 4,474	\$ 499	\$ 270	\$ 1	\$ 342
Securities Lending Collateral	1,017,756	1,660,492	400,888	646,607	18,835	26,665	87,592	156,888
Accrued Compensated Absences	944	912	0	0	0	0	0	0
Accrued OPEB Liability	49	0	0	0	0	0	0	0
Bonds Payable	9,172	9,362	0	0	0	0	0	0
Total Liabilities	\$ 1,034,679	\$ 1,721,928	\$ 407,423	\$ 651,081	\$ 19,334	\$ 26,935	\$ 87,593	\$ 157,230
Total Net Assets	\$11,338,582	\$10,116,852	\$4,453,737	\$4,001,046	\$211,368	\$167,300	\$844,033	\$853,375

Discussion and Analysis

(Continued)

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, 2010. The amount of refunds increased \$1.9 million in FY10 due to larger refund amounts per person on average. Administrative expenses decreased 2.4 percent in FY10 to \$9.5 million, largely as a result of cost cutting measures put in place during the year. As stated earlier, investment gains were offset by larger benefits, yet still resulted in a \$1.2 billion increase in net assets available for benefits by the end of FY10.

Overall Financial Position

The financial position of a public pension plan is not so much determined by what is found on the face of the financials, but by looking at trends in the funding ratio and contribution sufficiency or deficiency.

In an effort to shore up the GERF, several plan provisions were modified this year. Those changes are outlined in the footnotes to the financial statements, and include changes that affect active members, deferred members, terminated members, benefit recipients and employers. Plan provision changes reduced the plan's actuarial accrued liability by \$2.76 billion. Several actuarial assumptions, including mortality, payroll growth and salary growth, were also adjusted as the result of a four-year experience study completed in 2009. Assumption changes increased the actuarial accrued liability by \$237 million.

Although investment returns were positive in FY10, returns are smoothed over 5 years, and the large losses from the previous two fiscal years continue to negatively affect the actuarial value of assets. The actuarial value of assets decreased slightly by \$31.5 million in FY10. As a result of the change in the actuarial values of liabilities and assets, the GERF's funding ratio rose from 69.99% in FY09 to 76.40% in FY10.

For the past several years, contribution rates have not been sufficient for the GERF to become fully funded by its target date of 2031. As part of the financial package passed by the legislature in 2010, contribution rates for employers and employees will each increase 0.25% effective January 1, 2011. The combination of contribution rate increases and changes in actuarial assumptions and plan provisions should provide for contribution rates that are sufficient for the GERF to become fully funded by 2031.

Public Employees Police & Fire Fund

Total assets as of June 30, 2010 were \$4.86 billion in the Public Employees Police and Fire Fund, an increase of \$209 million, or 4.5 percent from the prior year. The increase is due to positive investment earnings offset by a smaller amount of securities lending collateral on the books at year end. Total liabilities as of June 30, 2010 were \$407 million, a decrease of \$244 million due to the smaller securities lending collateral.

Total net assets, the difference between total assets and total liabilities, increased \$453 million or roughly 11 percent from the prior year to an ending balance of \$4.45 billion.

Changes in Net Assets—Defined Benefit Plans (dollars in thousands)

	GERF		PEPFF		PECF		MERF	
	2010	2009	2010	2009	2010	2009	2010	2009
ADDITIONS								
Employer Contributions	\$ 342,678	\$ 328,603	\$ 107,065	\$ 101,548	\$ 14,170	\$ 14,123	\$ 4,798	\$ 6,646
Member Contributions	303,571	298,381	71,736	67,701	9,442	9,409	1,081	1,072
State Contribution	0	0	0	0	0	0	9,000	9,000
Investment Income (Loss)	1,519,786	(2,381,642)	602,177	(967,445)	24,745	(36,201)	125,710	(223,187)
Other	241	3,725	0	701	0	35	853,376	0
Total Additions	\$2,166,276	\$(1,750,933)	\$780,978	\$(797,495)	\$48,357	\$(12,634)	\$993,965	\$(206,469)
DEDUCTIONS								
Retirement Benefits	\$ 906,300	\$ 863,910	\$ 326,041	\$ 310,100	\$ 3,353	\$ 2,836	\$ 147,099	\$ 148,745
Refund of Contributions	28,770	26,887	1,493	1,237	714	810	27	88
Administrative Expenses	9,476	9,706	753	747	222	219	1,235	761
Other	0	1,895	0	199	0	17	1,571	1,882
Total Deductions	\$ 944,546	\$ 902,398	\$328,287	\$ 312,283	\$ 4,289	\$ 3,882	\$149,932	\$ 151,476
Increase in Net Assets	\$1,221,730	\$(2,653,331)	\$452,691	\$(1,109,778)	\$44,068	\$(16,516)	\$844,033	\$(357,945)

Additions to Plan Net Assets

Contributions and net investment income for FY10 totaled 781 million. Employer and employee contributions increased \$9.5 million largely due to contribution rate increases effective 1/1/09 that were only partially implemented in FY09 but fully implemented in FY10. Net investment income in FY10 totaled \$602 million, due to a 15.2% investment return.

Deductions from Plan Net Assets

Retirement benefits to members and beneficiaries made up over 99 percent of the plan's total deductions. The amount of benefits paid increased 5 percent in FY10 to \$326 million. 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, 2010. The amount of refunds increased slightly in FY10 due to slightly higher average refund amounts. Administrative expenses remained roughly the same in FY10 as they were in FY09.

Overall Financial Position

The Police and Fire Plan was 87% funded as of June 30, 2010, indicating that for every dollar of benefits we expect to pay out, we already have about 87 cents in our reserves to cover it. For the first time in 10 years the funding ratio increased, due to an increase in employer and employee contribution rates effective 1/1/11 coupled with changes in plan provisions passed by the legislature in 2010. Plan provision changes include changes in mortality tables, future cost of living adjustments, and vesting requirements. The plan was 83.2% funded at the end of FY09.

Despite plan provision changes and contribution rate increases, the plan's contribution rates remain 1.77% deficient for the plan to become fully funded by 2038. The deficiency is an improvement over FY09 when contribution rates were 6.5% deficient, but more work is needed in order for the plan to become fully funded. PERA's management will continue to work with various police and fire groups to shore up the fund.

Public Employees Correctional Fund

In the Public Employees Correctional Fund, total assets as of June 30, 2010 equaled \$231 million, an increase of \$36 million or 18.8% from the prior year. The PECF is a fairly new fund with a small asset base, and brings in more cash through contributions than it pays out in benefits and refunds. Total investments increased in value by \$44 million, but securities lending collateral on hand at year end was less than FY09's value by \$8 million because fewer securities were being loaned out at year end.

Total liabilities decreased in FY10 due to the smaller amount of securities lending collateral. As a result, total

net assets, the difference between total assets and total liabilities, increased \$44 million in fiscal year 2010, with an ending net asset value of \$211 million.

Additions to Plan Net Assets

Contributions and net investment income for FY10 totaled \$48 million, compared to a loss of \$12.6 million in FY09. Employer and member contributions remained fairly equal to FY09 levels. Contribution rates were not increased in the PECF. Net investment income in FY10 totaled \$24.7 million compared to a loss of \$36 million in FY09.

Deductions from Plan Net Assets

Expenses for this plan are still relatively small. Retirement benefits increased 18% from \$2.8 million in FY09 to \$3.4 million in FY10 as more members became eligible to retire. Refunds decreased 12% to \$714,000 as a result of refund amounts being smaller on average. Administrative expenses increased \$3,000 from FY09 to \$222,000 and represent about one-tenth of one percent of total net assets.

Overall Financial Position

In only its eleventh year of existence, the Public Employees Correctional Fund is 97.25% funded, an increase from last year's 94.85%. Since there are very few assets in the plan, the negative investment returns of the two previous years had less of an impact on this plan. With only eleven years of experience it is difficult to know if long-term assumptions are accurate, but we believe contribution levels are sufficient for this plan to be fully funded by 2023.

Minneapolis Employees Retirement Fund

The Minneapolis Employees Retirement Fund (MERF) was formed in 1919. In 2010 legislation was passed that consolidated MERF as a separate plan administered by PERA effective June 30, 2010. MERF was closed to new members on July 1, 1978, and only 143 active members remain in the plan.

Total assets as of June 30, 2010 were \$931.6 million, a decrease of \$79 million, or 7.8 percent from the prior year. The decrease is due to the maturity of the plan, which pays out far more in benefits than it brings in from contributions, coupled with a decrease in the amount of securities lending collateral held at year end. Total liabilities as of June 30, 2010 were \$87.6 million, a decrease of \$69.6 million due to the lower amount of securities lending collateral.

Discussion and Analysis

(Continued)

Total net assets, the difference between total assets and total liabilities, decreased \$9.3 million or roughly 1.1 percent from the prior year to an ending balance of \$844 million.

Additions to Plan Net Assets

Contributions and net investment income for FY10 totaled \$140 million, compared to a loss of \$206 million in FY09. Employee and State of Minnesota contributions remained fairly equal to FY09 levels. Net investment income in FY10 totaled \$126 million compared to a loss of \$223 million in FY09. \$853 million, the value of the net assets on June 30, 2009, was transferred to PERA on June 30, 2010 and is shown as "Other Additions" on the Statement of Changes in Plan Net Assets.

Deductions from Plan Net Assets

Retirement benefits decreased \$1.6 million in FY10 due to more benefit recipient deaths (226) than new benefit recipients added (86). Administrative expenses increased \$475,000 or 62% in FY10, largely because MERF employees were offered a generous severance package when the Minneapolis office was closed. MERF also had high legal and actuarial fees as they planned for the consolidation into PERA. Administrative expenses are expected to decrease substantially under PERA's administration.

Overall Financial Position

Before consolidating, MERF's financial outlook was bleak. The plan was expected to run out of money within the next 10 years. Legislation passed in 2010 consolidating MERF into PERA also included actuarial assumption and method changes, and contribution

rate increases to shore up that fund. Future cost of living increases will be limited to 1% per year until the plan is 90% funded. State contributions were increased \$15 million per year, phased in over the next four years. Employer contributions were also increased by roughly \$25 million per year beginning in 2013. The amortization period was extended from 2020 to 2031. These measures have improved the funding ratio of the fund, from 55.9% funded at the end of FY09 to 65.6% funded at the end of FY10.

Statewide Volunteer Firefighter Retirement Plan

The Statewide Volunteer Firefighter Retirement Plan is a brand new lump-sum defined benefit plan that began January 1, 2010 with 6 employers and 129 volunteer firefighters. Assets of \$791,000 were transferred in to the plan from relief associations or cities and towns that supported the fire department. The plan is funded through fire state aid from the State of Minnesota, investment returns, and annual employer contributions (if they are needed to keep the plan 100% funded).

Agency Summary

The worst financial crisis in decades had a negative effect on our investment returns in FY08 and FY09, resulting in fairly large losses in our asset base. In order to help shore up the plans, legislation passed in 2010 adjusted many of PERA's plan provisions and increased contributions in 3 of the 4 multi-employer defined benefit plans. As a result, all of the plans are better funded in FY10 than they were in FY09.

This financial report is designed to provide a general overview of PERA's finances and to demonstrate its accountability with the assets it holds in trust. 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 in St. Paul, Minnesota 55103-2088.

**THIS PAGE LEFT
BLANK INTENTIONALLY.**

Statement of Plan Net Assets

As of June 30, 2010 (in thousands)

	Defined Benefit Funds			
	General Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Minneapolis Employees Retirement Fund
ASSETS				
Cash	\$ 1,300	\$ 1,000	\$ 280	\$ 25
Receivables				
Accounts Receivable	\$ 10,743	\$ 2,134	\$ 411	\$ 12,788
Due from Other Funds	3,382	4	32	0
Total Receivables	<u>\$ 14,125</u>	<u>\$ 2,138</u>	<u>\$ 443</u>	<u>\$ 12,788</u>
Investments at fair value				
Active Domestic Equity	\$ 2,965,492	\$ 1,168,088	\$ 54,881	\$ 222,878
Fixed Income	2,780,864	1,095,364	51,464	285,590
Global Equity	1,743,541	686,769	32,267	158,810
Passive Domestic Equity	1,805,761	711,278	33,418	136,543
SBI Alternative	1,763,333	694,566	32,633	0
Short-Term Cash Equivalent	271,606	101,069	6,481	27,400
Total Investments	<u>\$11,330,597</u>	<u>\$4,457,134</u>	<u>\$211,144</u>	<u>\$831,221</u>
Securities Lending Collateral	\$ 1,017,756	\$ 400,888	\$ 18,835	\$ 87,592
Capital Assets				
Equipment Net of Accumulated Depreciation	\$ 512	\$ 0	\$ 0	\$ 0
Property Net of Accumulated Depreciation	8,871	0	0	0
Total Capital Assets	<u>\$ 9,383</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deferred Bond Charges	\$ 100	\$ 0	\$ 0	\$ 0
Total Assets	<u>\$12,373,261</u>	<u>\$4,861,160</u>	<u>\$230,702</u>	<u>\$931,626</u>
LIABILITIES				
Accounts Payable	\$ 6,722	\$ 3,826	\$ 50	\$ 1
Payable to Other Funds	36	2,709	449	0
Securities Lending Collateral	1,017,756	400,888	18,835	87,592
Accrued Compensated Absences	944	0	0	0
Accrued OPEB Liability	49	0	0	0
Bonds Payable	9,172	0	0	0
Total Liabilities	<u>\$ 1,034,679</u>	<u>\$ 407,423</u>	<u>\$ 19,334</u>	<u>\$ 87,593</u>
Net Assets held in trust for Pension Benefits	<u>\$11,338,582</u>	<u>\$4,453,737</u>	<u>\$211,368</u>	<u>\$844,033</u>

Statewide Volunteer Firefighter Fund	Public Employees Defined Contribution Plan	Agency Fund Other Post Employment Benefits	Total
\$ 6	\$ 232	\$ 468	\$ 3,311
\$ 0	\$ 70	\$ 0	\$ 26,146
<u>0</u>	<u>0</u>	<u>0</u>	<u>3,418</u>
<u>\$ 0</u>	<u>\$ 70</u>	<u>\$0</u>	<u>\$ 29,564</u>
\$ 0	\$ 0	\$ 0	\$ 4,411,339
378	5,649	69,182	4,288,491
107	0	0	2,621,494
259	24,795	125,543	2,837,597
0	0	0	2,490,532
<u>14</u>	<u>1,419</u>	<u>35,337</u>	<u>443,326</u>
<u>\$758</u>	<u>\$31,863</u>	<u>\$230,062</u>	<u>\$17,092,779</u>
\$ 76	\$ 2,598	\$ 10,109	\$ 1,537,854
\$ 0	\$ 0	\$ 0	\$ 512
<u>0</u>	<u>0</u>	<u>0</u>	<u>8.871</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,383</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 100</u>
<u>\$840</u>	<u>\$34,763</u>	<u>\$240,639</u>	<u>\$18,672,991</u>
\$ 0	\$ 2	\$ 230,530	\$ 241,131
0	224	0	3,418
76	2,598	10,109	1,537,854
0	0	0	944
0	0	0	49
<u>0</u>	<u>0</u>	<u>0</u>	<u>9,172</u>
<u>\$ 76</u>	<u>\$ 2,824</u>	<u>\$240,639</u>	<u>\$ 1,792,568</u>
<u>\$764</u>	<u>\$31,939</u>	<u>\$ 0</u>	<u>\$16,880,423</u>

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2010 (in thousands)

	<u>General Employees Retirement Fund</u>	<u>Public Employees Police & Fire Fund</u>	<u>Defined Benefit Funds</u> <u>Public Employees Correctional Fund</u>
ADDITIONS			
Contributions			
Employer	\$ 342,678	\$ 107,065	\$ 14,170
State Contribution	0	0	0
Plan member	<u>303,571</u>	<u>71,736</u>	<u>9,442</u>
Total Contributions	\$ 646,249	\$178,801	\$23,612
Investments			
Net appreciation (depreciation) in fair value	\$ 1,256,745	\$ 498,567	\$ 19,860
Interest	119,092	46,910	2,204
Dividends	<u>153,745</u>	<u>60,559</u>	<u>2,845</u>
Total investment activity Income	\$1,529,582	\$606,036	\$24,909
Less investment expense	<u>16,139</u>	<u>6,358</u>	<u>281</u>
Net income from investment activity	\$1,513,443	\$599,678	\$24,628
From securities lending activities:			
Securities lending income	\$ 9,140	\$ 3,600	\$ 169
Securities lending expenses:			
Borrower rebates	(1,677)	(660)	(31)
Management fees	<u>(1,120)</u>	<u>(441)</u>	<u>(21)</u>
Net income from securities lending	\$ 6,343	\$ 2,499	\$ 117
Total Net Investment Income	\$1,519,786	\$602,177	\$24,745
Other additions	<u>241</u>	<u>0</u>	<u>0</u>
Total Additions	<u>\$2,166,276</u>	<u>\$780,978</u>	<u>\$48,357</u>
DEDUCTIONS			
Benefits	<u>\$ 906,300</u>	<u>\$ 326,041</u>	<u>\$ 3,353</u>
Refunds of contributions	<u>28,770</u>	<u>1,493</u>	<u>714</u>
Administrative expenses	<u>9,476</u>	<u>753</u>	<u>222</u>
Other deductions	<u>0</u>	<u>0</u>	<u>0</u>
Total Deductions	<u>\$ 944,546</u>	<u>\$328,287</u>	<u>\$ 4,289</u>
NET INCREASE (DECREASE)	<u>\$1,221,730</u>	<u>\$452,691</u>	<u>\$44,068</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>\$10,116,852</u>	<u>\$4,001,046</u>	<u>\$167,300</u>
End of year	<u>\$11,338,582</u>	<u>\$4,453,737</u>	<u>\$211,368</u>

<u>Minneapolis Employees Retirement Fund</u>	<u>Statewide Volunteer Firefighter Fund</u>	<u>Public Employees Defined Contribution Plan</u>	<u>Total</u>
\$ 4,798	\$ 7	\$ 1,582	\$ 470,300
9,000	0	0	9,000
1,081	0	1,480	387,310
<u>\$ 14,879</u>	<u>\$ 7</u>	<u>\$ 3,062</u>	<u>\$ 866,610</u>
\$ 103,547	\$ (32)	\$ 3,690	\$ 1,882,377
11,472	15	3	179,696
<u>11,648</u>	<u>9</u>	<u>0</u>	<u>228,806</u>
<u>\$ 126,667</u>	<u>\$ (8)</u>	<u>\$ 3,693</u>	<u>\$ 2,290,879</u>
<u>1,486</u>	<u>0</u>	<u>0</u>	<u>24,264</u>
<u>\$ 125,181</u>	<u>\$ (8)</u>	<u>\$ 3,693</u>	<u>\$ 2,266,615</u>
\$ 769	\$ 0	\$ 24	\$ 13,702
(147)	0	(4)	(2,519)
<u>(93)</u>	<u>0</u>	<u>(3)</u>	<u>(1,678)</u>
<u>\$ 529</u>	<u>\$ 0</u>	<u>\$ 17</u>	<u>\$ 9,505</u>
<u>\$ 125,710</u>	<u>\$ (8)</u>	<u>\$ 3,710</u>	<u>\$ 2,276,120</u>
<u>\$853,376</u>	<u>\$791</u>	<u>\$ 1</u>	<u>\$ 854,409</u>
<u>\$993,965</u>	<u>\$790</u>	<u>\$ 6,773</u>	<u>\$ 3,997,139</u>
\$ 147,099	\$ 25	\$ 0	\$ 1,382,818
27	0	1,817	32,821
1,235	1	211	11,898
<u>1,571</u>	<u>0</u>	<u>0</u>	<u>1,571</u>
<u>\$149,932</u>	<u>\$ 26</u>	<u>\$ 2,028</u>	<u>\$ 1,429,108</u>
<u>\$844,033</u>	<u>\$764</u>	<u>\$ 4,745</u>	<u>\$ 2,568,031</u>
\$ 0	\$ 0	\$ 27,194	\$ 14,312,392
<u>\$844,033</u>	<u>\$764</u>	<u>\$31,939</u>	<u>\$16,880,423</u>

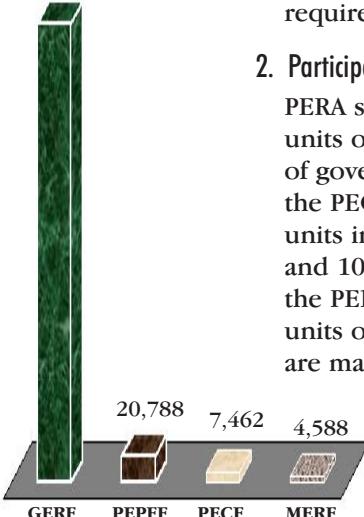
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2010

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

Plan Participation

380,041



A. PLAN DESCRIPTION

1. Organization

The Public Employees Retirement Association (PERA) is the administrator of four cost-sharing, multiple-employer retirement plans, the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), the Public Employees Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), and the Minneapolis Employees Retirement Fund (MERF). In addition, PERA administers one agent, multiple-employer retirement plan, the Statewide Volunteer Firefighter Retirement Plan (SVF) and one multiple-employer deferred compensation plan, the Public Employees Defined Contribution Plan (PEDCP). PERA also administers an agency fund to track the investments placed in a trust by various entities with the State Board of Investment to cover future other postemployment benefit costs. 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, 353G 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 GEF, 500 units of government in the PEPFF, 80 counties in the PECE, 6 fire departments in the SVF, 6 units in the MERF, 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 GEF 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 firefighters 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 fire-fighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA. The PECE covers employees in county correctional institutions who have direct contact with inmates. The MERF covers employees hired prior to July 1, 1978 by the participating employers and was a stand-alone agency until it was consolidated under PERA on June 30, 2010 in accordance with legislation passed in 2010. The SVF covers 129 volunteer firefighters whose fire departments elected to be covered by PERA effective January 1, 2010. 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

Fig.1 PERA Membership — Defined Benefit Plans

	GERF	PEPFF	PECE	MERF	Total
Retirees and beneficiaries receiving benefits	68,474	7,541	441	4,343	80,799
Terminated employees entitled to benefits/refunds but not yet receiving them:					
Vested	45,151	1,315	1,895	102	48,463
Non-Vested	126,027	930	1,605	0	128,562
Current, active employees:					
Vested	108,574	9,692	2,619	143	121,028
Non-Vested	31,815	1,310	902	0	34,027
Total	380,041	20,788	7,462	4,588	412,879

pension plan because of their employment are not eligible to participate in the PEDCP. At June 30, 2010, there were 7,227 members in the PEDCP.

Shown in **Figure 1** below are the membership totals in PERA's multi-employer defined benefit plans as of June 30, 2010.

4. Benefit Provisions - Defined Benefit Annuity Plans

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 service. GERF 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 GERF members whose annuity is calculated using Method 1, and for all PEPFF and PECE members who were first hired prior to 7/1/89, 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 PECE members is 1.9 percent of average salary for each year of service in that

plan. The annuity accrual rate for MERF members is 2 percent of average salary for each of the first 10 years of service and 2.5 percent for each remaining year. MERF members may choose a death benefit option with the death benefit being at least \$500 and not more than one half the value of the employee's total retirement benefit.

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 — Lump-Sum Defined Benefit Plan

The Statewide Volunteer Firefighter Retirement Plan, first available on January 1, 2010, is a lump-sum defined benefit plan largely funded by fire state aid. Members do not contribute to the plan. Employer contributions are determined annually. If fire state aid plus investment income are not expected to cover the normal cost of benefits during the next calendar year, an employer contribution is calculated and payable by the end of the next calendar year. Benefits are paid based on the number of years of service multiplied by a benefit level chosen by the entity sponsoring the fire department from 20 possible levels ranging from \$500 per year of service to \$7,500 per year of service. Plan provisions include a pro-rated vesting schedule that increases from 5 years at 40 percent through 20 years at 100 percent. The plan is established and administered in accordance with Minnesota Statutes, Chapter 353G.

6. Benefit Provisions and Contribution Rates — Defined Contribution 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

The Statewide Volunteer Firefighter Retirement Plan, first available on January 1, 2010, is a lump-sum defined benefit plan largely funded by fire state aid.

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

Notes

(Continued)

Pooled Accounts

(Portfolio Allocation)



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 twenty five-hundredths of one percent (0.25%) 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.

7. Agency Fund

Minnesota Statute 353.95 allows the City of Duluth to invest money with the State Board of Investment (SBI) in a separate trust that will be used to pay future OPEB costs. Minnesota Statute 471.6175, added in the 2008 legislative session, allows any political subdivision or other public entity that has an OPEB liability to create a separate trust with the SBI to pay future OPEB costs. Since PERA already had a reporting relationship with those entities, the Association

was asked to collect their voluntary contributions and send them on to SBI. The various entities are responsible for making sure any withdrawals are done in accordance with GAAP and Minnesota Statutes. They are also responsible for setting and paying benefits, for determining contribution amounts, and for handling any OPEB reporting requirements. Entities may transfer their assets from PERA to a bank or insurance company at any time. As of June 30, 2010 19 different entities had assets worth \$240 million in revocable and irrevocable trusts that will be used to pay OPEB costs in the future.

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 and Valuation Methodology

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, 2010, the participation shares in the external pools at fair value totaled approximately 27.86 percent for the GERF, 10.97 percent for the PEPFF, 2.05 percent for the MERF and 0.52 percent for the PECP.

b) Minnesota Statutes, Section 11A.24, broadly restricts retirement fund investments to obligations and stocks of United States and

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.

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) Investments in the pooled accounts, including assets of the PEDCP and the agency fund, are reported at fair value. Fair value is the proportionate share of the combined market value of the investment portfolio of the SBI investment pool in which the funds participate. All securities within the pools are valued at market value except for U.S. Government short-term securities and commercial paper, which are valued at market less accrued interest. Accrued interest is recognized as short-term income. SBI values long-term fixed income securities by using the Financial Times Interactive Data Services valuation system. This service provides prices for both actively traded and privately placed bonds. For equity securities, SBI uses a valuation service provided by Reuters and market value is the last reported sales price for securities traded on national or international exchanges. If a security is not actively traded, then the fair value is based on the analysis of financial statements, analysis of future cash flows and independent appraisals.

Assumptions made in valuing securities are as follows:

1. Values of actively traded securities determined by recognized exchanges are objectively negotiated purchase prices between willing buyers and sellers and are not subject to either undue influence or market manipulation.
2. Values of securities not actively traded are determined by objective appraisals by qualified professional analysts whose results would not vary materially from those of other similarly qualified professionals. 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.

d) Information about the primary government's (State of Minnesota) investments, including credit risk classification, can be obtained from Minnesota Management & Budget, 400 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155. Information on specific investments owned by the pooled accounts, currency risk, interest rate risk, investment activity and investment management fees 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.

e) 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.

f) 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 \$16,138,569 for GERF, \$6,357,662 for PEPFF, \$1,485,791 for MERF, and \$281,459 for PECEF. A detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share for the pooled investment accounts may 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. 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

A detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share may be obtained from the Minnesota State Board of Investment.

Notes

(Continued)

PERA does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

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 2010, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits, eliminating exposure to custodial credit risk.

5. Investment Risk

a) Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. 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 credit risk, based on S&P Quality

Ratings for debt securities and short-term investments, is shown in **Figure 2**.

Fig. 2 Credit Risk Exposure

Quality Rating	Fair Value (in thousands)
U.S. Guarantee	\$ 920,835
BBB or Better	3,819,662
BB or Lower	306,448
Not Rated	153,391

b) Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. PERA does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

c) 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

Fig. 3 Interest Rate Risk

Security	Weighted Average Maturity (in years)
Cash Equivalents	0.19
U.S. Agencies	2.88
Corporate Bonds	4.81
Asset-Backed Securities	9.61
U.S. Treasuries	10.32
Municipal/Provincial Bonds	16.25
Mortgage Backed Securities	24.53

Fig. 4 Foreign Currency Risk (fair value in thousands)

Currency	Cash	Fixed Income	Equity
Australian Dollar	\$ 702	\$ 0	\$ 131,092
Brazilian Real	82	0	39,335
Canadian Dollar	760	939	184,883
Danish Krone	71	0	24,168
EURO Currency	2,259	0	531,699
Hong Kong Dollar	785	0	159,599
Indian Rupee	253	0	65,009
Indonesian Rupiah	17	0	24,134
Japanese Yen	3,612	0	428,395
Malaysian Ringgit	0	0	13,586
Mexican Peso	30	0	11,596
New Taiwan Dollar	813	0	41,235
Norwegian Krone	182	0	10,769
Polish Zloty	32	0	10,778
Pound Sterling	2,647	7,679	371,834
Singapore Dollar	283	0	34,270
South African Rand	52	0	30,312
South Korean Won	78	0	70,448
Swedish Krona	336	0	43,520
Swiss Franc	217	0	143,070
Thailand Baht	4	0	13,294
Turkish Lira	0	0	14,537
Other	332	0	35,299
Total	\$13,547	\$8,618	\$2,432,862

a policy on interest rate risk. Debt securities are held in external investment pools and PERA's share has the following weighted average maturities as shown in **Figure 3**.

d) 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. Most foreign currency risk resides within SBI's international equity investment holdings. In order to reduce foreign currency risk, the State Board of Investment has developed the following policies. 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 the Dominion 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, 2010 was distributed among the currencies shown in **Figure 4**.

6. Derivative Financial Instruments

On behalf of PERA, SBI invests in various types of derivative financial instruments. Derivatives are defined as any financial arrangement between two parties that has value based on or derived from future price fluctuations. The derivative financial instruments that SBI enters into include futures,

options, stock warrants and rights, currency forwards, and synthetic guaranteed investment contracts.

Minnesota Statutes, Section 11A.24, provides that any agreement for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or securities. This applies to foreign currency forward contracts used to offset the currency risk of a security. All other derivatives are exchange-traded and the purpose of the SBI's derivative activity is to equitize cash in the portfolio or to adjust to mark to market adjustments to assure that leveraging does not occur.

Explanations of each derivative instrument type are presented below. The fair value balances and notational amounts (or face value) at June 30, 2010, classified by derivative instrument type (e.g., futures, options, currency forwards, and stock warrants and rights), and the changes in fair value for fiscal year 2010 are shown in **Figure 5**.

■■■ **Futures**—Futures are contract commitments to purchase (asset) or sell (liability) at a future date. The net change in the values of futures contracts is settled on a regular basis and gains and losses are included in investment income.

■■■ **Options**—Options are contracts that give buyers or sellers the right to buy (calls) or sell (puts) a security at a predetermined price on a future date. Gains and losses result from variances in the market value of the security that is the subject of the contract that occur

Derivative financial instruments that SBI enters into include futures, options, stock warrants and rights, currency forwards, and synthetic guaranteed investment contracts.

Fig. 5 Derivative Financial Instruments (in thousands)

<u>Derivative Investment Type</u>	<u>Changes in Fair Value During FY 2010</u>	<u>Fair Value at June 30, 2010</u>	<u>Notional Amount</u>
Futures:			
Equity Futures—Long	\$12,239	\$ 0	\$ 93
Equity Futures—Short	(957)	0	(139)
Fixed Income Futures—Long	6,808	0	62,276
Fixed Income Futures—Short	(8,179)	0	(76,867)
Options:			
Futures Options Bought	(2)	174	68
Futures Options Written	1,581	(1,007)	(1,796)
TBA Mortgage Backed Securities Commitments:			
TBA—Long	23,014	3,081	383,798
TBA—Short	229	(45)	(8,403)
Currency Hedge			
	1,914	264	0
Stock Warrants and Options:			
Stock Warrants	287	782	574
Stock Options	688	141	499

Notes

(Continued)

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association (TRA) and the Minnesota State Retirement System (MSRS) to purchase land and construct a 140,000 square foot building to house all three retirement systems.

- prior to or on the contract specified date. The gains and losses are included in investment income.
- **TBAs**—TBAs are open trades for "To Be Announced" packages of mortgage backed securities.
- **Currency Hedges**—Currency hedges are contracts entered into in order to hedge against future fluctuations in foreign currency exchange rates on the foreign investments held in foreign currencies. Forward foreign currency contracts commit the buyer or seller to purchase or sell a specific foreign currency on a future date at a specified price. Gains or losses can result from the market rate variance from the contract rate. The gains and losses are included in investment income.
- **Stock Warrants and Rights**—Stock warrants, similar to options, are the right to purchase shares of a stock at a certain price by a certain date. They usually have a longer term before expiration, e.g. five years or more. When exercised, new shares are issued by the company. Rights are the same but are issued to current stock owners to enable them to retain their relative ownership share. Gains and losses from the sale or exercise of stock warrants and rights are included in investment income.
- **Synthetic Guaranteed Investment Contracts**—SBI maintains a fully benefit-responsive synthetic guaranteed investment contract for the

Supplemental Investment Fund - Fixed Interest Account. The investment objective of the Fixed Interest Account is to protect investors from loss of their original investment and to provide a competitive interest rate. On June 30, 2010, SBI's portfolio of well diversified high quality investment grade fixed income securities had a fair value of \$747,886,618 that is \$37,691,873 in excess of the value protected by the wrap contract.

SBI is exposed to credit risk through multiple counterparties in foreign currency forward contracts that are used to offset the currency risk of a security. PERA's proportionate share of the maximum loss that SBI would have recognized as of June 30, 2010 if all counter parties failed to perform as contracted is \$946,000. These counter parties have S&P ratings of AA- or better. There is no collateral held or any liabilities included in netting arrangements with those counterparties that would have reduced SBI's exposure to credit risk.

Interest rate risk is controlled by SBI through a comprehensive set of guidelines developed for each portfolio. Derivative instruments may be used by the managers to manage the interest rate risk within the guidelines set for their portfolio.

SBI controls foreign currency risk associated with currency forwards through a comprehensive set of guidelines developed for each portfolio. Currency forwards may be used to adjust effective non-US currency exposure of the portfolio. The total non-US currency exposure of all securities and currency for-

Fig. 6 Capital Assets (in thousands)

Capital assets, not being depreciated:
Land

Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
\$ 170			\$ 170

Capital assets, being depreciated:

Building

Equipment, Furniture & Fixtures

**Total capital assets
being depreciated**

\$ 11,205	\$ 13	\$ 0	\$ 11,218
<u>2,066</u>	<u>48</u>	<u>(578)</u>	<u>1,536</u>
\$13,271	\$ 61	\$(578)	\$12,754

Less accumulated depreciation for:

Building

Equipment, Furniture & Fixtures

Total accumulated depreciation

\$ (2,230)	\$ (287)	\$ 0	\$ (2,517)
<u>(1,511)</u>	<u>(86)</u>	<u>574</u>	<u>(1,023)</u>
\$(3,741)	\$(373)	\$574	\$(3,540)

**Total capital assets,
net of accumulated depreciation**

\$9,700	\$(312)	\$ (4)	\$ 9,384
----------------	----------------	---------------	-----------------

wards may not exceed the total market value of any manager's portfolio.

7. Capital Assets

Capital assets, generally assets with a cost in excess of \$30,000 and a useful life greater than 1 year, are capitalized at the time of acquisition at cost. PERA's capital asset threshold was increased from \$5,000 to \$30,000 during FY10. 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.

PERA's threshold for intangible assets is \$1,000,000. PERA did not have any intangible assets in FY10.

Capital assets are presented on the June 30, 2010 Statement of Plan Net Assets at historical cost, net of accumulated depreciation, as summarized in **Figure 6**.

8. Building and Land

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association (TRA) and the Minnesota State Retirement System (MSRS) to purchase land and construct a 140,000 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 37.6 percent as of June 30, 2010. PERA's share of the cost to purchase the 4.3 acres of land was \$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 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 \$9,171,661. 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 over 30 years, the life of the bonds. The bond repayment schedule is shown in **Figure 7**.

PERA, the Teachers Retirement Association and the Minnesota State Retirement System are depreciating the jointly-owned facility over 40 years.

9. 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. The total liability at June 30, 2010 is \$944,360. Of this, \$80,312 is considered a short-term liability and \$864,048 is considered a long-term liability. The total increased by \$32,054 during fiscal year 2010.

Fig 7. Remaining Revenue Bond Repayment Schedule (In dollars)

Fiscal Year	Principal	PERA Interest	Total P & I
2011	\$ 253,800	\$ 531,133	\$ 784,933
2012	263,200	517,428	780,628
2013	282,000	503,083	785,083
2014	291,400	487,573	778,973
2015	310,200	471,401	781,601
2016	329,000	454,029	783,029
2017	347,800	435,441	783,241
2018	366,600	415,616	782,216
2019	394,800	394,537	789,337
2020	413,600	371,836	785,436
2021	441,800	347,847	789,647
2022	470,000	321,891	791,891
2023	498,200	294,279	792,479
2024	526,400	265,010	791,410
2025	564,000	234,084	798,084
2026	592,200	200,949	793,149
2027	629,800	166,157	795,957
2028	676,800	129,156	805,956
2029	714,400	88,548	802,948
2030	761,400	45,684	807,084
Totals	\$9,127,400	\$6,675,682	\$15,803,082

Notes

(Continued)

Actuarial valuations are performed annually using the entry age normal actuarial cost method. Contributions are made as a level percentage of projected payroll, and are specified in statute as fixed percentages.

10. 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, via a Securities Lending Authorization Agreement, authorized State Street Bank and Trust Company to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

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 100% of the market value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify the SBI in the event of default by a borrower. There were no failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration and notice of Default of the Borrower.

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, 2010, the investment pool had an average duration of 8 days and an average final maturity of 43 days for USD collateral. 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, 2010 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, 2010 was \$1,537,855,830 and \$1,487,694,900 respectively. Cash collateral of \$1,537,854,798 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.

11. Funded Status

The funded status of each defined benefit plan as of June 30, 2010, the most recent actuarial valuation date, is shown in **Figure 8**. The Schedule of Funding Progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities of promised benefits.

12. Actuarial Methods and Assumptions

Actuarial valuations are performed annually using the entry age normal actuarial cost method. Contributions are made as a level percentage of projected payroll, and are specified in statute as fixed percentages. There are no maximum or minimum salary limits imposed by statute. A closed amortization period is used, with 21 years remaining for the

Fig.8 Schedule of Funding Progress (in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)(b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
PERF	06/30/2010	\$13,126,993	\$17,180,956	\$4,053,963	76.4%	\$4,804,627	84.4%
PEPFF	06/30/2010	5,188,339	5,963,672	775,333	87.0%	740,101	104.8%
PECF	06/30/2010	242,019	248,867	6,848	97.2%	154,777	4.4%
MERF	06/30/2010	844,033	1,286,151	442,118	65.6%	11,090	3,986.6%

GERF and MERF, 28 years remaining for the PEPFF, and 13 years remaining for the PECF. For actuarial purposes, non-MERF assets are valued using a 5-year smoothing method. The plans assume an 8.5 percent investment rate of return and a 3 percent inflation rate. Payroll growth is assumed to grow at 4.0 percent in the GERP and 4.5 percent in the PEPFF and PECF. Assumed salary growth in the GERP decreases in annual increments from 12.03 percent after 1 year of service to 3.5 percent after 18 years of service. In the PEPFF salary growth assumptions decrease from 11 percent at age 20 to 4.75 percent at age 50. In the PECF salary growth assumptions decrease from 7.75 percent at age 20 to 5.25 percent at age 55. In the MERF salary is projected to grow 4% a year.

13. Changes in Assumptions and Plan Provisions

In FY10 several assumptions and plan provisions were adjusted in the GERP. Expected payroll growth was lowered from 4.5 percent to 4 percent. Salary growth was adjusted from an age-based table to a service-based table. Assumed retirement rates were lowered. Mortality tables were changed from the 1983 GAM to the RP-2000 mortality tables. Future post retirement increases were reduced for all benefit recipients from 2.5 percent to 1 percent beginning January 1, 2011 and continuing until the plan is 90 percent funded on a market value basis, when they will be increased back to 2.5 percent. The vesting requirement for new members was increased from 3 years to 5 years. Interest paid on refunds was reduced from 6 percent to 4 percent effective July 1, 2011. The growth rate of future deferred benefits was reduced to 1 percent per year effective January 1, 2012 and eliminated for members who defer after 2011. Employer and employee contribution rates will increase January 1, 2011 by 0.25 percent each. These changes decreased the actuarial accrued liability by \$2.5 billion and decreased the actuarially required contribution by 4.3 percent of pay in the 2010 actuarial valuation.

Future post retirement increases in the PEPFF were reduced for all benefit recipients from 2.5 percent to 1 percent on January 1, 2011 and 2012, then to 1.5 percent on January 1, 2013 and continuing until the plan is 90

percent funded, when they will be increased back to 2.5 percent. The vesting requirement for new members was increased from 3 years to a graded vesting schedule at 50 percent after 5 years and increasing 10 percent each additional year of service until fully vested after 10 years. Interest paid on refunds was reduced from 6 percent to 4 percent effective July 1, 2011. The growth rate of future deferred benefits was reduced to 1 percent per year effective January 1, 2012 and eliminated for members who defer after 2011. These changes decreased the actuarial accrued liability in the PEPFF by \$625 million and decreased the required contribution by 7.1 percent of pay in the 2010 actuarial valuation.

In the PECF, future post retirement increases were reduced for all benefit recipients from 2.5 percent to 1 percent beginning January 1, 2011 and continuing until the plan is 90 percent funded on a market value basis, when they will be increased back to 2.5 percent. As of June 30, 2010 the fund was 84.9% funded using the market value of assets (rather than the actuarial value of assets). The vesting requirement for new members was increased from 3 years to a graded vesting schedule at 50 percent after 5 years and increasing 10 percent each additional year of service until fully vested after 10 years. Interest paid on refunds was reduced from 6 percent to 4 percent effective July 1, 2011. The growth rate of future deferred benefits was reduced to 1 percent per year effective January 1, 2012 and eliminated for members who defer after 2011. These changes decreased the actuarial accrued liability by \$15 million and decreased the required contribution by 1.3 percent of pay.

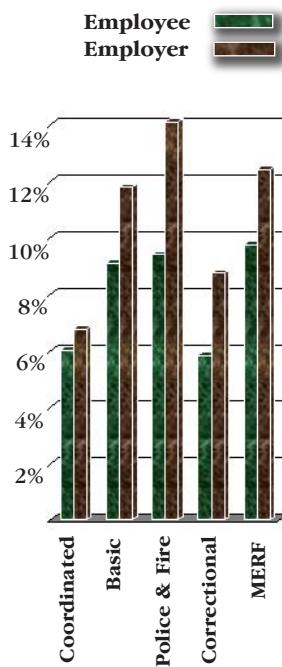
Some assumptions were also changed in the MERF when they consolidated into PERA on June 30, 2010. Mortality tables for pre-retirement, post-retirement and disability were changed from the 1986 Projected Experience Table to the RP-2000 mortality tables. Investment return assumptions were changed from 5 percent (post-retirement) and 6 percent (pre-retirement) to 8.5 percent. The statutory amortization date changed from June 30, 2020 to June 30, 2031. For the purposes of determining the actuarial value of assets, the assets are

Minnesota statutes set the rates for employer and employee contributions. In 2010 the legislature increased contribution rates in the GERP and the PEPFF effective 1/1/2011.

Notes

(Continued)

FY10 Contribution Rates



Two new retirement plans were added to PERA in FY2010.

valued at market value. In prior years, the Non-Retirement Benefit Fund Reserve asset gains and losses were smoothed over a five year period. These changes decreased the actuarial accrued liability by \$193 million and decreased the required contribution by 102.2 percent of percent of pay.

C. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A, 353B, 353E, 353G and 356 set the rates for employer and employee contributions. In 2010 the legislature increased contribution rates in the GERF and the PEPFF effective 1/1/2011. Current and future contribution rates are shown in **Figure 9**. New contribution rates in combination with actuarial assumption changes enacted in 2010 are expected to be sufficient to get the GERF and MERF fully funded by the year 2031, and the PECF by the year 2023, as is presently required under Minnesota Statutes. The actuarially required contributions are expressed as a level percentage of covered payroll and are determined using an individual entry-age actuarial cost method.

Legislation passed in 2010 increased future contributions in the MERF. While employee and employer contributions remain at 9.75 percent of pay, and the employer additional contribution remains at 2.68% of pay plus each employer's share of \$3.9 million payable annually, a new employer supplemental contribution was added that will be calculated annually and can not be less than \$27 million. The new contribution will not be effective until after June 30, 2012. The total of all employer contributions (regular, additional and supplemental) can not exceed \$34 million. The State's contribution to MERF will also be calculated annually and can not exceed new levels established by the legislation. In accordance with GASB 25, contributions in FY10 include the State of Minnesota's \$9 million contribution payable in FY11 but calculated and

billed in FY10 and each employer's share of a \$3.9 million annual contribution payable in FY11 but calculated and billed in FY10.

D. NEW RETIREMENT PLANS

In FY10 two new retirement plans were added to PERA. The first, the Minneapolis Employees Retirement Fund (MERF), was consolidated under PERA on June 30, 2010 and will remain a separate fund until it becomes 80 percent funded. At that time it will be merged into the GERF. Net assets held in trust for pension benefits on July 1, 2009, \$853,375,472, is shown as an "Other Addition" in PERA's Statement of Changes in Plan Net Assets for FY10. MERF was originally established in 1919 by the Minnesota State Legislature as a cost-sharing multiple employer defined benefit plan governed by a seven-member Board of Directors. That governing Board was dissolved on June 30, 2010 when MERF was consolidated into PERA.

The second, the Statewide Volunteer Firefighter Retirement Plan (SVF), was created by the Minnesota legislature in 2009 and first received members and a corresponding transfer of assets from relief associations or entities operating fire departments on December 31, 2009. The amount of assets transferred, \$791,689, is shown as an "Other Addition" in PERA's Statement of Changes in Plan Net Assets for FY10. The plan is an agent lump-sum defined benefit plan. Each entity has a separate account and retains its own assets and liabilities.

Fig. 9 Retirement Plan Contribution Rates

Effective Date	Contributor	PERF	Coordinated	PEPFF	PECF	MERF
		Basic				
1/1/09	Member	9.10%	6.00%	9.40%	5.83%	9.75%
	Employer	11.78%	6.75%	14.10%	8.75%	12.43%
1/1/10	Member	9.10%	6.00%	9.40%	5.83%	9.75%
	Employer	11.78%	7.00%	14.10%	8.75%	12.43%
1/1/11	Member	9.10%	6.25%	9.60%	5.83%	9.75%
	Employer	11.78%	7.25%	14.40%	8.75%	12.43%

E. OTHER NOTES

1. 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 GERF to the extent of fees collected for recovery of administrative costs. The SVF reimburses the GERF \$30 per firefighter. The applicable amounts are reported as expenses of the five 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 2010, administrative expenses allocated to GERF, PEPFF, PECE, SVF and PEDCP totaled \$9,475,928, \$753,517, \$222,223, \$364 and \$210,780 respectively.

MERF's administrative expenses were paid by MERF throughout the year.

2. Participating Pension Plan

All employees of the Public Employees Retirement Association are covered by the GFR 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 and future rates are shown in **Figure 9**. Total covered payroll for PERA employees during fiscal year 2010 was approximately \$5.2 million.

Employer pension contributions for PERA employees for the years ending June 30, 2010, 2009, and 2008 were \$353,569, \$335,952, and \$301,587 respectively, equal to the required contributions for each year as set by state statute.

3. OPEB

Nearly all PERA employees are covered by the State Employees Group Insurance Plan (SEGIP) administered by the Department of Minnesota Management and Budget. At present, this plan subsidizes the cost of retiree insurance by charging a single premium rate for active employees and retirees, regardless of underwriting experience. At June 30, 2010, the SEGIP had an unfunded net obligation for future benefits of \$112,447,000 to be funded on a pay-as-you-go basis. PERA's allocated portion of this liability is \$49,000, which is reported on the Statement of Plan Net Assets.

4. Contingencies

*Swanson, et al. v.
State of Minnesota, et al.
(Ramsey County District Court
File No. 62-CV-10-5285)*

On May 17, 2010 plaintiffs filed a class-action lawsuit challenging the 2009 and 2010 legislative amendments to the formula for post-retirement annual cost of living adjustments (COLAs). Plaintiffs assert that the changes to the COLAs are unconstitutional and that they are entitled to continue to receive the COLA in place on the date of their retirement. PERA is a named defendant, as are PERA's Board Chair and Executive Director, in their official capacities. PERA moved for summary judgment on September 15, 2010. The judge delayed ruling on the motion and granted plaintiffs' request for addition time to conduct discovery. The judge will hear both parties' motions for summary judgment in March, 2011. In management's opinion, the lawsuit will not have a material impact on the financial statements presented for the fiscal year ended June 30, 2010. However, should the State and PERA not prevail in this lawsuit, the resulting effect of higher actuarial accrued liabilities and a lowered funding ratio would be material to PERA's pension fund financial and actuarial reporting in future years.

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.

Schedule of Funding Progress

Required Supplementary Information (last six years, in thousands, unaudited)

GENERAL 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>
6/30/2005	\$11,843,936	\$15,892,555	\$4,048,619	74.5%	\$4,096,138	98.8%
6/30/2006	12,495,207	16,737,757	4,242,550	74.7%	4,247,109	99.9%
6/30/2007	12,985,324	17,705,627	4,720,303	73.3%	4,448,954	106.1%
6/30/2008	13,048,970	17,729,847	4,680,877	73.6%	4,722,432	99.1%
6/30/2009	13,158,490	18,799,416	5,640,926	70.0%	4,778,708	118.0%
6/30/2010	13,126,993	17,180,956	4,053,963	76.4%	4,804,627	84.4%

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>
6/30/2005	\$ 4,814,961	\$ 4,956,340	\$ 141,379	97.2%	\$ 580,723	24.4%
6/30/2006	5,017,951	5,260,564	242,613	95.4%	618,435	39.2%
6/30/2007	5,198,922	5,669,347	470,425	91.7%	648,342	72.6%
6/30/2008	5,233,015	5,918,061	685,046	88.4%	703,701	97.4%
6/30/2009	5,239,855	6,296,274	1,056,419	83.2%	733,164	144.1%
6/30/2010	5,188,339	5,963,672	775,333	87.0%	740,101	104.8%

PUBLIC EMPLOYEES CORRECTIONAL 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>
6/30/2005	\$ 98,156	\$ 108,926	\$ 10,770	90.1%	\$ 116,849	9.2%
6/30/2006	125,776	133,306	7,530	94.4%	125,189	6.0%
6/30/2007	159,548	162,169	2,621	98.4%	134,117	2.0%
6/30/2008	192,937	192,572	(365)	100.2%	154,202	(0.2)%
6/30/2009	217,577	229,383	11,806	94.9%	154,650	7.6%
6/30/2010	242,019	248,867	6,848	97.2%	154,777	4.4%

MINNEAPOLIS 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>
6/30/2005	\$ 1,489,713	\$ 1,624,355	\$ 134,642	91.7%	\$ 27,479	490.0%
6/30/2006	1,490,280	1,617,653	127,373	92.1%	21,669	587.8%
6/30/2007	1,383,742	1,610,881	227,139	85.9%	17,296	1,313.2%
6/30/2008	1,214,305	1,588,990	374,685	76.4%	13,957	2,684.6%
6/30/2009	880,133	1,575,011	694,878	55.9%	10,979	6,329.2%
6/30/2010	844,033	1,286,151	442,118	65.6%	11,090	3,986.6%

Schedule of Employer Contributions

Required Supplementary Information (last six years, in thousands, unaudited)

GENERAL EMPLOYEES RETIREMENT FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2005	12.72%	\$ 4,096,138	\$ 216,701	\$ 304,328	\$ 232,963	76.55%
2006	13.26%	4,247,109	235,901	327,265	255,531	78.08%
2007	13.41%	4,448,954	260,907	335,697	283,419	84.43%
2008	13.86%	4,722,432	280,007	374,522	303,304	80.98%
2009	14.22%	4,778,708	298,381	381,151	328,603	86.21%
2010	15.55%	4,804,627	303,571	443,548	342,678	77.26%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2005	21.99%	\$ 580,723	\$ 37,873	\$ 89,828	\$ 55,802	62.12%
2006	24.36%	618,435	42,970	107,681	63,603	59.07%
2007	25.76%	648,342	50,689	116,325	74,707	64.22%
2008	28.82%	703,701	58,259	144,548	87,023	60.20%
2009	28.41%	733,164	67,701	140,591	101,548	72.23%
2010	29.99%	740,101	71,736	150,220	107,066	71.27%

PUBLIC EMPLOYEES CORRECTIONAL FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2005	13.06%	\$ 116,849	\$ 7,192	\$ 8,068	\$ 10,814	134.03%
2006	13.09%	125,189	7,881	8,507	11,826	139.02%
2007	12.71%	134,117	8,335	8,712	12,499	143.48%
2008	12.37%	154,202	8,922	10,153	13,388	131.87%
2009	13.50%	154,650	9,409	11,469	14,124	123.15%
2010	14.03%	154,777	9,442	12,273	14,170	115.46%

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2005	63.92%	\$ 27,479	\$ 3,087	\$ 14,478	\$ 19,395	133.97%
2006	75.07%	21,669	2,312	13,955	44,953	322.13%
2007	95.33%	17,296	1,665	14,823	28,545	192.57%
2008	187.33%	13,957	1,431	24,714	15,272	61.80%
2009	374.32%	10,979	1,072	40,026	15,646	39.09%
2010	833.55%	11,090	1,081	91,360	13,798	15.10%

* 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)

	General Employees Retirement Fund	Public Employees Police & Fire Fund	Public Employees Correctional Fund	Minneapolis Employees Retirement Fund
Valuation Date	6/30/2010	6/30/2010	6/30/2010	6/30/2010
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed	Level Percentage Closed
Remaining Amortization Period	21 Years	28 Years	13 Years	21 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	Market Value
Actuarial Assumptions:				
Investment Rate of Return	8.5%	8.5%	8.5%	8.5%
Projected Salary Increases	3.5% - 12.03%	4.75% - 11.0%	5.25% - 7.75%	4%
Assumed Inflation Rate	3.0%	3.0%	3.0%	3.0%
Payroll Growth Rate	4.0%	4.5%	4.5%	N/A
Mortality Table - Active	RP 2000 Non-annuitant, Set Forward 5 Years Males; Back 3 Years Females	1983 GAM Set Back 6 Years	1983 GAM Set Back 1 Year, Males	RP 2000 Healthy Sex Distinct Annuitant, Projected to 2018
Mortality Table - Retired	RP 2000 Annuitant, Set Back 2 Years Females	1983 GAM Set Back 1 Year	1983 GAM Set Forward 2 Years	RP 2000 Healthy Sex Distinct Annuitant, Projected to 2018
Cost of Living Adjustment	1% Per Year Until 90% Funded, Then 2.5% Per Year	1% In 2011 & 2012, Match CPI Up to 1.5% Until 90% Funded, Then 2.5% Per Year	1% Per Year Until 90% Funded, Then 2.5% Per Year	1% Per Year Until 90% Funded, Then 2.5% Per Year

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2010 (in thousands)

<u>Source of Expenses</u>	General Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Minneapolis Employees Retirement Fund	Total
Outside Money Managers—Equities	\$ 6,574	\$2,591	\$115	\$ 529	\$ 9,809
Outside Money Managers--Global	6,013	2,369	105	602	9,089
Outside Money Managers—Fixed Income	2,519	991	43	275	3,828
Minnesota State Board of Investment	803	316	14	62	1,195
Financial Control Systems	118	47	2	9	176
Nuveen Investment Solutions	102	40	2	8	152
Pension Consulting Alliance	10	4	0	1	15
Total	\$16,139	\$6,358	\$281	\$1,486	\$24,264

A schedule of investment fees paid to money managers is provided on page 46 in the Investment Section of this report.

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2010 (in thousands)

<u>Individual or Firm Name</u>	<u>Nature of Service</u>	<u>Fee Paid</u>
Mercer Human Resources	Actuarial	\$ 263
Stubbe & Associates	Medical Services	20
US Bank - St Paul	Management	15
Berwyn Group	Management	6
Independent Medical Services	Medical Services	6
Works Computing Inc.	System Development	5
Kusske Financial Management	Management	2
Accurint	Management	2
John Brennan	Legal	1
State of Minnesota —		
Attorney General	Legal	\$ 116
Department of Health	Medical Services	101
Office of Legislative Auditor	Audit	86
Administrative Law Judge	Medical Services	32
Total		\$655

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2010 (in thousands)

	PERA	MERF*
PERSONAL SERVICES:		
Staff Salaries	\$ 6,861	\$ 704
Part-Time, Seasonal Labor	215	2
Other Benefits	65	111
Total Personal Services	\$ 7,141	\$ 817
PROFESSIONAL SERVICES:		
Actuarial	\$ 263	\$ 137
Legal	117	51
Banking	15	16
Auditor	86	36
Management Consultants	10	46
Medical Evaluations	159	0
System Development	5	0
Total Professional Services	\$ 655	\$ 286
COMMUNICATIONS:		
Mail & Telephone Services	\$ 615	\$ 30
Printing & Publications	197	6
Total Communication	\$ 812	\$ 36
OFFICE BUILDING & MAINTENANCE:		
Building	\$ 485	\$ 64
Depreciation—Building	278	0
Bond Interest	543	0
Total Building and Maintenance	\$ 1,306	\$ 64
OTHER:		
Depreciation—Equipment	\$ 87	\$ 0
Employee Development	63	3
Equipment Maintenance	23	5
Indirect Costs	141	5
Operating Costs	47	7
Supplies and Materials	321	9
Travel	76	3
Total Other	\$ 758	\$ 32
Total Administrative Expense	\$10,672	\$1,235
ALLOCATION OF ADMINISTRATIVE EXPENSE:		
Defined Benefit Plans		
General Employees Retirement Fund	\$ 9,476	
Public Employees Police and Fire Fund	753	
Public Employees Correctional Fund	222	
Statewide Volunteer Firefighter	1	
Other Post Employment Benefits	9	
Defined Contribution Plans		
Public Employees Defined Contribution Plan	211	
Total Administrative Expenses	\$10,672	

Investment Section

Investment Report

Investment Results

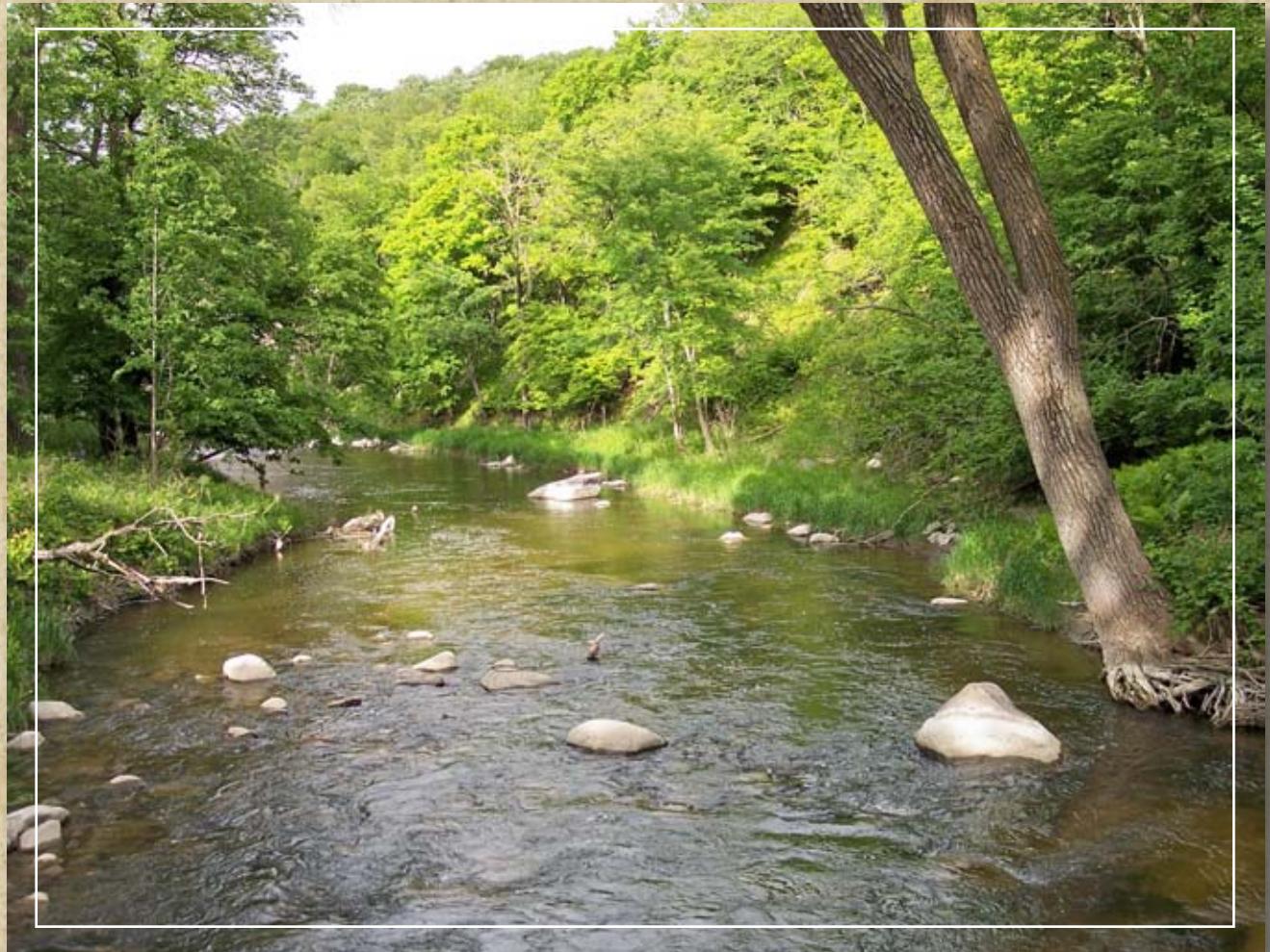
Asset Allocation

List of Largest Assets Held

Investment Summary at Fair Value

Fair Value of Investments

Schedule of Investment Fees



Redwood River, Camden State Park - Photo by Tim Kisser -

THIS PAGE LEFT
BLANK INTENTIONALLY.

Investment Report

MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Tim Pawlenty

State Auditor
Rebecca Otto

Secretary of State
Mark Ritchie

Attorney General
Lori Swanson

Executive Director:

Howard J. Bicker

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

An Equal Opportunity
Employer

Investment Authority

The assets of the 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, 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 contributions of PERA members are invested in the Combined Funds. The Combined Funds include 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. The assets of the Minneapolis Employees Retirement Fund are also included in the Combined Funds. PERA does not own any underlying assets, but instead owns a participation in the pooled Combined Funds. Because these assets normally accumulate 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.

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; and



(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. The SBI also compares the Combined Funds returns to other large pension funds in a universe of public and corporate plans.

Based on values on June 30, 2010, the Combined Funds returned 5.4 percentage points above the CPI over the last 20 years and returned 0.1 percentage point above the Composite Index over the past 10 years. Investment returns ranked in the 34th percentile over the past five years and in the 65th percentile over the past 10 years, compared to similar funds in the Trust Universe Comparison Service.

Investment Presentation

Investment returns were prepared using a time-weighted rate of return methodology based upon fair market values, net of investment expenses.

Howard Bicker
Executive Director
State Board of Investment

October 15, 2010

Investment Results

FUND PERFORMANCE

Fund	Rates of Return (Annualized)			
	FY 2010	3-Year	5-Year	10-Year
Combined Funds (Active/Retiree)*	15.2%	-3.8%	3.4%	2.9%
Combined Composite Market Index	13.5	-3.8	3.3	2.8

* Percentages are net of all management fees.

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 47 countries included in this index. It does not include the United States;

Bonds—Barclays Capital 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 2010	3-Year	5-Year	10-Year
Domestic Stock Pool				
Russell 3000	15.8%	-9.7%	-0.8%	-1.3%
	15.7	-9.5	-0.5	-1.1
Bond Pool				
Barclays Agg.	14.5%	7.0%	5.4%	6.6%
	9.5	7.5	5.5	6.5
International Stock Pool				
MSCI ACWI Free ex US (net)	11.7%	-10.4%	3.8%	2.1%
	10.4	-10.6	3.4	1.8
Alternative Investments				
	15.0%	2.3%	14.1%	11.7%
Real Estate Pool (Equity Emphasis)	-19.9%	-12.0%	0.6%	5.8%
Private Equity Pool (Equity Emphasis)	27.9%	3.8%	14.3%	9.8%
Resource Pool (Equity Emphasis)	20.9%	7.0%	28.6%	25.9%
Yield Oriented Pool (Debt Emphasis)	9.0%	8.2%	19.8%	15.8%

Note: Investment returns were calculated using a time-weighted rate of return.

TUCS RANKING

Percentage Ranking: 1 Year — 20th 3 Year — 44th 5 Year — 34th 10 year — 65th

Asset Allocation

ASSET ALLOCATION (AT JUNE 30, 2010)

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

Investment Type	Combined Funds	
	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	42.3%	45.0%
International Stocks	15.5	15.0
Bonds	24.9	18.0
Alternative Assets*	15.3	20.0
Cash	<u>2.0</u>	<u>2.0</u>
Total	<u>100%</u>	<u>100%</u>

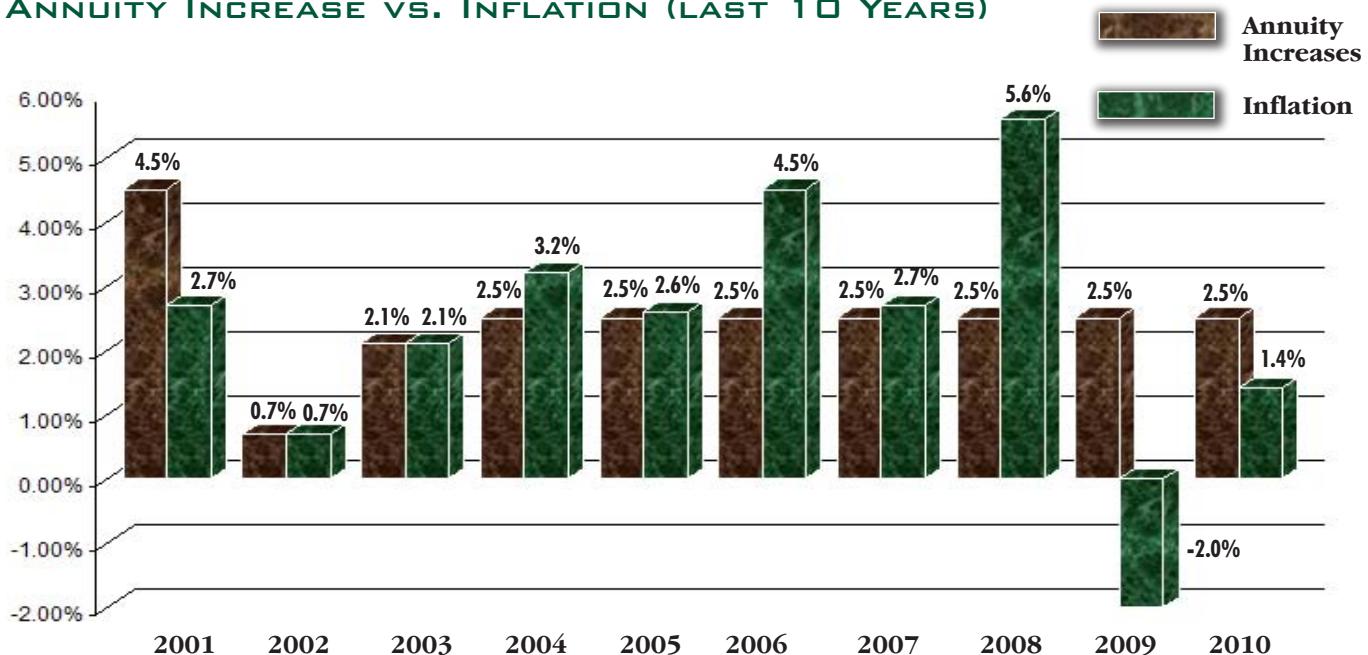
* Alternative assets include real estate, venture capital and resource (oil, gas, etc.) funds.

COMBINED FUNDS

The Combined Funds, as the name implies, is a combination of its predecessors, PERA's Basic Fund and the Minnesota Post Retirement Investment Fund (MPRIF). The MPRIF was closed in 2009.



ANNUITY INCREASE VS. INFLATION (LAST 10 YEARS)



Increases awarded to PERA retirees under the MPRIF greatly outpaced inflation during the 1990s but fell short from 2004 through 2008. This year, while inflation was 1.4 percent, benefit recipients received a 2.5 percent increase.

List of Largest Assets Held

June 30, 2010

COMPOSITE OF TOP TEN EQUITY HOLDINGS (BY FAIR VALUE)

Security	Fair Value (In millions)	% of Portfolio
Exxon Mobil Corp.	\$166.0	0.99%
Apple Inc.	144.8	0.86
Microsoft Corp.	115.8	0.69
IBM	97.6	0.58
UBS Trumbull Property	93.6	0.56
Procter & Gamble Co.	93.1	0.56
J. P. Morgan Chase & Co.	92.7	0.55
AT&T Inc.	90.3	0.54
Johnson & Johnson	85.9	0.51
CVI Global Value	85.1	0.51

COMPOSITE OF TOP TEN FIXED INCOME HOLDINGS (BY FAIR VALUE)

Security	Coupon	Fair Value (In millions)	% of Portfolio
U.S. Treasury N/B	4.625%	\$65.5	0.39%
FNMA Single Family	4.500	64.7	0.39
WI Treasury Security	1.875	57.3	0.34
U.S. Treasury N/B	3.125	47.5	0.28
U.S. Treasury N/B	0.750	41.7	0.25
U.S. Treasury Bond	4.375	36.1	0.22
GNMA Jumbos	5.000	34.0	0.20
U.S. Treasury N/B	4.375	31.1	0.19
FNMA Single Family	4.500	29.6	0.18
WI Treasury Security	1.375	29.4	0.18

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. The percentages shown are those of the total pooled accounts. The fair value amounts are based on PERA's participation in the pools. 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 Fair Value

For the Fiscal Year Ended June 30, 2010 (in thousands)

GENERAL EMPLOYEES RETIREMENT FUND

Pooled Accounts	Fair Value <u>June 30, 2009</u>	Fair Value <u>June 30, 2010</u>	Percent of Portfolio
Domestic Equity	\$ 4,499,809	\$ 4,771,253	42%
Fixed Income	2,234,014	2,780,864	25
Alternative Pool	1,516,090	1,763,333	16
Global Equity	1,647,377	1,743,541	15
Short-term Cash Equivalent	<u>255,389</u>	<u>271,606</u>	<u>2</u>
Total Pooled Accounts	<u>\$10,152,679</u>	<u>\$11,330,597</u>	<u>100%</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Fair Value <u>June 30, 2009</u>	Fair Value <u>June 30, 2010</u>	Percent of Portfolio
Domestic Equity	\$1,756,301	\$ 1,879,366	42%
Fixed Income	861,334	1,095,364	25
Alternative Pool	606,604	694,566	16
Global Equity	642,981	686,769	15
Short-term Cash Equivalent	<u>89,078</u>	<u>101,069</u>	<u>2</u>
Total Pooled Accounts	<u>\$3,956,298</u>	<u>\$4,457,134</u>	<u>100%</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Fair Value <u>June 30, 2009</u>	Fair Value <u>June 30, 2010</u>	Percent of Portfolio
Domestic Equity	\$ 73,536	\$ 88,299	42%
Fixed Income	33,159	51,464	25
Alternative Pool	29,467	32,633	15
Global Equity	26,922	32,267	15
Short-term Cash Equivalent	<u>3,874</u>	<u>6,481</u>	<u>3</u>
Total Pooled Accounts	<u>\$166,958</u>	<u>\$211,144</u>	<u>100%</u>

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Pooled Accounts	Fair Value <u>June 30, 2009*</u>	Fair Value <u>June 30, 2010</u>	Percent of Portfolio
Domestic Equity	\$ 383,251	\$ 359,421	43%
Fixed Income	258,817	285,590	35
Alternative Pool	0	0	0
Global Equity	169,109	158,810	19
Mortgages	106	0	0
Short-term Cash Equivalent	<u>28,052</u>	<u>27,400</u>	<u>3</u>
Total Pooled Accounts	<u>\$839,335</u>	<u>\$831,221</u>	<u>100%</u>

*Data based on MERF accounts prior to transfer to PERA on June 30, 2010.

Fair Value of Investments

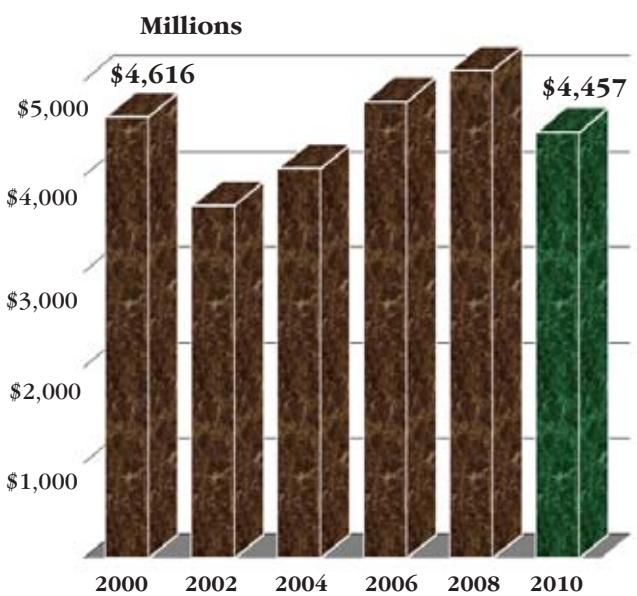
Last 10 Years

GENERAL EMPLOYEES RETIREMENT FUND



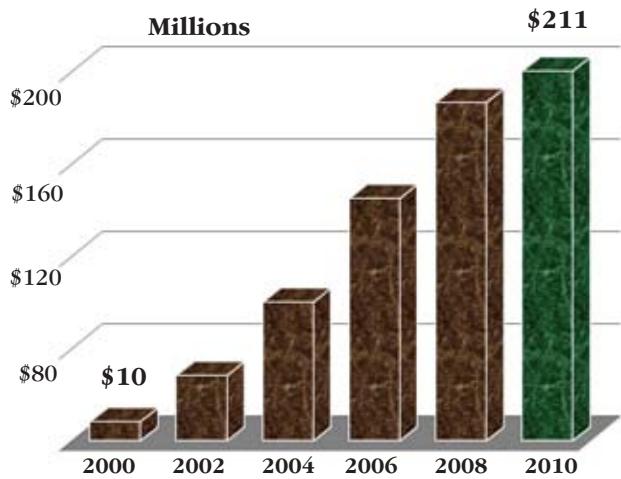
Because of investment losses the previous two years, the fair value of investments is back to where it was 10 years ago.

POLICE AND FIRE FUND



Fair value of Police and Fire Fund investments is slightly ahead of 2004 levels.

PUBLIC EMPLOYEES CORRECTIONAL FUND



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$211 million.

Schedule of Investment Fees

For the Fiscal Year Ended June 30, 2010 (in thousands)

SBI & CONSULTANTS:

State Board of Investment	\$ 1,195
Financial Control Systems	176
Nuveen Investment Solutions	152
Pension Consulting Alliance	15
Total	\$ 1,538

OUTSIDE MONEY MANAGERS:

DOMESTIC EQUITIES:

Alliance Management	\$ 101
Barrow, Hanley	308
BZW Barclays	1,136
Earnest Partners	180
Franklin Port	456
Goldman Equity	385
Hotchkis & Wiley	311
Intech Investment	491
Jacobs Levy Equity	350
JP Morgan	1,018
Lazard Asset Management	120
Lord Abbett	257
LSV Asset	362
Martingale	213
McKinley Capital	343
New Amsterdam	77
Next Century	714
Peregrin Capital	458
Riversource Investment	2
Sands Capital	305
Systematic Financial	340
Turner Investment	544
UBS Asset Management	239
Winslow Capital	208
Zevenbergen	561
Total	\$ 9,480

GLOBAL EQUITIES:

Acadian Asset	\$ 527
Alliance Capital	470
AQR Capital	522
Capital Guardian	2,000
Fidelity Management	724
Invesco Global	352
JP Morgan	394
Marathon Asset	643
McKinley Capital	380
Morgan Stanley	2,146
Riversource	309
State Street	622
Total	\$ 9,089

PASSIVE EQUITIES:

BZW Passive	\$ 329
Total	\$ 329

FIXED INCOME:

Blackrock Financial	\$ 379
Deutsche Asset	609
Dodge & Cox	419
Goldman Sachs	485
Lehman Brothers	224
Pimco	836
Riversource	352
Western Asset	524
Total	\$ 3,828

Total Investment Fees \$24,264

PERA's assets are commingled in various pooled investment accounts administered by the State Board of Investment. The SBI uses outside money managers and consultants to invest the assets. The amounts in this schedule represent PERA's share of fees paid to SBI, and fees paid by SBI to consultants and money managers. A listing of commissions paid to brokers by the money managers can be obtained from the Minnesota State Board of Investment.

THIS PAGE LEFT
BLANK INTENTIONALLY.

Actuarial Section

- Actuary's Certification Letter**
- Summary of Actuarial Assumptions and Methods**
- Sample Annual Rates Per 10,000 Employees**
- Determination of Actuarial Value of Assets**
- Solvency Test**
- Schedule of Active Member Valuation Data**
- Schedule of Retirees and Beneficiaries**
- Determination of Contribution Sufficiency**
- Schedule of Changes in Unfunded Actuarial Accrued Liabilities**



Cascade River, Cascade State Park - Photo by Aaron Falkenson -

THIS PAGE LEFT
BLANK INTENTIONALLY.

Actuary's Certification Letter



MERCER

MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

333 South 7th Street, Suite 1600
Minneapolis, MN 55402-2427
612 642 8686 Fax 612 642 8686
www.mercer.com

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

December 21, 2010

Members of the Board:

We have prepared and presented to you our annual actuarial valuation of the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF), the Public Employees Correctional Fund (PECF), and the Minneapolis Employees Retirement Fund (MERF) as of June 30, 2010.

In this Comprehensive Annual Financial Report (CAFR), all supporting schedules in the Actuarial Section and the Schedule of Funding Progress and the Schedule of Employer Contributions in the Financial Section have been prepared by PERA based on the information included in Mercer's reports on the annual actuarial valuation. The annual actuarial valuation reports are available on the PERA website.

Valuation Results

The results of the valuations are summarized in the following table. For all plans except MERF, because the valuation smoothes asset returns over five years, the funding ratios and contribution deficiencies based on the actuarial value of assets do not reflect 60% of the large asset loss that occurred during the 2009 fiscal year. On a market value of assets basis, the funding ratios are lower and the deficiencies are higher. The valuation for MERF is based on the market value of assets.

Plan	Accrued Liability Funding Ratio		Contribution Sufficiency/ Deficiency (% of Pay)		Statutory Amortization Date
	Actuarial Value of Assets	Market Value of Assets	Actuarial Value of Assets	Market Value of Assets	
GERF	76.40%	66.00%	0.79%	(1.76%)	2031
PEPFF	87.00%	74.68%	(1.77%)	(7.25%)	2038
PECF	97.25%	84.93%	1.37%	(0.42%)	2023
MERF	65.62%	65.62%	(216.55%)	(216.55%)	2031

Consulting. Outsourcing. Investments.

A contribution deficiency means that over the long run, without further changes or favorable actuarial experience, the contributions scheduled to be made to the fund will not meet the fundamental funding objective of full funding by the statutory amortization date.

Changes in Plan Provisions

The following changes in plan provisions were recognized this year:

- For all plans, post-retirement benefit increases are reduced beginning January 1, 2011. If the accrued liability funding ratio of the plan (for MERF, the GERP funding ratio is used) reaches 90% (on a market value of assets basis), the benefit increase for that plan reverts to 2.5% (inflation up to 2.5% for PEPFF). The waiting period and proration schedule for initial increases was also changed.
- For all plans except MERF, the increase on deferred benefits changes to 1.0% after December 31, 2011. There will be no augmentation for terminations occurring on or after January 1, 2012. The interest earned on member contributions changes from 6.0% to 4.0% as of July 1, 2011. Vesting requirements were changed for members first hired after June 30, 2010.

Actuary's Certification Letter

(Continued)

- Member and employer contributions increase 0.25% of salary in the GERF beginning January 1, 2011. In the PEPFF, member contributions increase 0.20% of salary and employer contributions increase 0.30% of salary beginning January 1, 2011.

Changes in Actuarial Assumptions and Methods

For all plans except MERF, the post-retirement discount rate assumptions were changed to reflect the applicable changes in post-retirement benefit increases. For the GERF and MERF, mortality assumptions (pre-retirement, post-retirement, and post-disability) were updated to RP 2000 mortality tables.

For the GERF, the following additional changes in actuarial assumptions were recognized:

- The percent married, beneficiary age difference, and form of payments assumptions for active members were changed.
- Retirement rates were changed at several ages to more closely reflect actual retirement experience.
- The future salary growth assumption changed from an age based table to a service based table, and the payroll growth assumption changed from 4.5% to 4.0%.

For MERF, the following additional changes were recognized:

- Employer and State contribution requirements were modified.
- The post-retirement investment return assumption was changed from 5.0% to 8.5% and the pre-retirement investment return assumption was changed from 6.0% to 8.5%.
- Annual post-retirement benefit increases are valued explicitly in the benefit amounts rather than implicitly through a difference in the pre and post-retirement investment return assumptions.
- The statutory amortization date changed from June 30, 2020 to June 30, 2031.
- The actuarial value of asset method was changed to market value.
- Other MERF valuation methodologies were modified as a result of legislative changes. For additional detail, please refer to the MERF 2010 valuation report.

In the aggregate, the basic financial and membership data provided to us as of June 30, 2010 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. 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 (LCPR).

To the best of our knowledge and belief, the valuations were performed in accordance with generally accepted actuarial principles and procedures, GASB 25, 43 and 50 pronouncements, the requirements of Minnesota Statutes, Section 356.215, and the requirements of the Standards for Actuarial Work established by the LCPR, including one modification regarding decrement timing. The LCPR approved this modification prior to the preparation of this report in order to ensure consistency and comparability. For more information about the decrement timing methodology, please refer to the valuation reports. In our opinion, the results of the reports reflect the actuarial position of the plans on an ongoing basis under the prescribed assumptions, methods, and procedures.

The undersigned credentialed actuaries meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. In addition, Mr. Dickson meets the requirements of "approved actuary" under Minnesota Statutes, Section 356.215, Subdivision 1, Paragraph (c). We are not aware of any direct or material indirect financial interest or relationship, including investments or other services that could create a conflict of interest, that would impair the objectivity of our work.

Respectfully submitted,



Gary Dickson,
FSA, EA, MAAA

Bonita J. Wurst,
ASA, EA, MAAA

The information contained in this document (including any attachments) is not intended by Mercer to be used, and it cannot be used, for the purpose of avoiding penalties under the Internal Revenue Code that may be imposed on the taxpayer.

Summary of Actuarial Assumptions and Methods

GENERAL 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. (1960)
Actuarial Assumptions	
1. Mortality	
a. Active	RP 2000 non-annuitant generational mortality table, white collar adjustment, set forward 5 years for males and set back 3 years for females. (2010)
b. Retired	RP 2000 annuitant generational mortality table, white collar adjustment, set back 2 years for females. (2010)
c. Disabled	RP 2000 disabled retiree mortality table set back 4 years for males and set forward 7 years for females. (2010)
2. Retirement Age	Age related table from age 55 to 70. (2010)
3. Disability	Graded rates.(2000)
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment. (2002)
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll. (1989)
6. Earnings Progression	Service based table. (2010)
7. Active Member Payroll Growth	4% per year. (2010)
8. Investment Return	8.5% compounded annually. (1989)
9. Retiree COLA	1% per year until the fund is 90% funded, then 2.5% per year. (2010)
Asset Valuation Method	Fair market value smoothed over 5 years. (2008)

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. (1960)
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 6 years. (2003)
b. Retired	1983 GAM Mortality Table set back 1 year. (2003)
c. Disabled	1965 Railroad Workers Select Mortality Table through age 40. Healthy Post-Retirement Mortality Table after age 59. Graded rates from age 41 to 59. (2003).
2. Retirement Age	Age related table from age 50 to 70. (2003)
3. Disability	Graded rates. (2003)
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment. (2003)
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll. (1989)
6. Earnings Progression	Age related table which incorporates a 3% base inflation assumption. (2008)
7. Active Member Payroll Growth	4.5% per year. (2008)
8. Investment Return	8.5% compounded annually. (1989)
9. Retiree COLA	1% in 2011 and 2012, then CPI up to 1.5% until the fund is 90% funded, then CPI up to 2.5% per year. (2010)
Asset Valuation Method	Fair market value smoothed over 5 years. (2008)

Summary of Actuarial Assumptions and Methods

(Continued)

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. (1999)
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 1 year for males. (1999)
b. Retired	1983 GAM Mortality Table set forward 2 years. (1999)
c. Disabled	Combined Annuity Mortality Table. (1999)
2. Retirement Age	Age related table from age 50 to 70. (1999)
3. Disability	Graded rates. (1999)
4. Termination	Graded rates. (1999)
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll. (1999)
6. Earnings Progression	Age related table incorporating a 3% base inflation assumption. (2008)
7. Active Member Payroll Growth	4.5% per year. (2008)
8. Investment Return	8.5% compounded annually. (1999)
9. Retiree COLA	1% per year until the fund is 90% funded, then 2.5% per year. (2010)
Asset Valuation Method	Fair market value smoothed over 5 years. (2008)

MINNEAPOLIS 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. (1960)
Actuarial Assumptions	
1. Mortality	
a. Active	RP 2000 healthy sex distinct annuitant mortality table, white collar adjustment, projected to 2018. (2010)
b. Retired	RP 2000 healthy sex distinct annuitant mortality table, white collar adjustment, projected to 2018. (2010)
c. Disabled	RP 2000 healthy sex distinct annuitant mortality table, white collar adjustment, reduced by 20%. (2010)
2. Retirement Age	61 years, or if older than age 61, one year from the valuation date. (1984)
3. Disability	Graded rates. (1985)
4. Termination	Graded rates. (1985)
5. Allowance for Expenses	Prior year expenses increased by 4% and expressed as a percentage of prior year payroll. (1991)
6. Earnings Progression	Total reported pay for prior calendar year increased 1.98% to prior fiscal year and 4% annually for each future year. (1991)
7. Active Member Payroll Growth	—
8. Investment Return	8.5% compounded annually. (2010)
9. Retiree COLA	1% per year until the fund is 90% funded, then 2.5% per year. (2010)
Asset Valuation Method	Market Value. (2008)

OTHER ASSUMPTIONS

Separation

GERF uses Select Table for first three years.

Year	Percent	Year	Percent	Year	Percent
1	40%	2	15%	3	10%

PEPFF also uses Select Table for first three years.

Year	Percent	Year	Percent	Year	Percent
1	3.5%	2	3.5%	3	3.5%

Annuity Selection

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

GENERAL EMPLOYEES RETIREMENT FUND

Gender	Benefit Option (% chosen)				
	Single-life	25%	50%	75%	100%
Male	40%	5%	15%	10%	30%
Female	70	5	5	5	15

PUBLIC EMPLOYEES POLICE AND FIRE FUND

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

PUBLIC EMPLOYEES CORRECTIONAL FUND

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

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Gender	Benefit Option (% chosen)				
	Single-life	25%	50%	75%	100%
Male	100%				
Female	100				

Salary Increases

The General Employees Retirement Fund (GERF) now uses a salary increase table based on years of public service, as follows:

Yrs. of Service	Salary Increase
1	12.03%
2	8.90%
3	7.46%
4	6.58%
5	5.97%
6	5.52%
7	5.16%
8	4.87%
9	4.63%
10	4.42%
11	4.24%
12	4.08%
13	3.94%
14	3.82%
15	3.70%
16	3.60%
17	3.51%
18+	3.50%

Family Composition

GERF: 75% of males and 70% of females are married.

Beneficiary for males is 3 years younger, beneficiary for females is 2 years older.

PEPFF: 85% of males and 65% of females are married. Wives are 4 years younger than husbands.

PECF: 85% of members are married. Wives are 3 years younger than husbands.

MERF: 67% of members are married. Wives are 3 years younger than husbands.

Actuarial Tables

Sample Annual Rates per 10,000 Employees, June 30, 2010

GENERAL 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	2	1	1	840	840	Salary increase
25	3	2	1	1	690	690	assumptions
30	6	2	2	2	540	540	for the General
35	8	3	5	4	390	420	Employees
40	12	5	9	6	300	350	Retirement
45	16	7	14	9	250	300	Fund are now
50	23	10	23	16	200	250	tied to
55	36	16	49	26	-	-	years of public
60	58	27	82	46	-	-	service rather
65	84	43	-	-	-	-	than age.
70	292	67	-	-	-	-	(See Page 56.)

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	11.00%
25	4	2	13	13	324	324	9.00%
30	4	2	16	16	190	190	7.50%
35	6	3	19	19	146	146	6.50%
40	8	4	29	29	126	126	5.50%
45	11	6	54	54	91	91	5.00%
50	19	9	104	104	50	50	4.75%
55	35	15	203	203	11	11	4.75%
60	57	23	-	-	-	-	4.75%
65	84	38	-	-	-	-	4.75%
70	139	64	-	-	-	-	4.75%

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%

MINNEAPOLIS 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	2	2	21	21	2,100	2,100	4%
25	2	2	21	21	1,100	1,100	4%
30	3	2	23	23	500	500	4%
35	5	4	30	30	150	150	4%
40	8	5	41	41	100	100	4%
45	11	8	61	61	100	100	4%
50	14	12	93	93	100	100	4%
55	23	22	160	160	100	100	4%
60	43	44	-	-	100	100	4%
65	86	80	-	-	-	-	4%
70	147	140	-	-	-	-	4%

Determination of Actuarial Value of Assets

As of June 30, 2010 (in thousands)

GENERAL EMPLOYEES RETIREMENT FUND

Fair value of assets available for benefits (a)				\$ 11,338,582
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2010	\$ 672,522	80%	\$ 538,018	
Year ended June 30, 2009	(3,451,678)	60%	(2,071,007)	
Year ended June 30, 2008	(941,039)	40%	(376,416)	
Year ended June 30, 2007	604,970	20%	<u>120,994</u>	
Total unrecognized return (b)				\$ (1,788,411)
Actuarial value of assets (a-b)				<u>\$ 13,126,993</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fair value of assets available for benefits (a)				\$ 4,453,737
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2010	\$ 268,440	80%	\$ 214,752	
Year ended June 30, 2009	(1,395,085)	60%	(837,051)	
Year ended June 30, 2008	(416,143)	40%	(166,456)	
Year ended June 30, 2007	270,763	20%	<u>54,153</u>	
Total unrecognized return (b)				\$ (734,602)
Actuarial value of assets (a-b)				<u>\$ 5,188,339</u>

PUBLIC EMPLOYEES CORRECTIONAL PLAN

Fair value of assets available for benefits (a)				\$ 211,368
Calculation of unrecognized return	<u>Original Amount</u>	<u>% Not Recognized</u>	<u>Unrecognized Return</u>	
Year ended June 30, 2010	\$ 9,703	80%	\$ 7,762	
Year ended June 30, 2009	(52,626)	60%	(31,576)	
Year ended June 30, 2008	(23,619)	40%	(9,447)	
Year ended June 30, 2007	13,050	20%	<u>2,610</u>	
Total unrecognized return (b)				\$ (30,651)
Actuarial value of assets (a-b)				<u>\$ 242,019</u>

Solvency Test

Last Six Years (in Thousands)

GENERAL 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
6-30-05	\$1,721,748	\$ 8,434,791	\$5,736,016	\$11,843,936	100%	100%	29.4%
6-30-06	1,841,423	8,867,326	6,029,008	12,495,207	100	100	29.6
6-30-07	1,974,734	9,374,533	6,356,360	12,985,324	100	100	25.7
6-30-08	2,109,827	9,826,846	5,793,174	13,048,970	100	100	19.2
6-30-09	2,273,256	10,368,306	6,157,854	13,158,490	100	100	8.4
6-30-10	2,420,862	9,713,177	7,467,779	13,126,993	100	100	13.3

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
6-30-05	\$359,984	\$2,864,556	\$1,731,800	\$4,814,961	100%	100%	91.8%
6-30-06	382,955	2,999,598	1,878,011	5,017,951	100	100	87.1
6-30-07	404,434	3,333,906	1,931,007	5,198,922	100	100	75.6
6-30-08	440,786	3,513,091	1,964,184	5,233,015	100	100	65.1
6-30-09	485,324	3,729,392	2,081,558	5,239,855	100	100	49.2
6-30-10	531,676	3,547,230	2,416,442	5,188,339	100	100	45.9

PUBLIC EMPLOYEES CORRECTIONAL 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
6-30-05	\$28,635	\$23,141	\$57,150	\$ 98,156	100%	100%	81.2%
6-30-06	33,774	30,695	68,837	125,776	100	100	89.1
6-30-07	38,697	41,560	81,912	159,548	100	100	96.8
6-30-08	44,596	55,875	92,101	192,937	100	100	100.4
6-30-09	51,082	69,198	109,103	217,577	100	100	89.2
6-30-09	56,834	74,405	174,462	242,019	100	100	63.5

MINNEAPOLIS 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
6-30-05	\$75,407	\$1,426,241	\$122,707	\$1,489,713	100%	99.2%	0%
6-30-06	58,663	1,466,669	92,321	1,490,280	100	97.6	0
6-30-07	50,395	1,483,436	77,050	1,383,742	100	89.9	0
6-30-08	42,862	1,472,538	61,454	1,214,305	100	79.6	0
6-30-09	37,849	1,459,581	53,669	880,133	100	57.7	0
6-30-10	32,913	1,220,873	32,365	844,033	100	66.4	0

Schedule of Active Members Valuation Data

Last Six Years

GENERAL 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>
6-30-05	142,303	\$4,530,883,000	\$31,840	4.2%
6-30-06	144,244	4,703,895,000	32,611	2.4
6-30-07	146,226	4,957,790,000	33,905	4.0
6-30-08	143,562	4,952,751,000	34,499	1.8
6-30-09	143,353	5,130,307,000	35,788	3.7
6-30-10	140,389	5,160,545,000	36,759	2.7

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>
6-30-05	10,235	\$625,807,000	\$61,144	3.5%
6-30-06	10,591	668,088,000	63,081	3.2
6-30-07	10,720	699,841,000	65,284	3.5
6-30-08	10,961	746,743,000	68,127	4.4
6-30-09	11,035	786,887,000	71,308	4.7
6-30-10	11,002	795,171,000	72,275	1.4

PUBLIC EMPLOYEES CORRECTIONAL FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation * Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-05	3,352	\$129,231,000	\$38,554	4.0%
6-30-06	3,531	141,083,000	39,956	3.6
6-30-07	3,566	148,794,000	41,726	4.4
6-30-08	3,710	163,937,000	44,188	5.9
6-30-09	3,715	172,770,000	46,506	5.2
6-30-10	3,521	170,693,000	48,479	4.2

MINNEAPOLIS 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>
6-30-05	462	26,615,000	57,608	2.5%
6-30-06	335	19,530,000	58,300	1.2
6-30-07	266	15,856,000	59,608	2.2
6-30-08	211	12,698,000	60,178	1.0
6-30-09	174	10,842,000	62,309	3.5
6-30-10	143	8,883,000	62,119	0.0

* Payroll is based on salary at the end of the fiscal year, not on actual payroll during the year as shown in the financial section.

Schedule of Retirees and Beneficiaries

Last Six Years

GENERAL EMPLOYEES RETIREMENT FUND

<u>Year Ended</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Year-End Total</u>		<u>% Change in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number Added</u>	<u>Annual Allowances*</u>	<u>Number Removed</u>	<u>Annual Allowances*</u>	<u>Number</u>	<u>Annual Allowances</u>		
6-30-05	3,868	\$32,856,000	1,838	\$2,063,000	56,650	\$720,971,000	4.5%	\$12,727
6-30-06	4,317	36,537,000	1,889	2,176,000	59,078	755,332,000	4.8	12,785
6-30-07	4,374	40,320,000	2,016	2,343,000	61,436	793,309,000	5.0	12,913
6-30-08	4,552	44,106,000	2,108	2,269,000	63,880	835,146,000	5.3	13,074
6-30-09	4,358	41,949,000	2,179	2,703,000	66,059	874,392,000	4.7	13,237
6-30-10	4,692	48,043,000	2,277	2,861,000	68,474	919,574,000	5.2	13,430

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Year Ended</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Year-End Total</u>		<u>% Change in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number Added</u>	<u>Annual Allowances*</u>	<u>Number Removed</u>	<u>Annual Allowances*</u>	<u>Number</u>	<u>Annual Allowances</u>		
6-30-05	394	\$10,165,000	210	\$574,000	6,615	\$253,049,000	3.9%	\$38,254
6-30-06	393	13,535,000	207	632,000	6,801	265,952,000	5.1	39,105
6-30-07	428	17,754,000	197	578,000	7,032	283,128,000	6.5	40,263
6-30-08	361	18,431,000	199	631,000	7,194	300,928,000	6.3	41,830
6-30-09	338	15,822,000	170	533,000	7,362	316,217,000	5.1	42,953
6-30-10	368	17,615,000	189	609,000	7,541	333,223,000	5.4	44,188

PUBLIC EMPLOYEES CORRECTIONAL FUND

<u>Year Ended</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Year-End Total</u>		<u>% Change in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number Added</u>	<u>Annual Allowances*</u>	<u>Number Removed</u>	<u>Annual Allowances*</u>	<u>Number</u>	<u>Annual Allowances</u>		
6-30-05	43	\$217,000	2	\$ 1,000	180	\$1,127,000	23.7%	\$6,261
6-30-06	48	343,000	5	4,000	223	1,466,000	30.1	6,575
6-30-07	57	490,000	5	3,000	275	1,953,000	33.2	7,102
6-30-08	47	427,000	4	4,000	318	2,376,000	21.6	7,471
6-30-09	77	656,000	9	9,000	386	3,023,000	27.2	7,832
6-30-10	60	619,000	5	8,000	441	3,634,000	20.2	8,240

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

<u>Year Ended</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Year-End Total</u>		<u>% Change in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number Added</u>	<u>Annual Allowances*</u>	<u>Number Removed</u>	<u>Annual Allowances*</u>	<u>Number</u>	<u>Annual Allowances</u>		
06-30-05	165	\$4,758,000	238	\$5,739,000	4,908	\$141,748,000	2.3%	\$28,881
06-30-06	192	5,947,000	218	5,688,000	4,882	145,482,000	2.6	29,800
06-30-07	132	4,424,000	243	6,635,000	4,771	148,041,000	1.8	31,029
06-30-08	125	3,775,000	250	7,205,000	4,646	147,826,000	-0.1	31,818
06-30-09	101	3,236,000	254	7,248,000	4,493	148,708,000	0.6	33,098
06-30-10	86	2,814,000	236	6,616,000	4,343	144,906,000	0.8	33,365

Determination of Contribution Sufficiency

As of June 30, 2010 (in thousands)

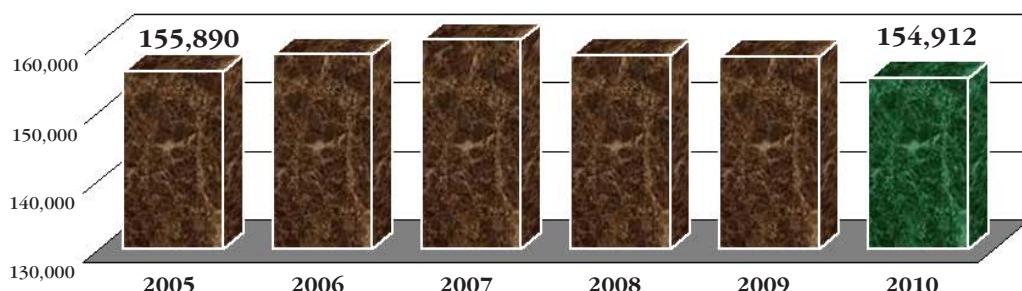
GENERAL EMPLOYEES RETIREMENT FUND

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	6.125%	\$ 316,120
Employer Contributions	<u>7.125%</u>	<u>367,746</u>
Total (a)	13.250%	\$683,866
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	4.90%	\$ 252,963
Disability	0.29%	15,250
Death	0.15%	7,518
Deferred	<u>1.16%</u>	<u>59,795</u>
Total	6.50%	\$ 335,526
Amortization of Supplemental Contribution (UAAL)	5.78%	\$ 298,280
Allowance for Administrative Expenses	<u>0.18%</u>	<u>9,289</u>
Total (b)	12.46%	\$643,095
Contribution Sufficiency(Deficiency) (a - b)	0.79%	\$ 40,771
Projected annual payroll for fiscal year beginning July 1, 2010		\$5,160,545

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	9.50%	\$ 75,541
Employer Contributions	<u>14.25%</u>	<u>113,312</u>
Total (a)	23.75%	\$188,853
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	15.17%	\$ 120,636
Disability	2.62%	20,779
Death	0.77%	6,154
Deferred	<u>1.09%</u>	<u>8,675</u>
Total	19.65%	\$156,244
Amortization of Supplemental Contribution (UAAL)	5.77%	\$ 45,881
Allowance for Administrative Expenses	<u>0.10%</u>	<u>795</u>
Total (b)	25.52%	\$202,920
Contribution Sufficiency(Deficiency) (a - b)	-1.77%	\$ (14,067)
Projected annual payroll for fiscal year beginning July 1, 2010		\$795,171

RETIREMENT FUND ACTIVE MEMBERS



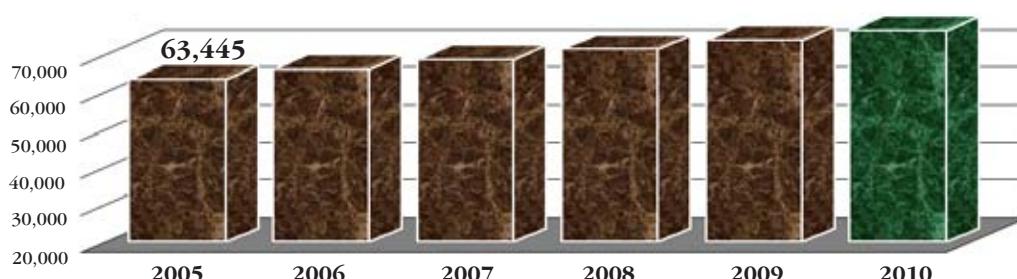
The number of active employees participating in PERA's three primary defined benefit plans has declined significantly over the past three years. (See Page 62.)

PUBLIC EMPLOYEES CORRECTIONAL FUND

Statutory Contributions—M.S. Chapter 353E	Percent of Payroll	Dollar Amount
Employee Contributions	5.83%	\$ 9,951
Employer Contributions	8.75%	<u>14,936</u>
Total (a)	14.58%	\$24,887
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	8.45%	\$ 14,421
Disability	1.82%	3,111
Death	0.39%	660
Deferral	2.02%	<u>3,450</u>
Total	12.68%	\$21,642
Amortization of Supplemental Contribution (UAAL)	0.40%	685
Allowance for Administrative Expenses	0.13%	<u>222</u>
Total (b)	13.21%	\$22,549
Contribution Sufficiency(Deficiency) (a - b)	1.37%	\$ 2,338
Projected annual payroll for fiscal year beginning July 1, 2010		\$170,693

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee Contributions	9.75%	\$ 866
Employer Regular Contributions	9.75%	866
Employer Additional Contributions	46.59%	4,138
State Contributions	<u>256.12%</u>	<u>22,750</u>
Total (a)	322.21%	\$28,620
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost		
Retirement	2.49%	\$ 221
Disability	1.48%	131
Death	0.20%	18
Deferral	1.69%	<u>150</u>
Total	5.86%	\$ 520
Amortization of Supplemental Contribution (UAAL)	516.11%	45,846
Allowance for Administrative Expenses	14.46%	1,285
Allowance for 1992 Investment Expenses	<u>2.33%</u>	<u>207</u>
Total (b)	538.76%	\$47,858
Contribution Sufficiency(Deficiency) (a - b)	(216.55)%	\$ (19,238)
Projected annual payroll for fiscal year beginning July 1, 2010		\$8,883

RETIREMENT FUND ANNUITANTS

The number of annuitants from PERA's three primary benefit plans has increased at an annualized rate of 3.5 percent since 2005. (See page 63.)

Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

For the Fiscal Year Ended June 30, 2010 (in thousands)

	GERF	PEPFF	PECF	MERF
A. UAAL at Beginning of Year (7/1/09)	\$5,640,926	\$1,056,419	\$11,806	\$670,966
B. Change Due to Interest Requirements and Current Rate of Funding				
1. Normal Cost and Expenses	410,432	174,456	23,126	2,388
2. Contributions	(646,249)	(178,802)	(23,612)	(14,879)
3. Interest on A, B1 and B2	<u>469,456</u>	<u>89,611</u>	<u>983</u>	<u>39,883</u>
C. Expected UAAL at End of Year (A+B)	\$5,874,565	\$1,141,684	\$12,303	\$698,358
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations from Expected				
1. Salary Increases. If there are smaller salary increases than assumed, there is a gain; if larger, a loss.	(169,777)	(96,316)	(5,638)	(2)
2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	848,873	341,851	14,428	(47,306)
3. Mortality of Benefit Recipients. If benefit recipients live longer than assumed, there is a loss; if less, there is a gain	33,391	24,019	45	7,297
4. Other Items. Miscellaneous gains and losses resulting from active member mortality, withdrawal, etc.	<u>(5,827)</u>	<u>(11,201)</u>	<u>321</u>	<u>(22,944)</u>
E. UAAL at End of Year Before Plan Amendments and Changes in Actuarial Assumption (C+D)	\$6,581,225	\$1,400,037	\$21,459	\$635,403
F. Change in UAAL Due to Change in Plan Provisions	(2,764,179)	(624,704)	(14,611)	0
G. Change in UAAL Due to Change in Actuarial Assumptions and Methods	<u>236,917</u>	<u>0</u>	<u>0</u>	<u>(193,285)</u>
H. UAAL at End of Year 6/30/10 (E+F+G+H)	<u>\$4,053,963</u>	<u>\$ 775,333</u>	<u>\$ 6,848</u>	<u>\$442,118</u>

Statistical Section

Introduction

Schedule of Changes in Net Assets

Revenues and Expenses

Benefits and Refunds by Type

Summary of Membership

Active Members by Age and Service

Schedule of New Retirees and Initial Benefit Paid

Schedule of Benefit Recipients by Type

PERA Annuitant Residency

Principal Participating Employers

Participating Employers



St. Louis River, Jay Cooke State Park - Photo by Ravedave -

THIS PAGE LEFT
BLANK INTENTIONALLY.

Introduction



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 2, 2010

GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, was issued in May 2004. The statement establishes requirements related to the supplementary information presented in the Statistical Section of this report. The objective of the information found in the Statistical Section is to provide financial statement users with additional historical perspective, context and detail. We trust that when used in conjunction with information found in previous sections of this report, readers will gain a better understanding of PERA's overall financial condition.

The Minneapolis Employees Retirement Fund (MERF) was consolidated with PERA on June 30, 2010. Information about MERF has been included in the Statistical Section when it is available. MERF data was not generated by PERA, but has been checked for reasonableness.

Financial Information

The Schedule of Changes in Net Assets is presented for the last 10 years, giving the reader an opportunity to review trends in the revenues and expenses of our defined benefit plans. Benefits and refunds are then broken down by type. The Revenues and Expenses graph on page 71 shows that over 61% of our revenue has come from investment income over the past 20 years, despite two deep recessions during that time period.

Plan Membership

Membership data for the past ten years can be found on page 74. Active membership has increased 2 percent during that time period, while the number of benefit recipients has increased 38 percent and the number of terminated vested members has increased 82 percent. The graphs on page 75 show the distribution of our active membership as of 6/30/10.

Information about PERA's benefit recipients is provided on pages 76 through 84, including monthly benefit amounts, types of benefits, benefit options, and location of benefit recipients.

Employers

The rest of this section provides information about the employers who participate in PERA.

All non-accounting data is derived from PERA's internal sources.

A handwritten signature in black ink that reads "David Negele".

Assistant Executive Director,
Finance and IS

Schedule of Changes in Net Assets

Last 10 Fiscal Years (in thousands)

GENERAL EMPLOYEES RETIREMENT FUND

	2001	2002	2003	2004
ADDITIONS				
Employer Contributions	\$ 188,208	\$ 206,982	\$ 221,689	\$ 225,744
Member Contributions	173,380	191,422	205,963	215,697
Investment Income (net of expense)	(754,349)	(765,319)	199,769	1,434,654
Other	1,907	3,692	3,609	4,437
Total Additions to Plan Net Assets	<u>\$ (390,854)</u>	<u>\$ (363,223)</u>	<u>\$631,030</u>	<u>\$1,880,532</u>
DEDUCTIONS				
Benefits	\$ 592,210	\$ 642,088	\$ 664,459	\$ 687,124
Refunds	18,768	16,267	18,242	22,556
Administrative Expenses	8,344	8,680	8,628	8,830
Other	2,441	2,356	1,374	2,725
Total Deductions From Plan Net Assets	<u>\$ 621,763</u>	<u>\$ 669,391</u>	<u>\$692,703</u>	<u>\$ 721,235</u>
Change in Plan Net Assets	<u>\$(1,012,617)</u>	<u>\$(1,032,614)</u>	<u>\$(61,673)</u>	<u>\$1,159,297</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	2001	2002	2003	2004
ADDITIONS				
Employer Contributions	\$ 52,960	\$ 90,664	\$ 50,917	\$ 52,769
Member Contributions	31,341	33,801	34,751	36,313
Investment Income (net of expense)	(334,406)	(328,160)	76,117	578,008
Other	2,744	1,937	3,281	2,733
Total Additions to Plan Net Assets	<u>\$ (247,361)</u>	<u>\$ (201,758)</u>	<u>\$165,066</u>	<u>\$669,823</u>
DEDUCTIONS				
Benefits	\$192,246	\$212,405	\$225,434	\$237,442
Refunds	3,358	711	643	644
Administrative Expenses	639	647	675	712
Other	447	255	301	541
Total Deductions From Plan Net Assets	<u>\$ 196,690</u>	<u>\$214,018</u>	<u>\$227,053</u>	<u>\$239,339</u>
Change in Plan Net Assets	<u>\$(444,051)</u>	<u>\$(415,776)</u>	<u>\$(61,987)</u>	<u>\$430,484</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND

	2001	2002	2003	2004
ADDITIONS				
Employer Contributions	\$ 8,054	\$ 8,830	\$ 9,645	\$10,029
Member Contributions	5,308	5,882	6,430	6,672
Investment Income (net of expense)	(750)	(2,290)	1,386	9,131
Other	20	12	11	4
Total Additions to Plan Net Assets	<u>\$12,632</u>	<u>\$12,434</u>	<u>\$17,472</u>	<u>\$25,836</u>
DEDUCTIONS				
Benefits	\$ 173	\$ 338	\$ 559	\$ 805
Refunds	160	272	409	588
Administrative Expenses	130	137	149	162
Other	1	1	2	5
Total Deductions From Plan Net Assets	<u>\$ 464</u>	<u>\$ 748</u>	<u>\$ 1,119</u>	<u>\$ 1,560</u>
Change in Plan Net Assets	<u>\$12,168</u>	<u>\$11,686</u>	<u>\$16,353</u>	<u>\$24,276</u>

2005	2006	2007	2008	2009	2010
\$ 232,963	\$ 255,531	\$ 283,419	\$ 303,304	\$ 328,603	\$ 342,678
216,701	235,901	260,907	280,007	298,381	303,571
1,047,792	1,331,296	2,206,085	(669,406)	(2,381,642)	1,519,786
4,310	4,094	4,229	3,681	3,725	241
<u>\$1,501,766</u>	<u>\$1,826,822</u>	<u>\$2,754,640</u>	<u>\$ (82,414)</u>	<u>\$ (1,750,933)</u>	<u>\$ 2,166,276</u>

\$715,043	\$ 748,391	\$ 784,013	\$ 824,372	\$ 863,910	\$ 906,300
24,952	26,452	25,745	28,772	26,887	28,770
9,118	9,029	9,061	9,473	9,706	9,476
2,040	3,093	2,918	3,245	1,895	0
<u>\$751,153</u>	<u>\$ 786,965</u>	<u>\$ 821,737</u>	<u>\$ 865,862</u>	<u>\$ 902,398</u>	<u>\$ 944,546</u>
<u>\$750,613</u>	<u>\$1,039,857</u>	<u>\$1,932,903</u>	<u>\$ (948,276)</u>	<u>\$ (2,653,331)</u>	<u>\$1,221,730</u>

2005	2006	2007	2008	2009	2010
\$ 55,802	\$ 63,603	\$ 74,707	\$ 87,023	\$ 101,548	\$107,065
37,873	42,970	50,689	58,259	67,701	71,736
435,327	543,959	882,408	(266,573)	(967,445)	602,177
2,113	1,917	1,671	1,029	701	0
<u>\$531,115</u>	<u>\$652,449</u>	<u>\$1,009,475</u>	<u>\$ (120,262)</u>	<u>\$ (797,495)</u>	<u>\$780,978</u>
\$251,429	\$264,601	\$ 280,267	\$ 295,994	\$ 310,100	\$326,041
734	867	874	1,496	1,237	1,493
703	707	678	745	747	753
477	295	248	342	199	0
<u>\$253,343</u>	<u>\$266,470</u>	<u>\$ 282,067</u>	<u>\$ 298,577</u>	<u>\$ 312,283</u>	<u>\$328,287</u>
<u>\$277,772</u>	<u>\$385,979</u>	<u>\$ 727,408</u>	<u>\$ (418,839)</u>	<u>\$ (1,109,778)</u>	<u>\$452,691</u>

2005	2006	2007	2008	2009	2010
\$10,814	\$11,826	\$12,499	\$13,388	\$14,123	\$14,170
7,192	7,881	8,335	8,922	9,409	9,442
8,714	12,995	25,081	(9,552)	(36,201)	24,745
9	11	22	16	35	0
<u>\$26,729</u>	<u>\$32,713</u>	<u>\$45,937</u>	<u>\$12,774</u>	<u>\$ (12,634)</u>	<u>\$48,357</u>
\$ 1,041	\$ 1,341	\$ 1,836	\$ 2,268	\$ 2,836	\$ 3,353
691	619	474	724	810	714
176	186	185	213	219	222
9	4	12	34	17	0
<u>\$ 1,917</u>	<u>\$ 2,150</u>	<u>\$ 2,507</u>	<u>\$ 3,239</u>	<u>\$ 3,882</u>	<u>\$ 4,289</u>
<u>\$24,812</u>	<u>\$30,563</u>	<u>\$43,430</u>	<u>\$ 9,535</u>	<u>\$ (16,516)</u>	<u>\$44,068</u>

Schedule of Changes in Net Assets

Last 10 Fiscal Years (in thousands)

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

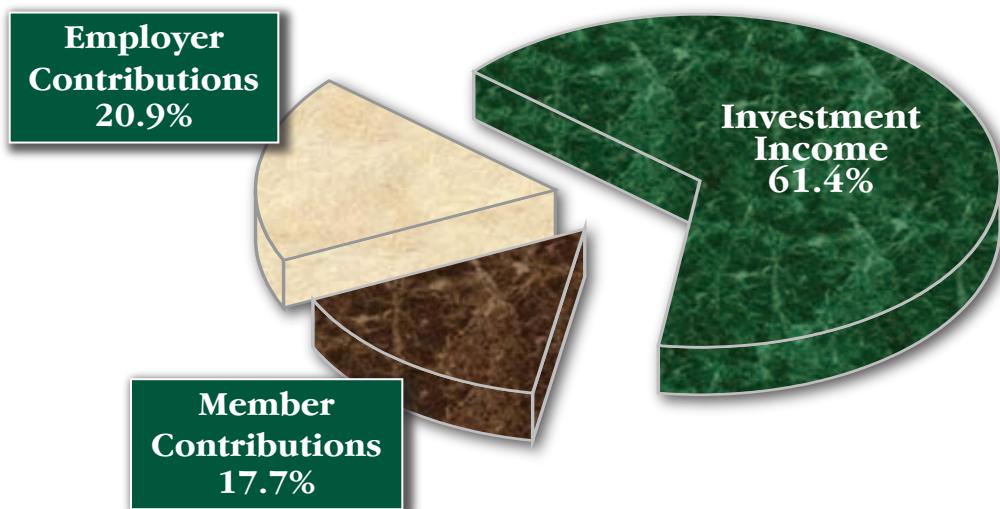
	2001	2002	2003	2004	2005
ADDITIONS					
Employer Contributions	\$ 971	\$ 1,078	\$1,155	\$1,238	\$1,318
Member Contributions	875	958	1,043	1,115	1,201
Investment Income (net of expense)	(1,374)	(1,647)	541	2,404	1,658
Other	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total Additions to Plan Net Assets	<u>\$ 473</u>	<u>\$ 389</u>	<u>\$2,739</u>	<u>\$4,757</u>	<u>\$4,178</u>
DEDUCTIONS					
Refunds	\$ 847	\$ 980	\$1,043	\$1,152	\$ 897
Administrative Expenses	<u>85</u>	<u>85</u>	<u>87</u>	<u>101</u>	<u>133</u>
Total Deductions From Plan Net Assets	<u>\$ 932</u>	<u>\$1,065</u>	<u>\$1,130</u>	<u>\$1,253</u>	<u>\$1,030</u>
Change in Plan Net Assets	<u>\$ (459)</u>	<u>\$ (676)</u>	<u>\$1,609</u>	<u>\$3,504</u>	<u>\$3,148</u>
	2006	2007	2008	2009	2010
ADDITIONS					
Employer Contributions	\$1,392	\$1,374	\$ 1,503	\$ 1,583	\$1,582
Member Contributions	1,282	1,254	1,356	1,462	1,480
Investment Income (net of expense)	1,829	4,265	(2,173)	(5,146)	3,710
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
Total Additions to Plan Net Assets	<u>\$4,503</u>	<u>\$6,893</u>	<u>\$ 686</u>	<u>\$ (2,101)</u>	<u>\$6,773</u>
DEDUCTIONS					
Refunds	\$ 1,390	\$2,014	\$1,567	\$1,398	\$1,817
Administrative Expenses	<u>130</u>	<u>117</u>	<u>113</u>	<u>112</u>	<u>211</u>
Total Deductions From Plan Net Assets	<u>\$ 1,520</u>	<u>\$2,131</u>	<u>\$1,680</u>	<u>\$1,510</u>	<u>\$2,028</u>
Change in Plan Net Assets	<u>\$ 2,983</u>	<u>\$4,762</u>	<u>\$ (994)</u>	<u>\$ (3,611)</u>	<u>\$4,745</u>

Revenues and Expenses

Average over last 20 years

REVENUES BY SOURCE (FY1991 - FY2010)

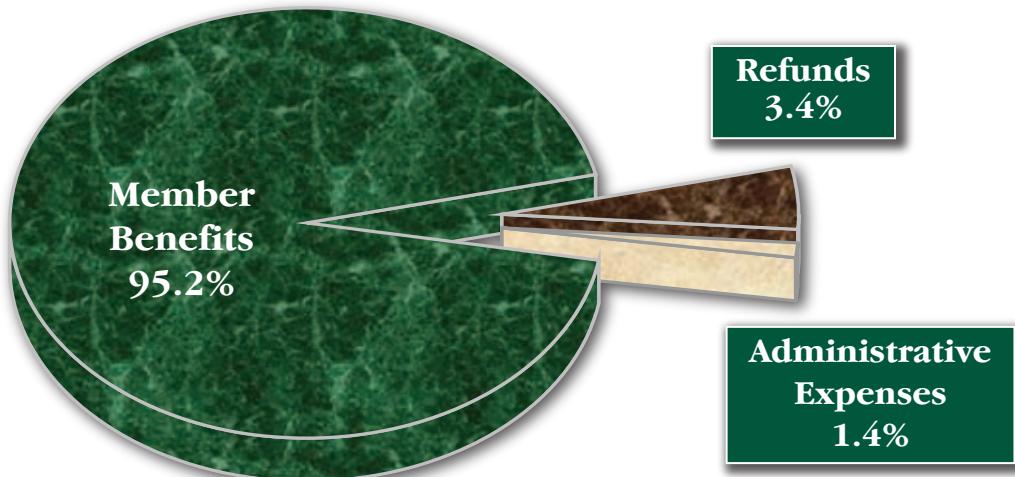
All Funds



Over the past 20 years, investment earnings have been responsible for over 61 percent of PERA's revenues, despite the huge losses experienced during the recent recession.

EXPENSE BY TYPE (FY1991 - FY2010)

All Funds



Since FY1991, benefits for our members has represented over 95 percent of PERA's expenses.

Benefits and Refunds by Type

Last 10 Fiscal Years (in thousands)

GENERAL EMPLOYEES RETIREMENT FUND

BENEFITS BY TYPE:	2001	2002	2003	2004
Retirement	\$559,482	\$609,850	\$633,640	\$656,072
Survivor	18,650	16,718	14,438	13,625
Disability	<u>14,078</u>	<u>15,520</u>	<u>16,381</u>	<u>17,427</u>
Total	\$592,210	\$642,088	\$664,459	\$687,124
REFUNDS BY TYPE:				
Separation	\$ 12,977	\$ 11,933	\$ 13,255	\$ 16,174
Death	975	202	136	115
Interest/Employer	<u>4,816</u>	<u>4,132</u>	<u>4,851</u>	<u>6,267</u>
Total	\$ 18,768	\$ 16,267	\$ 18,242	\$ 22,556

PUBLIC EMPLOYEES POLICE AND FIRE FUND

BENEFITS BY TYPE:	2001	2002	2003	2004
Retirement	\$162,863	\$178,965	\$189,640	\$199,721
Survivor	11,149	11,691	11,698	11,815
Disability	<u>18,234</u>	<u>21,749</u>	<u>24,096</u>	<u>25,906</u>
Total	\$192,246	\$212,405	\$225,434	\$237,442
REFUNDS BY TYPE:				
Separation	\$ 666	\$ 407	\$ 469	\$ 458
Death	20	0	0	2
Interest/Employer	<u>2,672</u>	<u>304</u>	<u>174</u>	<u>184</u>
Total	\$ 3,358	\$ 711	\$ 643	\$ 644

PUBLIC EMPLOYEES CORRECTIONAL FUND

BENEFITS BY TYPE:	2001	2002	2003	2004
Retirement	\$ 12	\$ 32	\$ 74	\$160
Survivor	0	0	1	1
Disability	<u>161</u>	<u>306</u>	<u>484</u>	<u>644</u>
Total	\$173	\$338	\$559	\$805
REFUNDS BY TYPE:				
Separation	\$160	\$251	\$358	\$451
Death	0	0	4	0
Interest/Employer	<u>0</u>	<u>21</u>	<u>47</u>	<u>137</u>
Total	\$160	\$272	\$409	\$588

MINNEAPOLIS EMPLOYEES RETIREMENT FUND* (CONSOLIDATED 6/30/10)

BENEFITS BY TYPE:	2001	2002	2003	2004
Retirement	\$96,346	\$104,432	\$107,566	\$110,362
Survivor	14,208	15,845	16,430	16,612
Death in Service	4,280	4,538	4,397	4,346
Disability	<u>5,589</u>	<u>5,966</u>	<u>6,016</u>	<u>5,918</u>
Total	\$120,423	\$130,781	\$134,409	\$137,238
REFUNDS BY TYPE:				
Separation	\$ 154	\$ 272	\$ 357	\$ 237
Death	<u>494</u>	<u>117</u>	<u>0</u>	<u>343</u>
Total	\$ 648	\$ 389	\$ 357	\$ 580

*Data based on MERF accounts prior to transfer to PERA on June 30, 2010.

2005	2006	2007	2008	2009	2010
\$683,439	\$715,858	\$751,396	\$791,449	\$830,476	\$872,828
13,026	12,544	12,100	11,424	10,942	10,558
18,578	19,989	20,517	21,499	22,492	22,914
\$715,043	\$748,391	\$784,013	\$824,372	\$863,910	\$906,300
\$ 17,901	\$ 18,110	\$ 17,494	\$ 19,970	\$ 18,343	\$ 19,261
224	286	379	393	428	378
6,827	8,056	7,872	8,409	8,116	9,131
\$ 24,952	\$ 26,452	\$ 25,745	\$ 28,772	\$ 26,887	\$ 28,770

2005	2006	2007	2008	2009	2010
\$211,389	\$221,418	\$233,941	\$247,667	\$260,312	\$274,751
12,134	12,957	13,079	13,237	13,746	14,120
27,906	30,226	33,247	35,090	36,042	37,170
\$251,429	\$264,601	\$280,267	\$295,994	\$310,100	\$326,041
\$ 534	\$ 512	\$ 538	\$ 890	\$ 735	\$ 955
0	0	0	39	0	0
200	355	336	567	502	538
\$ 734	\$ 867	\$ 874	\$ 1,496	\$ 1,237	\$ 1,493

2005	2006	2007	2008	2009	2010
\$ 260	\$ 400	\$ 624	\$ 863	\$ 1,209	\$1,627
1	1	9	12	14	19
780	940	1,203	1,393	1,613	1,707
\$1,041	\$1,341	\$1,836	\$2,268	\$ 2,836	\$3,353
\$ 601	\$ 530	\$ 395	\$ 606	\$ 650	\$572
0	0	5	0	0	5
90	89	73	118	160	137
\$ 691	\$ 619	\$ 473	\$ 724	\$ 810	\$714

2005	2006	2007	2008	2009	2010
\$112,695	\$115,465	\$118,302	\$119,414	\$120,213	\$137,548
17,593	18,225	18,437	18,769	18,661	4,051
4,318	4,277	4,290	4,257	4,142	0
5,910	5,932	6,001	5,781	5,729	5,500
\$140,516	\$143,899	\$147,030	\$148,221	\$148,745	\$147,099
\$ 0	\$ 533	\$ 163	\$ 367	\$ 75	\$ 27
249	55	3	360	13	0
\$ 249	\$ 588	\$ 166	\$ 727	\$ 88	\$ 27

Summary of Membership

Last 10 Years

GENERAL EMPLOYEES RETIREMENT FUND

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2001	138,759	49,414	25,917	83,027	297,117
2002	137,817	50,878	29,353	87,114	305,162
2003	140,066	52,563	32,128	94,340	319,097
2004	138,164	54,620	33,915	102,265	328,964
2005	142,303	56,650	35,768	100,369	335,090
2006	144,244	59,078	37,476	105,590	346,388
2007	146,226	61,436	39,722	109,599	356,983
2008	143,562	63,880	43,984	116,805	368,231
2009	143,353	66,059	43,133	121,690	374,235
2010	140,389	68,474	45,151	126,027	380,041

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2001	9,858	5,998	554	610	17,020
2002	9,940	5,971	637	663	17,211
2003	9,948	6,208	758	740	17,654
2004	10,055	6,431	878	750	18,114
2005	10,235	6,615	927	729	18,506
2006	10,591	6,801	999	757	19,148
2007	10,720	7,032	1,200	814	19,766
2008	10,961	7,194	1,242	879	20,276
2009	11,035	7,362	1,280	911	20,588
2010	11,002	7,541	1,315	930	20,788

PUBLIC EMPLOYEES CORRECTIONAL FUND

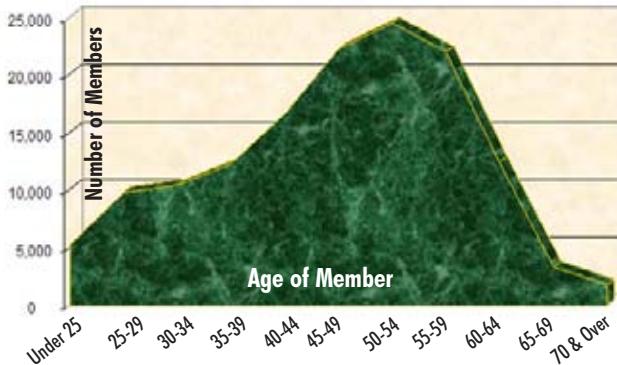
Fiscal Year	Active	Benefit Recipients	Terminated Vested	Terminated Non-Vested	Total
2001	3,238	37	97	267	3,639
2002	3,270	63	282	488	4,103
2003	3,155	100	590	702	4,547
2004	3,251	139	758	911	5,059
2005	3,352	180	915	906	5,353
2006	3,531	223	1,100	1,086	5,940
2007	3,566	275	1,337	1,291	6,469
2008	3,710	318	1,520	1,473	7,021
2009	3,715	386	1,683	1,525	7,309
2010	3,521	441	1,895	1,605	7,462

Active Members

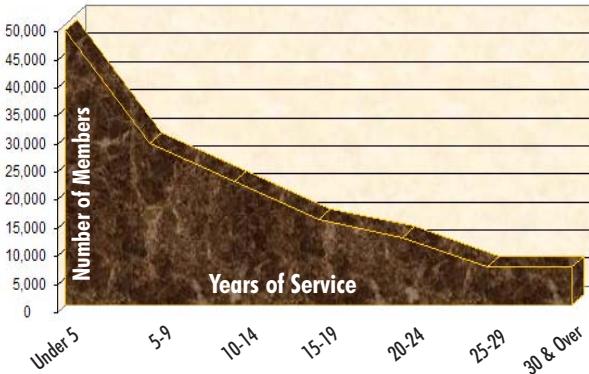
By Age and Service as of June 30, 2010

GENERAL EMPLOYEES RETIREMENT FUND

Active Members by Age

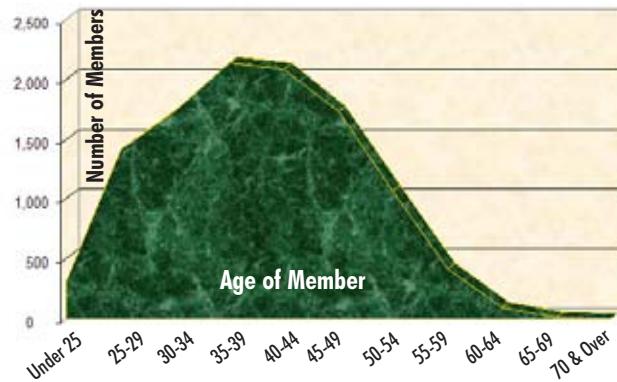


Active Members by Years of Service

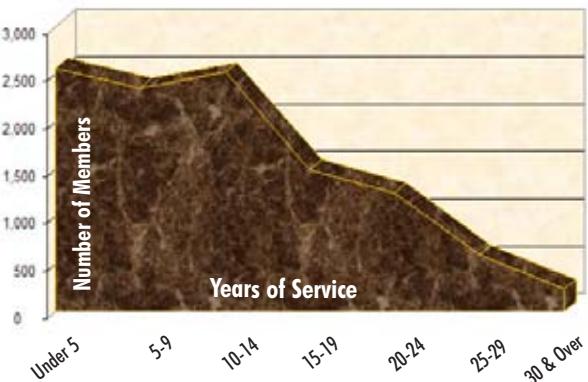


PUBLIC EMPLOYEES POLICE AND FIRE FUND

Active Members by Age

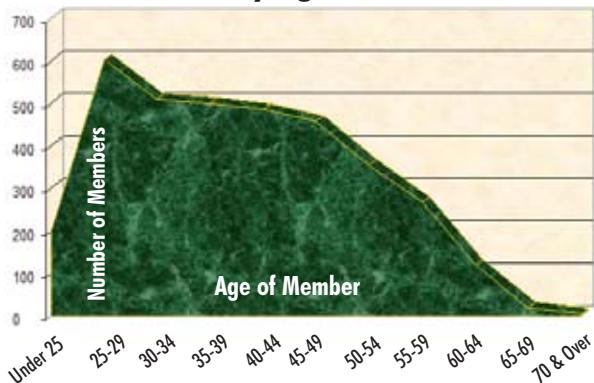


Active Members by Years of Service

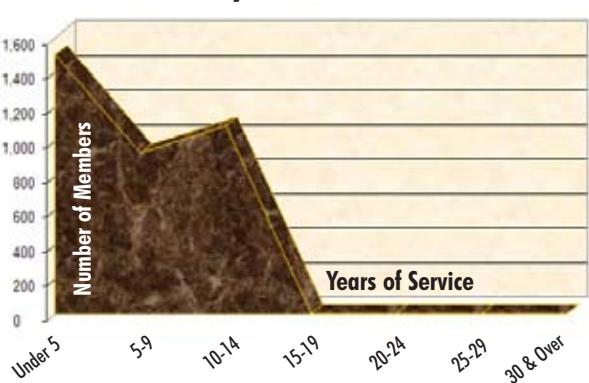


PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Active Members by Age



Active Members by Years of Service



Schedule of New Retirees and Initial Benefit Paid

Last 10 Years

GENERAL EMPLOYEES RETIREMENT FUND

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
2001							
Average monthly benefit	\$ 83	\$ 185	\$ 333	\$ 517	\$ 762	\$1,080	\$2,166
Average high five salary	\$2,344	\$1,706	\$1,883	\$2,161	\$2,436	\$2,637	\$3,402
Number of retirants	259	405	471	443	495	365	407
2002							
Average monthly benefit	\$ 92	\$ 177	\$ 362	\$ 562	\$ 774	\$1,086	\$2,095
Average high five salary	\$2,425	\$1,699	\$2,039	\$2,380	\$2,467	\$2,710	\$3,561
Number of retirants	252	333	440	377	411	369	360
2003							
Average monthly benefit	\$ 81	\$ 184	\$ 371	\$ 561	\$ 839	\$1,222	\$2,093
Average high five salary	\$2,157	\$1,721	\$2,075	\$2,279	\$2,621	\$2,996	\$3,663
Number of retirants	319	376	441	425	435	384	436
2004							
Average monthly benefit	\$ 100	\$ 189	\$ 392	\$ 610	\$ 887	\$1,245	\$2,236
Average high five salary	\$2,524	\$1,790	\$2,207	\$2,491	\$2,797	\$3,057	\$3,959
Number of retirants	342	417	458	526	409	401	544
2005							
Average monthly benefit	\$ 96	\$ 189	\$ 375	\$ 616	\$ 893	\$1,295	\$2,124
Average high five salary	\$2,397	\$1,795	\$2,087	\$2,462	\$2,800	\$3,117	\$3,938
Number of retirants	354	434	439	560	424	419	507
2006							
Average monthly benefit	\$ 100	\$ 211	\$ 419	\$ 672	\$ 898	\$1,320	\$2,115
Average high five salary	\$2,578	\$1,983	\$2,309	\$2,657	\$2,832	\$3,197	\$4,034
Number of retirants	393	588	527	563	470	409	577
2007							
Average monthly benefit	\$ 109	\$ 223	\$ 411	\$ 672	\$ 909	\$1,390	\$2,304
Average high five salary	\$3,031	\$2,017	\$2,263	\$2,659	\$2,856	\$3,346	\$4,282
Number of retirants	387	556	503	563	481	462	681
2008							
Average monthly benefit	\$ 109	\$ 246	\$ 412	\$ 713	\$1,010	\$1,448	\$2,287
Average high five salary	\$3,147	\$2,218	\$2,266	\$2,796	\$3,094	\$3,441	\$4,271
Number of retirants	416	585	544	513	554	466	715
2009							
Average monthly benefit	\$ 119	\$ 234	\$ 464	\$ 724	\$1,023	\$1,553	\$2,423
Average high five salary	\$3,348	\$2,115	\$2,519	\$2,830	\$3,093	\$3,624	\$4,458
Number of retirants	429	571	483	563	511	400	657
2010							
Average monthly benefit	\$ 116	\$ 266	\$ 498	\$ 748	\$1,110	\$1,608	\$2,432
Average high five salary	\$3,371	\$2,263	\$2,573	\$2,891	\$3,280	\$3,743	\$4,466
Number of retirants	405	585	583	521	593	436	853

Schedule of New Retirees and Initial Benefit Paid

Last 10 Years

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
2001							
Average monthly benefit	\$ 244	\$ 931	\$1,143	\$1,691	\$2,808	\$3,612	\$4,401
Average high five salary	\$3,736	\$3,795	\$2,789	\$3,437	\$4,282	\$4,547	\$4,641
Number of retirants	13	6	6	14	60	133	41
2002							
Average monthly benefit	\$ 292	\$1,024	\$1,635	\$1,773	\$2,933	\$3,741	\$4,451
Average high five salary	\$3,608	\$4,908	\$4,658	\$3,518	\$4,347	\$4,711	\$4,808
Number of retirants	4	9	10	12	44	116	29
2003							
Average monthly benefit	\$ 286	\$ 845	\$1,214	\$1,817	\$3,033	\$3,907	\$4,902
Average high five salary	\$4,017	\$3,846	\$3,116	\$3,623	\$4,504	\$4,949	\$5,109
Number of retirants	11	10	10	21	49	111	51
2004							
Average monthly benefit	\$ 522	\$ 769	\$1,639	\$2,312	\$3,076	\$4,049	\$5,259
Average high five salary	\$4,647	\$3,586	\$4,468	\$4,325	\$4,552	\$5,079	\$5,626
Number of retirants	5	10	12	27	29	123	42
2005							
Average monthly benefit	\$ 316	\$1,145	\$1,208	\$2,095	\$2,915	\$4,376	\$4,969
Average high five salary	\$4,135	\$4,316	\$2,888	\$3,817	\$4,394	\$5,462	\$5,283
Number of retirants	10	16	8	26	41	103	49
2006							
Average monthly benefit	\$ 254	\$ 879	\$1,629	\$2,395	\$3,308	\$4,339	\$4,996
Average high five salary	\$3,541	\$4,142	\$4,022	\$4,610	\$4,928	\$5,402	\$5,323
Number of retirants	13	13	12	22	31	95	41
2007							
Average monthly benefit	\$ 474	\$1,116	\$2,095	\$2,195	\$3,355	\$4,815	\$5,685
Average high five salary	\$6,090	\$5,363	\$5,687	\$4,125	\$5,049	\$5,923	\$5,970
Number of retirants	5	15	13	22	47	119	66
2008							
Average monthly benefit	\$ 452	\$1,035	\$1,657	\$2,852	\$3,638	\$4,675	\$5,542
Average high five salary	\$4,660	\$5,078	\$4,384	\$5,409	\$5,455	\$5,813	\$5,978
Number of retirants	14	15	20	13	39	87	56
2009							
Average monthly benefit	\$ 293	\$1,071	\$1,531	\$2,514	\$3,716	\$4,932	\$5,977
Average high five salary	\$4,376	\$5,036	\$3,810	\$4,817	\$5,619	\$6,071	\$6,227
Number of retirants	12	15	11	20	30	85	67
2010							
Average monthly benefit	\$ 342	\$ 760	\$1,709	\$2,869	\$3,829	\$5,261	\$6,214
Average high five salary	\$4,262	\$3,685	\$4,378	\$5,326	\$5,709	\$6,499	\$6,598
Number of retirants	9	12	15	26	49	71	70

Schedule of New Retirees and Initial Benefit Paid

Last 10 Years

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

	Years of Credited Service						
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
2001							
Average monthly benefit	\$ 71						
Average high five salary	\$3,050						
Number of retirees	12						
2002							
Average monthly benefit	\$ 157						
Average high five salary	\$3,617						
Number of retirees	15						
2003							
Average monthly benefit	\$ 182						
Average high five salary	\$2,917						
Number of retirees	21						
2004							
Average monthly benefit	\$ 243	\$ 559					
Average high five salary	\$3,484	\$4,706					
Number of retirees	23	1					
2005							
Average monthly benefit	\$ 181	\$ 450					
Average high five salary	\$2,902	\$4,223					
Number of retirees	14	17					
2006							
Average monthly benefit	\$ 454	\$ 464					
Average high five salary	\$4,262	\$3,761					
Number of retirees	8	23					
2007							
Average monthly benefit	\$ 183	\$ 553					
Average high five salary	\$2,671	\$3,993					
Number of retirees	8	25					
2008							
Average monthly benefit	\$ 422	\$ 625					
Average high five salary	\$2,633	\$4,127					
Number of retirees	9	27					
2009							
Average monthly benefit	\$ 413	\$ 677					
Average high five salary	\$3,621	\$4,041					
Number of retirees	16	43					
2010							
Average monthly benefit	\$ 476	\$ 508	\$ 835				
Average high five salary	\$3,571	\$3,847	\$4,215				
Number of retirees	9	14	27				

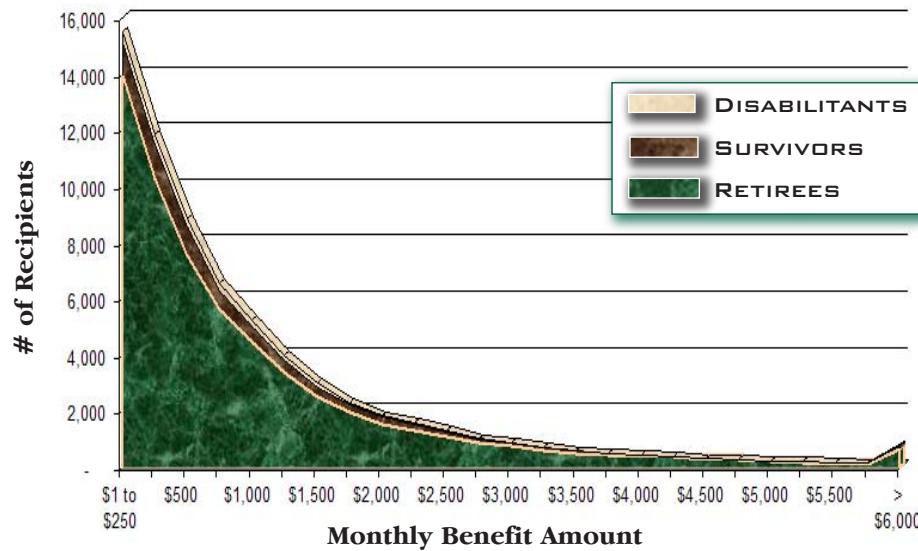
Schedule of Benefit Recipients by Type

As of June 30, 2010

GENERAL EMPLOYEES RETIREMENT FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit				Option Selected					
		A	B	C	D	1	2	3	4	5	6
\$ 1 - \$ 250	15,496	13,979	332	844	341	10,966	3,263	175	624	252	216
251- 500	11,846	10,259	314	890	383	8,042	2,182	192	838	323	269
501 - 750	8,864	7,539	256	760	309	5,739	1,670	156	812	262	225
751 - 1,000	6,553	5,642	116	540	255	4,113	1,240	142	651	313	94
1,001 - 1,250	5,243	4,471	92	445	235	3,039	1,059	163	646	260	76
1,251 - 1,500	4,003	3,380	108	336	179	2,149	785	170	564	241	94
1,501 - 1,750	2,983	2,509	72	276	126	1,603	588	140	433	157	62
1,751 - 2,000	2,307	1,949	63	198	97	1,140	438	128	397	149	55
2,001 - 2,250	1,824	1,506	52	212	54	870	362	97	314	132	49
2,251 - 2,500	1,562	1,305	51	180	26	645	327	92	337	112	49
2,501 - 2,750	1,289	1,112	29	128	20	577	262	77	262	85	26
2,751 - 3,000	1,009	860	28	105	16	448	206	59	189	80	27
3,001 - 3,250	867	747	16	99	5	356	184	63	190	59	15
3,251 - 3,500	701	612	19	67	3	277	162	40	159	46	17
3,501 - 3,750	577	490	13	74	-	203	139	52	138	34	11
3,751 - 4,000	500	426	8	66	-	176	115	27	138	36	8
4,001 - 4,250	423	373	6	43	1	142	105	27	114	30	5
4,251 - 4,500	397	352	2	43	-	134	102	32	99	28	2
4,501 - 4,750	301	264	2	32	3	104	81	20	71	23	2
4,751 - 5,000	291	251	2	37	1	97	73	20	85	14	2
5,001 - 5,250	213	191	-	22	-	79	47	16	52	19	-
5,251 - 5,500	196	175	3	17	1	75	42	16	49	11	3
5,501 - 5,750	145	129	2	13	1	48	40	8	39	8	2
5,751 - 6,000	132	121	-	11	-	48	29	7	38	10	-
Over 6,000	752	676	3	73	-	220	206	52	223	48	3
Totals	68,474	59,318	1,589	5,511	2,056	41,290	13,707	1,971	7,462	2,732	1,312

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other (Term-certain, children's benefits, etc.)

Schedule of Benefit Recipients by Type

As of June 30, 2010

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	124	98	7	17	2	0	45	52	1	12	5	9
251 - 500	140	104	13	20	3	0	57	36	2	18	7	20
501 - 750	100	68	13	17	1	1	30	32	2	18	4	14
751 - 1,000	137	91	8	33	5	0	45	38	5	28	5	16
1,001 - 1,250	119	68	14	32	4	1	38	31	1	16	7	26
1,251 - 1,500	184	75	26	74	7	2	38	41	6	24	4	71
1,501 - 1,750	231	85	36	91	15	4	46	39	7	39	6	94
1,751 - 2,000	244	94	40	81	23	6	54	47	7	46	1	89
2,001 - 2,250	296	124	54	88	14	16	66	47	12	42	13	116
2,251 - 2,500	319	121	54	96	23	25	75	55	12	48	8	121
2,501 - 2,750	353	144	64	90	16	39	85	63	14	40	9	142
2,751 - 3,000	343	225	15	46	13	44	100	80	28	50	18	67
3,001 - 3,250	379	251	16	34	9	69	127	81	43	48	10	70
3,251 - 3,500	402	301	15	25	8	53	123	94	30	56	23	76
3,501 - 3,750	461	354	6	32	14	55	144	98	38	65	25	91
3,751 - 4,000	447	353	11	16	18	49	147	66	48	83	27	76
4,001 - 4,250	453	365	11	25	17	35	156	77	38	67	23	92
4,251 - 4,500	447	380	6	20	16	25	113	81	48	83	35	87
4,501 - 4,750	467	396	13	13	14	31	130	66	50	88	29	104
4,751 - 5,000	374	320	5	9	18	22	99	60	51	80	15	69
5,001 - 5,250	292	249	2	3	14	24	92	44	39	60	30	27
5,251 - 5,500	230	197	5	6	8	14	66	49	34	55	18	8
5,501 - 5,750	202	179	3	3	8	9	61	31	30	60	19	1
5,751 - 6,000	162	141	1	3	10	7	51	27	27	44	12	1
Over 6,000	635	573	2	14	22	24	220	68	87	198	57	5
Totals	7,541	5,356	440	888	302	555	2,208	1,403	660	1,368	410	1,492

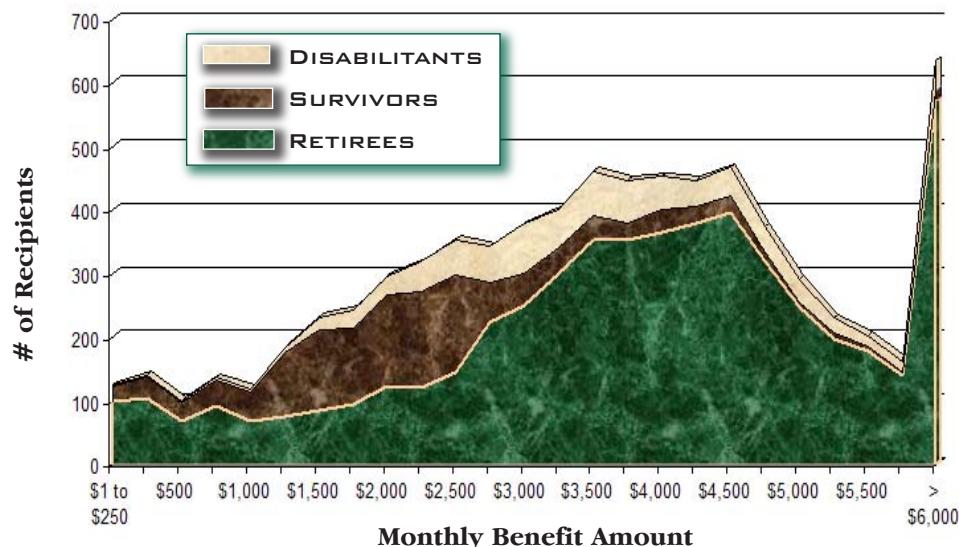
Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



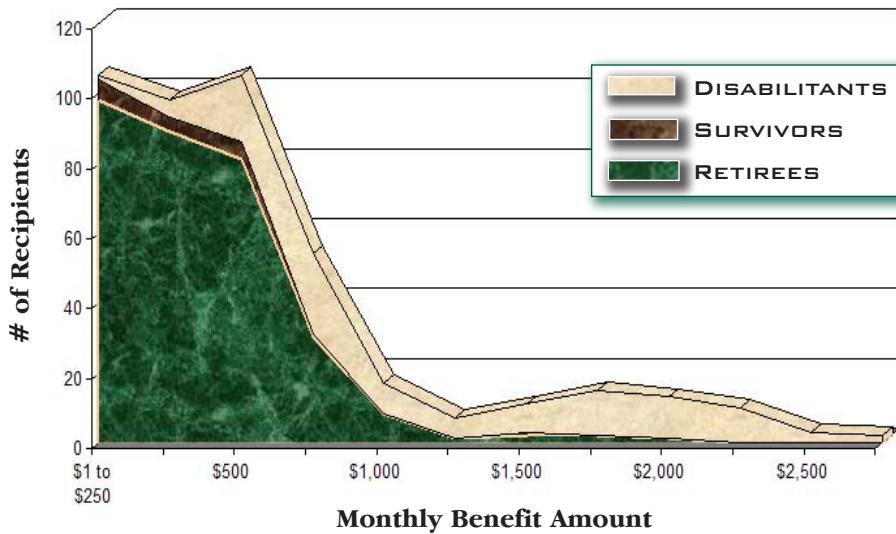
Schedule of Benefit Recipients by Type

As of June 30, 2010

PUBLIC EMPLOYEES CORRECTIONAL FUND

Amount of Monthly Benefit	Number of Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	105	98	4	2	1	0	71	14	5	11	2	2
251- 500	98	89	2	2	5	0	56	24	1	12	3	2
501 - 750	105	81	1	4	19	0	62	26	7	7	3	0
751 - 1,000	54	30	1	0	21	2	28	15	3	6	1	1
1,001 - 1,250	17	8	0	0	4	5	9	5	0	2	1	0
1,251 - 1,500	7	1	0	0	0	6	4	3	0	0	0	0
1,501 - 1,750	11	2	0	1	0	8	4	4	1	2	0	0
1,751 - 2,000	15	2	0	0	0	13	6	7	1	1	0	0
2,001 - 2,250	13	1	0	0	0	12	12	1	0	0	0	0
2,251 - 2,500	10	0	0	0	0	10	8	1	0	0	1	0
2,501 - 2,750	3	0	0	0	0	3	2	1	0	0	0	0
2,751 - 3,000	2	0	0	0	0	2	0	0	1	0	1	0
3,001 - 3,250	— 1	— 0	— 0	— 0	— 0	— 1	— 1	— 0	— 0	— 0	— 12	— 5
Totals	441	312	8	9	50	62	263	101	19	41	12	5

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A Retirement
- B Survivor of Active Member
- C Survivor of Benefit Recipient
- D Non-Duty Disability
- E Line-of-Duty Disability

Option Selected

- 1 Single Life
- 2 100% J&S
- 3 75% J&S
- 4 50% J&S
- 5 25% J&S
- 6 Other

Schedule of Benefit Recipients by Type

As of June 30, 2010

MINNEAPOLIS EMPLOYEES RETIREMENT FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	107	93	8	3	1	2	35	23	9	34	6	0
251 - 500	218	196	16	0	4	2	77	34	18	42	47	0
501 - 750	204	168	30	2	4	0	69	31	30	47	27	0
751 - 1,000	196	150	35	9	1	1	62	39	32	40	23	0
1,001 - 1,250	227	119	26	73	4	5	100	35	41	31	19	1
1,251 - 1,500	189	124	37	21	5	2	60	33	47	28	20	1
1,501 - 1,750	150	90	37	11	10	2	39	26	52	22	11	0
1,751 - 2,000	186	114	46	11	6	9	39	45	54	30	18	0
2,001 - 2,250	231	144	50	21	8	8	55	73	58	26	19	0
2,251 - 2,500	235	158	42	14	11	10	39	100	54	24	15	3
2,501 - 2,750	274	222	22	10	14	6	54	110	48	38	23	1
2,751 - 3,000	257	227	7	14	6	3	48	107	45	29	24	4
3,001 - 3,250	265	222	31	6	5	1	47	109	48	20	22	19
3,251 - 3,500	258	212	36	7	2	1	56	113	52	22	15	0
3,501 - 3,750	234	194	30	7	2	1	33	104	51	24	18	4
3,751 - 4,000	185	156	24	3	2	0	30	101	27	13	10	4
4,001 - 4,250	174	146	25	1	0	2	32	79	28	26	6	3
4,251 - 4,500	151	132	14	4	1	0	29	59	30	19	12	2
4,501 - 4,750	105	84	19	2	0	0	15	53	17	7	8	5
4,751 - 5,000	111	97	10	4	0	0	15	65	19	7	4	1
Over 5,000	386	337	41	6	2	0	62	173	85	26	16	24
Totals	4,343	3,385	586	229	88	55	996	1,512	845	555	363	72

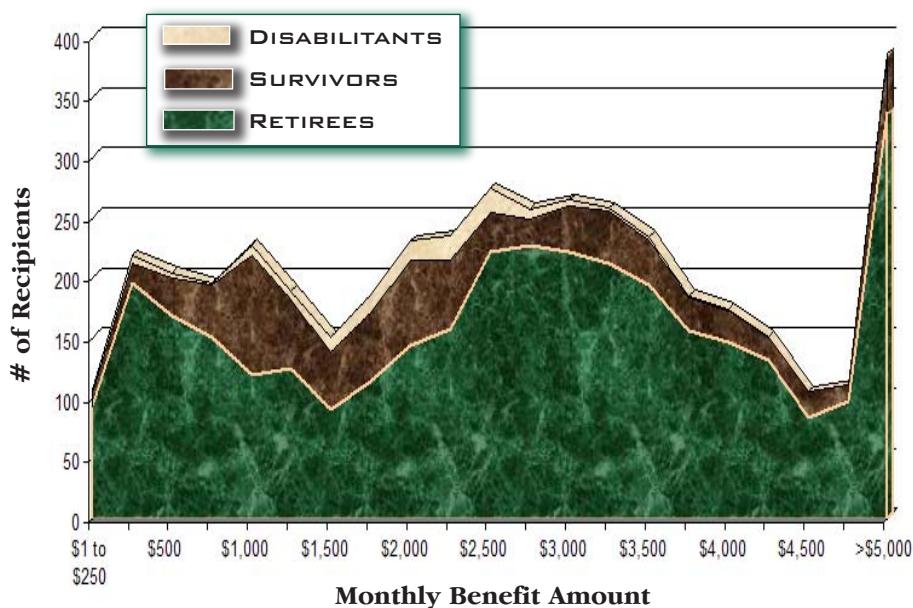
Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 50% J&S
- 4** Term Certain
- 5** Death Benefit
- 6** Other

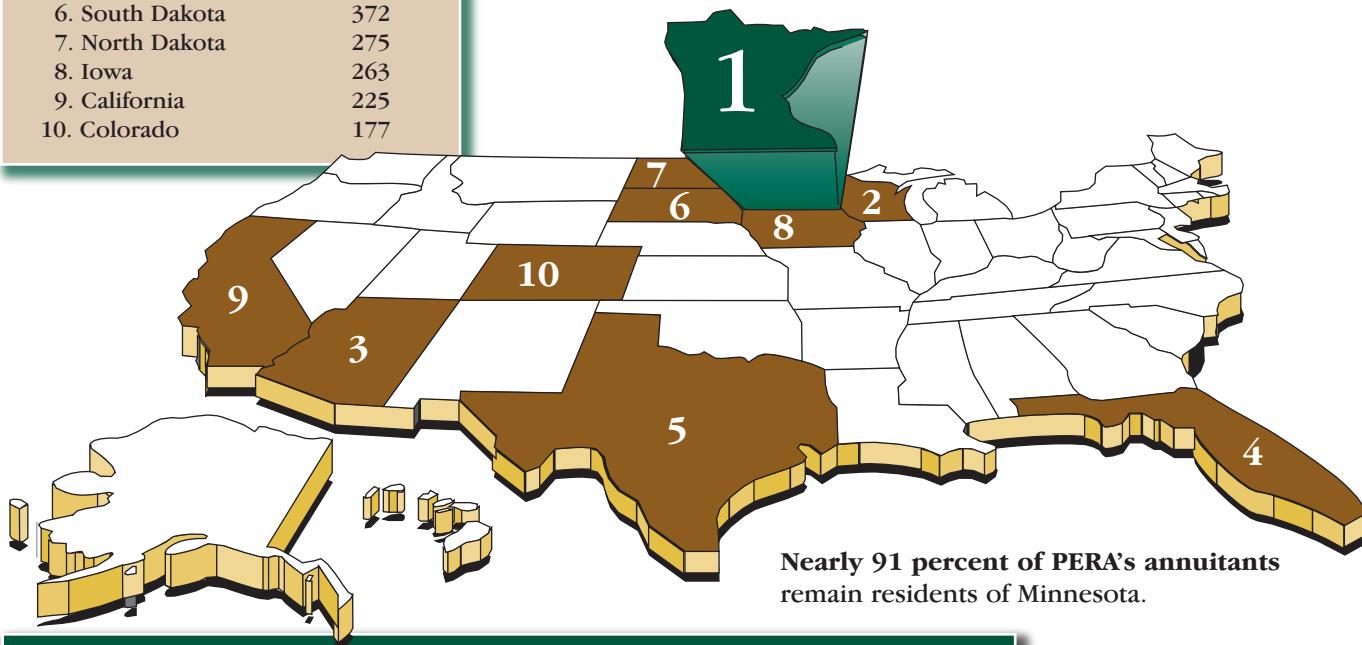
BENEFIT RECIPIENTS BY BENEFIT AMOUNT



PERA Annuitant Residency

by State

Top 10 States by PERA Annuitant Population	
State	Population
1. Minnesota	70,030
2. Wisconsin	1,503
3. Arizona	1,154
4. Florida	957
5. Texas	478
6. South Dakota	372
7. North Dakota	275
8. Iowa	263
9. California	225
10. Colorado	177

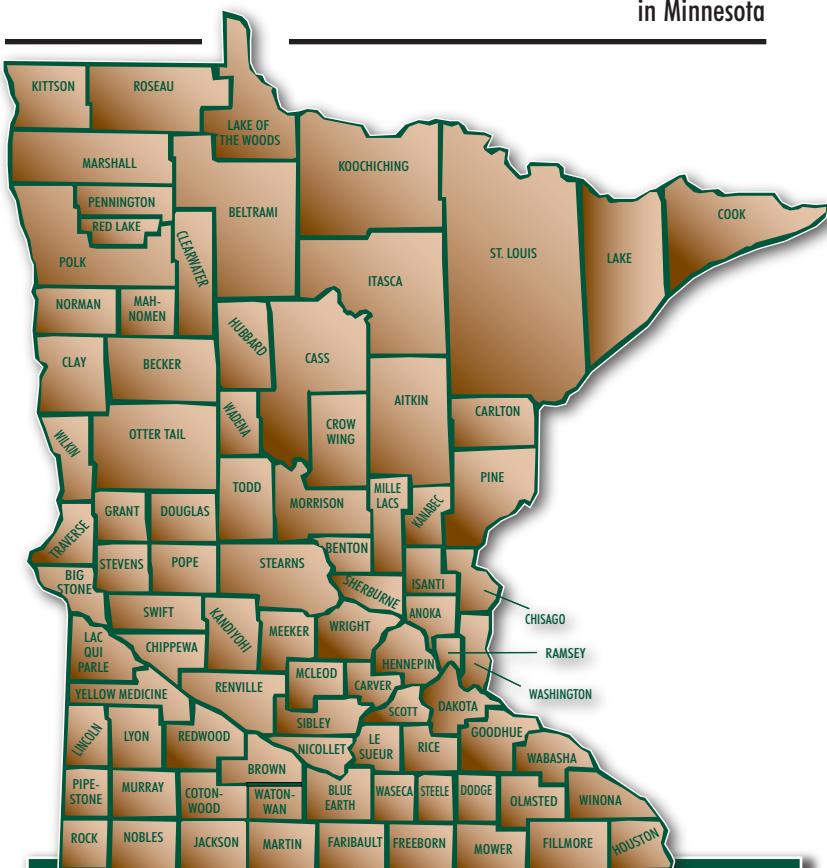


Annuitants and Payments on June 1, 2010

State	Population	Payments	State	Population	Payments	State	Population	Payments
MN	70,030	\$94,644,553	MI	77	\$ 70,296	NY	25	\$28,293
WI	1,503	2,181,938	NC	77	94,140	MD	22	21,185
AZ	1,154	1,752,650	TN	75	100,270	MS	22	39,766
FL	957	1,708,693	GA	57	54,711	KY	17	13,832
TX	478	744,106	NE	46	33,282	MA	17	16,724
SD	372	413,418	OH	43	42,226	LA	13	13,478
ND	275	262,082	VA	43	70,548	NJ	10	12,583
IA	263	258,570	SC	40	62,663	CT	7	1,869
CA	225	274,985	OK	39	36,121	NH	7	6,162
CO	177	220,827	IN	38	38,020	WV	6	6,226
AR	164	232,523	HI	37	51,966	ME	5	3,034
NV	160	268,780	UT	35	43,193	DE	3	2,303
WA	147	157,430	ID	33	35,260	VT	3	1,030
MO	128	138,519	KS	33	33,975	VI	2	6,120
IL	100	97,406	AL	31	54,400	DC	2	296
OR	96	126,589	PA	29	22,630	Foreign Address	29	43,657
MT	85	110,570	AK	28	31,528			
NM	79	105,750	WY	28	39,505			

PERA Annuitant Residency

in Minnesota



Annuitants and Payments on June 1, 2010

County	Population	Payments
AITKIN	469	\$ 521,689
ANOKA	3,164	4,579,517
BECKER	568	622,580
BELTRAMI	647	720,275
BENTON	483	587,645
BIG STONE	188	169,226
BLUE EARTH	714	948,871
BROWN	461	598,396
CARLTON	790	1,180,000
CASS	675	778,773
CHIPPEWA	320	328,557
CHISAGO	882	1,261,818
CLAY	609	771,034
CLEARWATER	285	282,223
COOK	185	225,257
COTTONWOOD	255	236,841
CROW WING	1,266	1,670,812
DAKOTA	3,898	5,972,397
DODGE	322	268,280
DOUGLAS	935	950,551
FARIBAULT	294	295,435
FILLMORE	464	408,674
FREEBORN	547	689,548
GOODHUE	763	960,072

County	Population	Payments
GRANT	148	\$ 151,817
HENNEPIN	9,565	13,495,526
HOUSTON	228	209,665
HUBBARD	433	426,928
ISANTI	492	527,332
ITASCA	1,211	1,480,942
JACKSON	267	253,880
KANABEC	321	323,973
KANDIYOHI	906	1,056,652
KITTSON	145	132,646
KOOCHICHING	338	473,311
LAC QUI PARLE	180	167,787
LAKE	324	481,163
LAKE OF THE WOODS	102	93,057
LE SUEUR	376	426,342
LINCOLN	121	124,458
LYON	487	480,706
MAHNOMEN	101	108,400
MARSHALL	218	193,470
MARTIN	379	489,925
MCLEOD	727	779,092
MEEKER	439	455,152
MILLE LACS	481	492,904
MORRISON	549	555,685
MOWER	771	1,070,995
MURRAY	194	170,005
NICOLLET	461	507,679
NOBLES	470	516,371
NORMAN	182	170,922
OLMSTED	1,539	2,536,391
OTTER TAIL	973	1,088,977
PENNINGTON	268	301,803
PINE	567	689,118
PIPESTONE	207	192,171
POLK	574	661,139
POPE	227	283,881
RAMSEY	5,948	10,658,657
RED LAKE	123	109,925
REDWOOD	389	363,155
RENNVILLE	358	346,733
RICE	729	899,214
ROCK	246	229,900
ROSEAU	200	222,911
SAINT LOUIS	4,845	8,051,303
SCOTT	951	1,364,390
SHERBURNE	749	1,056,367
SIBLEY	309	259,507
STEARN	1,837	2,085,469
STEELE	504	679,853
STEVENS	177	198,141
SWIFT	292	272,318
TODD	416	431,463
TRAVERSE	134	126,552
WABASHA	450	509,727
WADENA	386	343,788
WASECA	352	368,456
WASHINGTON	3,267	5,479,594
WATONWAN	188	233,677
WILKIN	107	129,032
WINONA	548	766,746
WRIGHT	1,214	1,466,647
YELLOW MEDICINE	314	293,133

Principal Participating Employers

GENERAL EMPLOYEES RETIREMENT FUND

FY2010

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	6,919	4.84%
Minneapolis School District	4,378	3.06%
Hennepin Healthcare System	4,020	2.81%
Ramsey County	3,454	2.42%
City of Minneapolis	3,265	2.28%
Anoka-Hennepin School District	2,734	1.91%
St. Paul School District	2,647	1.85%
City of St. Paul	2,181	1.53%
Anoka County	1,874	1.31%
Rosemount School District	1,874	1.31%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	11,549	7.63%
Minneapolis School District	6,282	4.15%
St. Paul School District	4,413	2.92%
City of Minneapolis	4,057	2.68%
Ramsey County	3,333	2.20%
Anoka-Hennepin School District	2,424	1.60%
St. Louis County	2,382	1.57%
City of St. Paul	2,323	1.54%
Anoka County	2,122	1.40%
Rosemount School District	1,726	1.14%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

FY2010

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,314	11.65%
City of St. Paul	1,036	9.18%
Hennepin County	326	2.89%
City of Duluth	285	2.53%
City of Rochester	230	2.04%
Ramsey County	227	2.01%
City of St. Cloud	168	1.49%
Wright County	141	1.25%
Hennepin Healthcare System	138	1.22%
Metropolitan Airports Commission	133	1.18%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,140	11.46%
City of St. Paul	841	8.45%
Hennepin County	524	5.27%
Ramsey County	252	2.53%
City of Duluth	237	2.38%
City of Rochester	176	1.77%
City of St. Cloud	133	1.34%
St. Louis County	101	1.02%
Metropolitan Airports Commission	101	1.02%
City of Burnsville	91	0.91%

PUBLIC EMPLOYEES CORRECTIONAL FUND

FY2010

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	514	14.45%
Ramsey County	418	11.75%
Anoka County	212	5.96%
Sherburne County	117	3.29%
Olmsted County	114	3.21%
Dakota County	95	2.67%
Stearns County	86	2.42%
Washington County	81	2.28%
Prairie Lake Detention Center	88	2.25%
Scott County	75	2.11%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	666	20.37%
Ramsey County	354	10.83%
Anoka County	250	7.65%
Olmsted County	149	4.56%
St. Louis County	119	3.64%
Beltrami County	108	3.30%
Dakota County	99	3.03%
Washington County	76	2.32%
Sherburne County	71	2.17%
Goodhue County	62	1.90%

* Note: Information is not available prior to FY2002.

Participating Employers

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

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

ISANTI	LISMORE	MINNETRISTA	OSSEO	VILLAGE	STILWATER
ISLE	LITCHFIELD	MONTVIDEO	OSTRANDER	RUSHMORE	STOCKTON
IVANHOE	LITTLE CANADA	MONTGOMERY	OTSEGO	RUSSELL	STORDEN
JACKSON	LITTLE FALLS	MONTICELLO	OTTERTAIL	RUTHTON	STRANDQUIST
JANESVILLE	LITTLEFORK	MONTROSE	OWATONNA	SABIN	STURGEON LAKE
JASPER	LONG BEACH	MOORHEAD	PALISADE	SACRED HEART	SUNFISH LAKE
JEFFERS	LONG LAKE	MOOSE LAKE	PARK RAPIDS	SAINT AUGUSTA	SWANVILLE
JENKINS	LONG PRAIRIE	MORA	PARKERS PRAIRIE	SANBORN	TACONITE
JORDAN	LONGVILLE	MORGAN	PAYNESVILLE	SANDSTONE	TAMARACK
KANDIYOHII	LONSDALE	MORRIS	PEASE	SARTELL	TAUNTON
KARLSTAD	LORETTO	MORRISTOWN	PELICAN RAPIDS	SAUK CENTRE	TAYLORS FALLS
KASOTA	LOWRY	MORTON	PEMBERTON	SAUK RAPIDS	TENSTRIKE
KASSON	LUCAN	MOTLEY	PENNOCK	SAVAGE	THIEF RIVER FALLS
KEEWATIN	LUVERNE	MOUND	PEQUOT LAKES	SCANDIA	THOMPSON GROVE
KELLIHER	LYLE	MOUNDS VIEW	PERHAM	SCANLON	THOMSON
KELLOGG	LYND	MOUNTAIN IRON	PERLEY	SEAFORTH	TINTAH
KENNEDY	MABEL	MOUNTAIN LAKE	PETERSON	SEBEKA	TONKA BAY
KENSINGTON	MADELIA	MURDOCK	PIERZ	SHAFER	TOWER
KENT	MADISON	NASHWAUK	PILLAGER	SHAKOPEE	TRACY
KENYON	MADISON LAKE	NERSTRAND	PINE CITY	SHELLY	TRAIL
KERKHOVEN	MAGNOLIA	NEVIS	PINE ISLAND	SHERBURN	TRIMONT
KETTLE RIVER	MAHNOMEN	NEW AUBURN	PINE RIVER	SHEVLIN	TROMMALD
KIESTER	MAHTOMEDI	NEW BRIGHTON	PINE SPRINGS	SHOREVIEW	TRUMAN
KILKENNY	MANHATTAN BEACH	NEW GERMANY	PIPESTONE	SHOREWOOD	TURTLE RIVER
KIMBALL	MANKATO	NEW HOPE	PLAINVIEW	SILVER BAY	TWIN LAKES
KINBRAE	MANTORVILLE	NEW LONDON	PLATO	SILVER LAKE	TWIN VALLEY
KINNEY	MAPLE GROVE	NEW MARKET	PLUMMER	SKYLINE	TWO HARBORS
LA CRESCENT	MAPLE LAKE	NEW MUNICH	PLYMOUTH	SLAYTON	TYLER
LA PRAIRIE	MAPLE PLAIN	NEW PRAGUE	PRESTON	SLEEPY EYE	ULEN
LA SALLE	MAPLETON	NEW RICHLAND	PRINCETON	SOIWAY	UNDERWOOD
LAFAYETTE	MAPLEVIEW	NEW TRIER	PRINSBURG	SOUTH HAVEN	UPSALA
LAKE BENTON	MAPLEWOOD	NEW ULM	PRIOR LAKE	SOUTH	VADNAIS HEIGHTS
LAKE BRONSON	MARBLE	NEW YORK MILLS	PROCTOR	INTERNATIONAL	VERGAS
LAKE CITY	MARIETTA	NEWFOLDEN	QUAMBA	FALLS	VERMILLION
LAKE CRYSTAL	MARINE ON ST CROIX	NEWPORT	RACINE	SOUTH ST PAUL	VERNDALE
LAKE ELMO	MARSHALL	NICOLLET	RAMSEY	SPICER	VERNON CENTER
LAKE HENRY	MAYER	NIELSVILLE	RANDALL	SPRING GROVE	VESTA
LAKE LILLIAN	MAYNARD	NISSWA	RANDOLPH	SPRING LAKE PARK	VICTORIA
LAKE PARK	MAZEPPA	NORCROSS	RANIER	SPRING PARK	VIKING
LAKE SHORE	MC GRATH	NORTH BRANCH	RAYMOND	SPRING VALLEY	VILLARD
LAKE ST CROIX	MC GREGOR	NORTH MANKATO	RED LAKE FALLS	SPRINGFIELD	VIRGINIA
BECCH	MC KINLEY	NORTH OAKS	RED WING	SQUAW LAKE	WABASHA
LAKE WILSON	MCINTOSH	NORTH ST PAUL	REDWOOD FALLS	ST ANTHONY	WABASSO
LAKEFIELD	MCKINLEY	NORTHFIELD	REMER	ST BONIFACIUS	WACONIA
LAKELAND	MEADOWLANDS	NORTHOME	RENNVILLE	ST CHARLES	WADENA
LAKELAND SHORES	MEDFORD	NORTHROP	REVERE	ST CLAIR	WAHKON
LAKEVILLE	MEDINA	NORWOOD	RICE	ST CLOUD	WAITE PARK
LAMBERTON	MEIRE GROVE	NORWOOD YOUNG	RICHFIELD	ST FRANCIS	WALDORF
LANCASTER	MELROSE	AMERICA	RICHMOND	ST HILAIRE	WALKER
LANDFALL	MENAHGA	NOWTHEN	ROBBINSDALE	ST JAMES	WALNUT GROVE
LANESBORO	MENDOTA	OAK GROVE	ROCHESTER	ST JOSEPH	WALTHAM
LASTRUP	MENDOTA HEIGHTS	OAK PARK HEIGHTS	ROCK CREEK	ST LEO	WANAMINGO
LAUDERDALE	MENTOR	OAKDALE	ROCKFORD	ST LOUIS PARK	WANDA
LE CENTER	MIDDLE RIVER	ODESSA	ROCKVILLE	ST MARTIN	WARBA
LE SUEUR	MILACA	OGEMA	ROGERS	ST MARY'S POINT	WARREN
LENGBY	MILAN	OGILVIE	ROLLINGSTONE	ST MICHAEL	WARROAD
LEONIDAS	MILLERVILLE	OKABENA	ROSCOE	ST PAUL	WASECA
LERİY	MILLVILLE	OKLEE	ROSE CREEK	ST PAUL PARK	WATERTOWN
LESTER PRAIRIE	MILROY	OLIVIA	ROSEAU	ST PETER	WATERVILLE
LEWISTON	MILTON	ONAMIA	ROSEMOUNT	ST STEPHEN	WATKINS
LEWISVILLE	MILTONA	ORMSBY	ROSEVILLE	STACY	WATSON
LEXINGTON	MINNEOTA	ORONO	ROTHSAY	STAPLES	WAUBUN
LILYDALE	MINNEAPOLIS	ORONOCO	ROUND LAKE	STARBUCK	WAVERLY
LINDSTROM	MINNESOTA LAKE	ORR	ROYALTON	STEEN	WAYZATA
LINDSTROM-CHISAGO	MINNETONKA	ORTONVILLE	RUSH	STEPHEN	
LINO LAKES	MINNETONKA BEACH	OSAKIS	RUSHFORD	STEWART	
		OSLO	RUSHFORD	STEWARTVILLE	

WELCOME	ALFSBORG	BARCLAY	BLACKBERRY	BYRON	CLOVER
WELLS	ALLIANCE	BARNESVILLE	BLACKHOOF	CAIRO	CLOVERLEAF
WENDELL	ALMA	BARNETT	BLAKELEY	CALEDONIA	CLOW
WEST CONCORD	ALMOND	BARNUM	BLIND LAKE	CALLAWAY	COKATO
WEST ST PAUL	ALTA VISTA	BARRY	BLOOM	CAMBRIA	COLFAX
WESTBROOK	ALTON	BARSNESS	BLOOMER	CAMBRIDGE	COLLEGEVILLE
WHALAN	ALTONA	BARTLETT	BLOOMFIELD	CAMDEN	COLLINS
WHEATON	ALVWOOD	BARTO	BLOOMING GROVE	CAMERON	COLLINWOOD
WHITE BEAR LAKE	AMADOR	BASHAW	BLOOMING PRAIRIE	CAMP	COLUMBIA
WILDER	AMBOY	BASS BROOK	BLOWERS	CAMP 5	COLUMBUS
WILLERNIE	AMHERST	BASSETT	BLUE EARTH	CAMP LAKE	COLVIN
WILLIAMS	AMIRET	BATH	BLUE HILL	CAMP RELEASE	COMFORT
WILLMAR	AMO	BATTLE	BLUE MOUNDS	CAMPBELL	COMO
WILMONT	AMOR	BATTLE PLAIN	BLUEBERRY	CANDOR	COMPTON
WILTON	ANDOVER	BAXTER	BLUFFTON	CANISTEO	COMSTOCK
WINDOM	ANDREA	BAY LAKE	BOGUS BROOK	CANNON	CONCORD
WINGER	ANGORA	BAYTOWN	BONDIN	CANNON CITY	CONNELLY
WINNEBAGO	ANGUS	BEAR CREEK	BOON LAKE	CANNON FALLS	COON CREEK
WINONA	ANN	BEAR PARK	BORGHOLM	CANOSIA	COPLEY
WINSTED	ANN LAKE	BEARVILLE	BOWSTRING	CANTON	CORDOVA
WINTHROP	ANSEL	BEATTY	BOXVILLE	CARIBOU	CORINNA
WINTON	ANTHONY	BEAUFORD	BOY LAKE	CARIMONA	CORLISS
WOLF LAKE	ANTRIM	BEAULIEU	BRADBURY	CARLISLE	CORMANT
WOLVERTON	APPLETON	BEAVER	BRADFORD	CARLOS	CORMORANT
WOOD LAKE	ARAGO	BEAVER BAY	BRANDON	CARLSTON	CORNISH
WOODBURY	ARBO	BEAVER CREEK	BRANDSVOLD	CARPENTER	COSMOS
WOODLAND	ARCTANDER	BEAVER FALLS	BRANDT	CARROLTON	COTTON
WORTHINGTON	ARDENHURST	BECKER	BRANDUP	CARSON	COTTONWOOD
WRENSHALL	ARENA	BEJOU	BRAY	CARSONVILLE	COURTLAND
WRIGHT	ARENDAHL	BELFAST	BRECKENRIDGE	CASCADE	CRATE
WYKOFF	ARLINGTON	BELGRADE	BREMEN	CASHEL	CREDIT RIVER
WYOMING	ARLONE	BELLE CREEK	BREVATOR	CASTLE ROCK	CROKE
ZEMPLE	ARNA	BELLE PLAINE	BRIDGEWATER	CEDAR	CROMWELL
ZIMMERMAN	ARROWHEAD	BELLE PRAIRIE	BRIGHTON	CEDAR LAKE	CROOKED CREEK
ZUMBRO FALLS	ARTHUR	BELLE RIVER	BRISLET	CEDAR MILLS	CROOKED LAKE
ZUMBROTA	ARTICHOKE	BELLEVUE	BRISTOL	CEDAR VALLEY	CROOKSTON
	ARVESON	BELMONT	BROCKWAY	CEDARBEND	CROOKSTON
	ASHLAND	BELVIDERE	BROOK PARK	CENTER	CROSBY
TOWNSHIPS		ASHLEY	BEMIDJI	CENTER CREEK	CROW LAKE
	ASK LAKE	BEN WADE	BROOKFIELD	CERESCO	CROW RIVER
AASTAD	ATHENS	BENNINGTON	BROWNS CREEK	CERRO GORDO	CROW WING
ACOMA	ATHERTON	BENSON	BROWNS VALLEY	CHAMPION	CROW WING
ACTON	ATKINSON	BENTON	BROWNSVILLE	CHANARAMBIE	LAKES
ADAMS	ATLANTA	BENVILLE	BRUCE	CHARLESTOWN	CRYSTAL BAY
ADRIAN	AUDUBON	BERGEN	BRUNO	CHASKA	CUBA
AETNA	AUGSBURG	BERLIN	BRUNSWICK	CHATFIELD	CULDRUM
AGASSIZ	AUGUSTA	BERNADOTTE	BRUSH CREEK	CHATHAM	CULVER
AGDAR	AULT	BERTHA	BUCKMAN	CHENGWATANA	CUSHING
AGRAM	AURDAL	BESEMAN	BUFFALO	CHERRY	CUSTER
AITKIN	AURORA	BEULAH	BUH	CHERRY GROVE	DAGGETT BROOK
AKELEY	AUSTIN	BIG BEND	BULL MOOSE	CHESTER	DAHLGREN
AKRON	AUTOMBA	BIG LAKE	BULLARD	CHIEF	DAILEY
ALANGO	AVON	BIG STONE	BUNGO	CHIPPEWA FALLS	DALBO
ALASKA	BADGER	BIGELOW	BURBANK	CHISAGO LAKE	DALE
ALBA	BADOURA	BIGFORK	BURKE	CHRISTIANIA	DANE PRAIRIE
ALBANY	BAKER	BIGWOODS	BURLEENE	CLAREMONT	DANFORTH
ALBERT LEA	BALDWIN	BIRCH	BURLINGTON	CLARK	DANIELSON
ALBERTA	BALKAN	BIRCH COOLEY	BURNHAMVILLE	CLAY	DANVILLE
ALBIN	BALL BLUFF	BIRCH CREEK	BURNSTOWN	CLAYTON	DARLING
ALBION	BALSAM	BIRCH LAKE	BURTON	CLEARWATER	DARNEN
ALBORN	BANCROFT	BIRCHDALE	BUSE	CLEVELAND	DARWIN
ALDEN	BANDON	BIRD ISLAND	BUTLER	CLIFTON	DASSEL
ALDRICH	BANGOR	BISMARCK	BUTTERFIELD	CLINTON	DAVIS
ALEXANDRIA	BARBER	BIWABIK	BUTTERNUT VALLEY	CLINTON FALLS	DEAD LAKE
		BLACK HAMMER	BUZZLE	CLITHERALL	DECORIA
		BLACK RIVER	BYGLAND	CLONTARF	DEER

DEER CREEK	ELDORADO	FERN	GILCHRIST	GROVE	HERSEY	ISANTI
DEER PARK	ELGIN	FIELD	GILLFORD	GROVE LAKE	HICKORY	ISLAND LAKE
DEER RIVER	ELIZABETH	FIELDON	GILMANTON	GROVE PARK-TILDEN	HIGDEM	ISLE HARBOR
DEERFIELD	ELK	FILLMORE	GIRARD	GULLY	HIGH FOREST	ITASCA
DEERHORN	ELK LAKE	FINE LAKES	GLASGOW	GUTHRIE	HIGHLAND GROVE	JACKSON
DEERWOOD	ELKTON	FINLAYSON	GLEN	HAGALI	HIGHLANDING	JADIS
DELAFIELD	ELLINGTON	FISH LAKE	GLENCOE	HAGEN	HIGHWATER	JAMESTOWN
DELAVAN	ELLSBOROUGH	FISHER	GLENDORADO	HALDEN	HIGLAND	JANESVILLE
DELAWARE	ELLSBURG	FLEMING	GLENWOOD	HALE	HILL	JAY
DELHI	ELLSWORTH	FLOM	GLYNOND	HALLOCK	HILL LAKE	JEFFERSON
DELL GROVE	ELM CREEK	FLOODWOOD	GNESEN	HALSTAD	HILL RIVER	JENKINS
DELTON	ELMDALE	FLORA	GODFREY	HAMDEN	HILLMAN	JESSENLAND
DENMARK	ELMER	FLORENCE	GOLDEN VALLEY	HAMLIN	HILLSDALE	JEVNE
DENVER	ELMIRA	FLORIDA	GOOD HOPE	HAMMER	HINCKLEY	JO DAVIESS
DERRYNANE	ELMO	FLOWING	GOODHUE	HAMMOND	HINES	JO DAVIS
DES MOINES	ELMORE	FOLDAHL	GOODLAND	HAMPDEN	HIRAM	JOHNSON
DES MOINES RIVER	ELMWOOD	FOLDEN	GOODRIDGE	HAMPTON	HOBART	JOHNSONVILLE
DETROIT	EMARDVILLE	FOLSOM	GOOSE PRAIRIE	HAMRE	HODGES	JONES
DEWALD	EMBARRASS	FORD	GORDON	HANCOCK	HOFF	JORDAN
DEWEY	EMERALD	FOREST	GORMAN	HANGAARD	HOKAH	JUDSON
DEXTER	EMMET	FOREST CITY	GORTON	HANSONVILLE	HOKAN	JUPITER
DIAMOND LAKE	EMPIRE	FOREST LAKE	GOULD	HANTHO	HOLDEN	KABETOGAMA
DIETER	ENTERPRISE	FOREST PRAIRIE	GRACE	HARMONY	HOLDING	KALEVALA
DOLLYMOUNT	EQUALITY	FORESTVILLE	GRACEVILLE	HARRIS	HOLLAND	KALMAR
DONNELLY	ERDAHL	FORK	GRAFTON	HARRISON	HOLLY	KANABEC
DORA	ERHARDS GROVE	FORT RIPLEY	GRAHAM	HART	HOLLYWOOD	KANARANZI
DOUGLAS	ERICSON	FORTIER	GRAHAM LAKES	HART LAKE	HOLMES CITY	KANDIYOHI
DOVER	ERIE	FOSSUM	GRANBY	HARTFORD	HOLMESVILLE	KANDOTA
DOVRAY	ERIN	FOSTER	GRAND FORKS	HARTLAND	HOLST	KASOTA
DOVRE	ESPELIE	FOUNTAIN	GRAND LAKE	HARVEY	HOLT	KATHIO
DRAMMEN	ESTHER	FOUTAIN	GRAND MEADOW	HASSAN	HOLY CROSS	KEENE
DRESBACH	ESTROM	FOX LAKE	GRAND PLAIN	HASSAN VALLEY	HOLYoke	KEGO
DRYDEN	EUCLID	FOXHOME	GRAND PRAIRIE	HAUGEN	HOME	KELLIHER
DUBLIN	EUREKA	FRAMNAS	GRAND RAPIDS	HAVANA	HOME LAKE	KELSEY
DUDLEY	EVANSVILLE	FRANCONIA	GRANDVIEW	HAVELOCK	HOME BROOK	KELSO
DULUTH	EVERGLADE	FRANKFORD	GRANGE	HAVEN	HOMESTEAD	KENYON
DUNBAR	EVERGREEN	FRANKFORT	GRANITE	HAVERHILL	HOMER	KERKHOVEN
DUNN	EVERTS	FRANKLIN	GRANITE FALLS	HAWK CREEK	HONNER	KERRICK
DURAND	EWINGTON	FRASER	GRANITE LEDGE	HAWLEY	HOPE	KERTSONVILLE
EAGLE	EXCEL	FREDENBERG	GRANITE ROCK	HAY CREEK	HORNET	KETTLE RIVER
EAGLE LAKE	EYOTA	FREEBORN	GRANITE VALLEY	HAYBROOK	HORTON	KEYSTONE
EAGLE POINT	FAHLUN	FREEDOM	GRANT	HAYES	HOUSTON	KIESTER
EAGLE VALLEY	FAIR HAVEN	FREELAND	GRANT VALLEY	HAYFIELD	HUBBARD	KILDARE
EAGLE VIEW	FAIRBANKS	FREEMAN	GRANVILLE	HAYLAND	HUDSON	KILKENNY
EAGLES NEST	FAIRFAX	FREMONT	GRASS LAKE	HAYWARD	HUMBOLDT	KIMBALL
EAST CHAIN	FAIRFIELD	FRENCH	GRATTAN	HAZEL RUN	HUNTER	KIMBERLY
EAST LAKE	FAIRMONT	FRENCH LAKE	GRAY	HAZELTON	HUNTERSVILLE	KING
LILLIAN	FAIRVIEW	FRIBERG	GREAT BEND	HECTOR	HUNTLEY	KINGHURST
EAST PARK	FALK	FRIENDSHIP	GREAT SCOTT	HEGBERT	HUNTSVILLE	KINGMAN
EAST SIDE	FALL LAKE	FROHN	GREEN ISLE	HEGNE	HUSS	KINGSTON
EAST VALLEY	FALUN	GAIL LAKE	GREEN LAKE	HEIER	HUTCHINSON	KINTIRE
EASTERN	FANNY	GALENA	GREEN MEADOW	HEIGHT OF LAND	HYDE PARK	KNIFE LAKE
ECHO	FARDEN	GALES	GREEN PRAIRIE	HELEN	IDA	KNUTE
ECKLES	FARLEY	GARDEN	GREEN VALLEY	HELENA	IDEAL	KRAGERO
ECKVOLL	FARM ISLAND	GARDEN CITY	GREENBUSH	HELGA	IDUN	KRAGNES
EDDY	FARMING	GARFIELD	GREENFIELD	HELGELAND	INDIAN LAKE	KRAIN
EDEN	FARMINGTON	GARNES	GREENLEAF	HENDERSON	INDUSTRIAL	KRATKA
EDEN LAKE	FAWN LAKE	GARRISON	GREENVALE	HENDRICKS	INGUADONA	KROSCHEL
EDISON	FAXON	GENEVA	GREENWAY	HENDRICKSON	INMAN	KUGLER
EDNA	FAYAL	GENNESSEE	HENDRUM	IONA	KURTZ	LA CRESCENT
EDWARDS	FEATHERSTONE	GENTILLY	GREENWOOD	IOSCO	LA CROSSE	LA GARDE
EFFINGTON	Feeley	GEORGETOWN	GREGORY	IRON RANGE	LA GRAND	LA GRAND
EGLON	FELTON	GERMANIA	GREY CLOUD	IRONDALE		
EIDSVOLD	FENTON	GERMANTOWN	ISLAND	IRVING		
ELBA	FERGUS FALLS	GERVAIS	GREY EAGLE	HEREIM		
ELBOW LAKE		GETTY	GRIMSTAD	HERON LAKE		

LA PRAIRIE	LEIGH	LYRA	MELVILLE	MULLIGAN	OAK VALLEY
LAC QUI PARLE	LEMOND	MACSVILLE	MERIDEN	MUNCH	OAKLAND
LAFAYETTE	LENT	MACVILLE	MERTON	MUNSON	OAKPORT
LAIDLAW	LEON	MADELIA	MICKINOCK	MURRAY	OAKWOOD
LAKE	LEONARDSVILLE	MADISON	MIDDLE RIVER	NASHVILLE	O'BRIEN
LAKE ALICE	LEOTA	MAGNOLIA	MIDDLETOWN	NASHWAUK	ODESSA
LAKE ANDREW	LERAY	MAHTOWA	MIDDLEVILLE	NEBISH	ODIN
LAKE BELT	LEROY	MAINE	MIDWAY	NELSON	OGEMA
LAKE BENTON	LESLIE	MAINE PRAIRIE	MILACA	NELSON PARK	OLNEY
LAKE EDWARD	LESSOR	MALMO	MILFORD	NERESON	OMRO
LAKE ELIZABETH	LEVEN	MALTA	MILLERVILLE	NESBIT	ONAMIA
LAKE EMMA	LEWIS	MALUNG	MILLWARD	NESS	ONSTAD
LAKE EUNICE	LEXINGTON	MAMRE	MILLWOOD	NESSEL	ORANGE
LAKE FREMONT	LIBBY	MANANNAH	MILO	NEVADA	ORION
LAKE GEORGE	LIBERTY	MANCHESTER	MILTON	NEVIS	ORONOCO
LAKE GROVE	LIDA	MANDT	MILTONA	NEW AUBURN	ORROCK
LAKE HANSKA	LIEN	MANFRED	MINDEN	NEW AVON	ORTON
LAKE HATTIE	LILLIAN	MANKATO	MINERVA	NEW DOSEY	ORTONVILLE
LAKE HENRY	LIMA	MANSFIELD	MINNEiska	NEW FOLDEN	ORWELL
LAKE IDA	LIME	MANSTON	MINNEOLA	NEW HARTFORD	OSAGE
LAKE JESSIE	LIME LAKE	MANTORVILLE	MINNEOTA	NEW HAVEN	OSAKIS
LAKE JOHANNA	LIMESTONE	MANTRAP	MINNESOTA	NEW INDEPENDENCE	OSBORNE
LAKE MARSHALL	LINCOLN	MANYASKA	FALLS	NEW LONDON	OSCAR
LAKE MARY	LIND	MAPLE	MINNEWaska	NEW MAINE	OSCEOLA
LAKE PARK	LINDEN	MAPLE GROVE	MINNIE	NEW MARKET	OSHAWA
LAKE PLEASANT	LINDEN GROVE	MAPLE LAKE	MISSION	NEW PRAIRIE	OSHKOSH
LAKE PRAIRIE	LINSELL	MAPLE RIDGE	MISSION CREEK	NEW RICHLAND	OTENEAGEN
LAKE SARAH	LINWOOD	MAPLETON	MITCHELL	NEW SOLUM	OTISCO
LAKE SHORE	LISBON	MAPLEWOOD	MOE	NEW SWEDEN	OTREY
LAKE STAY	LISMORE	MARBLE	MOLAND	NEWBURG	OTTAWA
LAKE VALLEY	LITCHFIELD	MARCELL	MOLTKE	NEWRY	OTTERTAIL
LAKE VIEW	LITTLE ELBOW	MARION	MONEY CREEK	NEWTON	OTTERTAIL
LAKEPORT	LITTLE ELK	MARSH CREEK	MONROE	NICKERSON	PENINSULA
LAKESIDE	LITTLE FALLS	MARSH GROVE	MONSON	NICOLLET	OTTO
LAKETOWN	LITTLE PINE	MARSHALL	MONTGOMERY	NIDAROS	OWATONNA
LAKEVIEW	LITTLE ROCK	MARSHAN	MONTICELLO	NILSEN	OWENS
LAKWOOD	LITTLE SAUK	MARSHFIELD	MOONSHINE	NININGER	OXFORD
LAKIN	LIVONIA	MARTIN	MOORE	NOKAY LAKE	PADDOCK
LAMBERT	LOCKHART	MARTINSBURG	MOORHEAD	NORA	PAGE
LAMBERTON	LODI	MARY	MOOSE	NORDEN	PALMER
LAMMERS	LOGAN	MARYSLAND	MOOSE CREEK	NORDICK	PALMVILLE
LAND	LONDON	MARYSVILLE	MOOSE LAKE	NORDLAND	PALMYRA
LANESBURGH	LONE PINE	MASON	MOOSE PARK	NORE	PARK
LANGHEI	LONE TREE	MAX	MOOSE RIVER	NORFOLK	PARKE
LANGOLA	LONG LAKE	MAXWELL	MORAN	NORMAN	PARKER
LANGOR	LONG PRAIRIE	MAY	MORANVILLE	NORMANIA	PARKERS PRAIRIE
LANSING	LOON LAKE	MAY WOOD	MORCOM	NORMANNA	PARNELL
LAONA	LORAIN	MAYFIELD	MORGAN	NORTH	PARTRIDGE
LARKIN	LOUISVILLE	MAYHEW LAKE	MORKEN	NORTH BRANCH	PAXTON
LAVELL	LOURISTON	MAYVILLE	MORRILL	NORTH FORK	PAYNESVILLE
LAWRENCE	LOWELL	MAZEPPA	MORRIS	NORTH GERMANY	PEACE
LE RAY	LOWVILLE	MCCAULEYVILLE	MORRISON	NORTH HERO	PELAN
LE SAUK	LUCAS	MCCREA	MORRISTOWN	NORTH OTTAWA	PELICAN
LEAF LAKE	LUND	MCDAVITT	MORSE	NORTH STAR	PELICAN LAKE
LEAF MOUNTAIN	LURA	MCDONALDSVILLE	MOSCOW	NORTHERN	PEMBINA
LEAF RIVER	LUTSEN	MCGREGOR	MOTLEY	NORTHFIELD	PENN
LEAF VALLEY	LUVERNE	MCKINLEY	MOULTON	NORTHLAND	PEPIN
LEAVENWORTH	LUXEMBURG	MCPHERSON	MOUND	NORTON	PEPPERTON
LEE	LYLE	MEADOW	MOUND PRAIRIE	NORWAY	PEQUAYWAN
LEECH LAKE	LYND	MEADOWLANDS	MOUNT MORRIS	NORWAY LAKE	PERCH LAKE
LEEDS	LYNDEN	MEADOWS	MOUNT PEASANT	NORWEGIAN GROVE	PERCY
LEENTHROP	LYNN	MEDFORD	MOUNT VERNON	NUMEDAL	PERHAM
LEIDING	LYONS	MEDO	MOUNTAIN LAKE	NUNDA	PERRY
		MEDOW BROOK	MOYER	OAK	PERRY LAKE
		MEHURIN	MOYLAN	OAK LAWN	PETERSBURG
		MELROSE	MUDGETT	OAK PARK	PICKEREL LAKE

PIERZ	REINER	SALO	SLAYTON	STOKES	TRONDHJEM
PIKE	REIS	SAN FRANCISCO	SLETTEN	STONEHAM	TROUT LAKE
PIKE BAY	REMER	SAND CREEK	SMILEY	STONY BROOK	TROY
PIKE CREEK	RENDSVILLE	SAND LAKE	SMOKEY HOLLOW	STONY RIVER	TUMULI
PILLSBURY	RENO	SANDERS	SODUS	STONY RUN	TUNSERG
PILOT GROVE	REYNOLDS	SANDNES	SOLEM	STORDEN	TURNER
PILOT MOUND	RHEIDERLAND	SANDSTONE	SOLER	STOWE PRAIRIE	TURTLE CREEK
PINE CITY	RHINEHART	SANDSVILLE	SOLWAY	STRAIGHT RIVER	TURTLE LAKE
PINE ISLAND	RICE	SANDY	SOMERSET	STRAND	TURTLE RIVER
PINE LAKE	RICE LAKE	SANFORD	SOUTH BEND	STUNTZ	TWIN LAKES
PINE POINT	RICE RIVER	SANTIAGO	SOUTH BRANCH	STURGEON	TWO INLETS
PINE RIVER	RICELAND	SARATOGA	SOUTH HARBOR	STURGEON LAKE	TWO RIVERS
PLAINVIEW	RICEVILLE	SARGEANT	SOUTH RED RIVER	SUGAR BUSH	TYNSID
PLATTE	RICH VALLEY	SAUK CENTRE	SOUTHBROOK	SULLIVAN	TYRO
PLATTE LAKE	RICHARDSON	SAUK RAPID	SOUTHFORK	SUMMIT	TYRONE
PLEASANT GROVE	RICHLAND	SAVANNAH	SOUTHSIDE	SUMMIT LAKE	UDOLPHO
PLEASANT HILL	RICHMOND	SCANDIA	SPALDING	SUMNER	ULEN
PLEASANT MOUND	RICHWOOD	SCANDIA VALLEY	SPANG	SUMTER	UNDERWOOD
PLEASANT PRAIRIE	RIDGELY	SCHOOLCRAFT	SPARTA	SUNDAL	UNION
PLEASANT VALLEY	RIPLEY	SCHROEDER	SPENCER	SUNDOWN	UNION GROVE
PLEASANT VIEW	RIVER	SCIOTA	SPENCER BROOK	SUNNYSIDE	URNESS
PLINY	RIVER FALLS	SCOTT	SPLIT ROCK	SUNRISE	UTICA
POHLITZ	RIVERDALE	SCRAMBLER	SPLITHAND	SVEA	VAIL
POKEGAMA	RIVERSIDE	SEAVEY	SPRING CREEK	SVERDRUP	VALLERS
POLK CENTRE	RIVERTON	SEELY	SPRING GROVE	SWAN LAKE	VALLEY
POLONIA	ROBERTS	SELMA	SPRING LAKE	SWAN RIVER	VAN BUREN
POMME DR TERRE	ROCHESTER	SEVERANCE	SPRING PRAIRIE	SWANVILLE	VASA
POMROY	ROCK	SEWARD	SPRING VALLEY	SWEPDE GROVE	VEGA
PONTO LAKE	ROCK DELL	SHAFER	SPRINGBROOK	SWEPDE PRAIRIE	VELDT
POPLAR	ROCK LAKE	SHAMROCK	SPRINGDALE	SWEPDES FOREST	VERDI
POPLAR GROVE	ROCKFORD	SHAOKATAN	SPRINGFIELD	SWEET	VERDON
POPLAR RIVER	ROCKSBURY	SHARON	SPRINGHILL	SWENODA	VERMILLION
POPPLE	ROCKVILLE	SHELBURNE	SPRINGVALE	SYLVAN	VERMILLION LAKE
POPPLE GROVE	ROCKWOOD	SHELBY	SPRINGWATER	SYNNES	VERNON
POPLETON	ROGERS	SHELDON	SPRUCE GROVE	TABOR	VERONA
PORT HOPE	ROLLING FORK	SHELL LAKE	SPRUCE HILL	TAMARAC	VESTA
PORTAGE	ROLLING GREEN	SHELL RIVER	SPRUCE VALLEY	TANBERG	VICTOR
POSEN	ROLLINGSTONE	SHELLROCK	ST CHARLES	TANSEM	VIDING
POWERS	ROLLIS	SHELLY	ST CLOUD	TARA	VIENNA
PRAIRIE LAKE	ROME	SHELVIN	ST GEORGE	TAYLOR	VIKING
PRAIRIE VIEW	ROOME	SHERIDAN	ST JAMES	TEIEN	VILLARD
PRAIRIEVILLE	ROOSEVELT	SHERMAN	ST JOHNS	TEN LAKES	VINELAND
PREBLE	ROScoe	SHETEK	ST JOSEPH	TEN MILE LAKE	VIOLA
PREScott	ROSE DELL	SHIBLE	ST LAWRENCE	TENGER	VIVIAN
PRESTON	ROSEBUD	SHIELDSVILLE	ST MARTIN	TENHASSEN	WAASA
PRESTON LAKE	ROSEDALE	SHINGOBEE	ST MARY	TERREBONNE	WABANA
PRINCETON	ROSEHILL	SHOOKS	ST MATHIAS	THIEF LAKE	WABEDO
PRIOR	ROSELAND	SHOTLEY	ST OLAF	THIRD RIVER	WACONIA
PROVIDENCE	ROSENDALE	SIBLEY	ST VINCENT	THOMASTOWN	WACOUTA
PULASKI	ROSEVILLE	SIGEL	ST WENDEL	THOMPSON	WADENA
QUEEN	ROSEWOOD	SILVER	STAFFORD	THOMSON	WAGNER
QUINCY	ROSING	SILVER BROOK	STANCHFIELD	THORPE	WAKEFIELD
QUIRING	ROSS	SILVER CREEK	STANFORD	THREE LAKES	WALCOTT
RABBIT LAKE	ROSS LAKE	SILVER LAKE	STANLEY	THUNDER LAKE	WALDEN
RACINE	ROST	SILVER LEAF	STANTON	TIMOTHY	WALLS
RAIL PRAIRIE	ROUND GROVE	SILVERTON	STAPLES	TINTAH	WALNUT LAKE
RANDOLPH	ROUND LAKE	SINCLAIR	STAR	TOAD LAKE	WALTER
RANSOM	ROUND PRAIRIE	SINNOTT	STAR LAKE	TODD	WALTHAM
RAPIDAN	ROYAL	SIoux AGENCY	STARK	TOFTE	WALWORTH
RAVENNA	ROYALTON	SIoux VALLEY	STATELY	TOIVOLA	WANAMINGO
RAYMOND	RUNEberg	SIX MILE GROVE	STAUCHFIELD	TOQUA	WANG
RED EYE	RUSH LAKE	SKAGEN	STEAMBOAT RIVER	TORDENSKJOLD	WANGER
RED LAKE FALLS	RUSHSEBA	SKANDIA	STEENERSON	TORNING	WARD
RED ROCK	RUTLAND	SKANE	STERLING	TORREY	WARREN
REDPATH	SACRED HEART	SKELTON	STEVENS	TRANSIT	
REDWOOD FALLS	SAGO	SKREE	STILLWATER	TRAVERSE	
REINE	SALEM	SLATER	STOCKHOLM	TRELipe	

WARRENTON	WING RIVER	GRANT
WARSAW	WINGER	HENNEPIN
WASHINGTON	WINNEBAGO	HOUSTON
WASHINGTON LAKE	WINONA	HUBBARD
WASIOJA	WINSOR	ISANTI
WASKISH	WINSTED	ITASCA
WATAB	WIRT	JACKSON
WATERBURY	WISCONSIN	KANABEC
WATERFORD	WISCOY	KANDIYOHI
WATERTOWN	WOLF LAKE	KITTSON
WATERVILLE	WOLFORD	KOOCHICHING
WATOPA	WOLVERTON	LAC QUI PARLE
WAUKENABO	WOOD LAKE	LAKE
WAUKON	WOODLAND	LAKE OF THE WOODS
WAVERLY	WOODROW	LE SUEUR
WAWINA	WOODSIDE	LINCOLN
WEALTHWOOD	WOODVILLE	LYON
WEBSTER	WORKMAN	MAHNOMEN
WEIMER	WORTHINGTON	MARSHALL
WELCH	WRENSHALL	MARTIN
WELLINGTON	WRIGHT	MCLEOD
WELLS	WUORI	MEEKER
WERGELAND	WYANDOTTE	MILLE LACS
WEST ALBANY	WYANETT	MORRISON
WEST BANK	WYKEHAM	MOWER
WEST HERON LAKE	WYLIE	MURRAY
WEST NEWTON	WYOMING	NICOLLET
WEST UNION	YELLOW BANK	NOBLES
WEST VALLEY	YORK	NORMAN
WESTBROOK	YOUNG AMERICA	OLMSTED
WESTERHEIM	YUCATAN	OLMSTED
WESTERN	ZION	OTTERTAIL
WESTFIELD	ZUMBRO	PENNINGTON
WESTFORD	ZUMBROTA	PINE
WESTPORT		PIESTONE
WESTSIDE		POLK
WHEATLAND		POPE
WHEELING		RAMSEY
WHITE	AITKIN	RED LAKE
WHITE BEAR	ANOKA	REDWOOD
WHITE EARTH	BECKER	RENNILLE
WHITE OAK	BELTRAMI	RICE
WHITE PINE	BENTON	ROCK
WHITED	BIG STONE	ROSEAU
WHITEFIELD	BLUE EARTH	SCOTT
WHITEFORD	BROWN	SHERBURNE
WHITEWATER	CARLTON	SIBLEY
WILD RICE	CARVER	ST. LOUIS
WILDWOOD	CASS	STEARNS
WILKINSON	CHIPPEWA	STEELE
WILLIAMS	CHISAGO	STEVENS
WILLMAR	CLAY	SWIFT
WILLOW LAKE	CLEARWATER	TODD
WILLOW VALLEY	COOK	TRAVERSE
WILMA	COTTONWOOD	WABASHA
WILMINGTON	CROW WING	WADENA
WILMONT	DAKOTA	WASECA
WILSON	DODGE	WASHINGTON
WILTON	DOUGLAS	WATONWAN
WINCHESTER	FARIBAULT	WILKIN
WINDEMERE	FILLMORE	WINONA
WINDOM	FREEBORN	WRIGHT
WINDSOR	GOODHUE	YELLOW MEDICINE

COUNTIES

SCHOOL DISTRICTS

ACADEMY OF NORTH MINNEAPOLIS ISD 4197
ADA-BORUP ISD-2854
ADRIAN ISD-511
AITKIN ISD-001
AKELEY-HACKENSACK-WALKER ISD 113
ALBANY ISD-745
ALBERT LEA ISD-241
ALBERT LEA-MANKATO ISD-2246
ALBERTA-CHOKIO ISD-771
ALDEN-CONGER ISD-242
ALEXANDRIA ISD-206
AVARADO ISD-436
AMBOY-MAPLETON-MINNESOTA LAKE ISD-2135
ANNANDALE ISD-876
ANOKA ISD-11
APPLETON ISD-784
ARGYLE ISD-437
ARROWHEAD REGIONAL COMPUTER CONSORTIUM
ASHBY ISD-261
ASKOV-SANDSTONE ISD-2580
ATWATER/COSMOS/GROVE CITY ISD-2396
AUDUBON ISD-21
AURORA/HOYT/BIWABIK ISD-2711
AUSTIN ISD-492
B.O.L.D.-2534
BABBITT-TOWER-ST LOUIS CO ISD-2142
BACKUS-PINE RIVER ISD-117
BADGER ISD-676
BAGLEY ISD-162
BALATON ISD-411
BARNESVILLE ISD-146
BARNUM ISD-91
BATTLE LAKE ISD-542
BEARDSLEY ISD-57
BEAVER CREEK-HILLS ISD-671
BECKER ISD-726
BELGRADE ISD-736
BELLE PLAINE ISD-716
BELLINGHAM ISD-371
BELVIEW ISD-631
BEMIDJI REGIONAL INTERDISTRICT COUNCIL
BEMIDJI TECHNICAL COLLEGE ISD-1031
BENSON ISD-777
BENTON STEARNS COUNTY SPECIAL EDUCATION
BERTHA-HEWITT ISD-786
BIG FALLS - LITTLEFORK ISD-362
BIG LAKE ISD-727
BIWABIK ISD-693
BLACKDUCK ISD-32
BLOOMING PRAIRIE ISD-756
BLOOMINGTON ISD - 271
BLUE EARTH ISD-240
BLUE MOUND COOPERATIVE CENTER #943
BORDER REGION ED DIST ISD-6020
BORUP ISD-522
BOUNDARY WATERS SPECIAL EDUCATION 5-842
BOYD-DAWSON ISD-378
BRAHAM ISD-314
BRAINERD ISD-181
BRAINERD/StAPLES REG TECH COL ISD-2190
BRANDON ISD-207
BRECKENRIDGE ISD-846
BREWSTER ISD-513
BRICELYN-EASTON-FREEBORN-WELL ISD-2134

BROOKLYN CENTER ISD-286	ECHO ISD-893	HAYFIELD ISD-203
BROOTEN ISD-737	EDEN PRAIRIE ISD - 272	HENDERSON-LE SUEUR ISD-2397
BROWERVILLE ISD-787	EDEN VALLEY ISD-463	HENDRICKS ISD-402
BROWNS VALLEY ISD-801	EDGERTON ISD-581	HENDRUM ISD-525
BROWNTON ISD-421	EDINA ISD - 273	HENNEPIN COUNTY ISD-287
BUFFALO ISD - 877	ELBOW LAKE ISD-263	HENNING ISD-545
BUFFALO LAKE-HECTOR ISD-2159	ELGIN ISD-806	HERMAN ISD-264
BUHL-MOUNTAIN IRON ISD - 712	ELK RIVER ISD-728	HERMANTOWN ISD-700
BURNSVILLE ISD-191	ELLENDALE ISD-762	HERON LAKE/OKABENA ISD-330
BUTTERFIELD ISD-836	ELLSWORTH ISD-514	HIAWATHA VALLEY ISD-6013
BYRON ISD-531	ELMORE ISD-219	HIBBING ISD-701
CALEDONIA ISD-299	ELY ISD 696	HILL CITY ISD - 2
CAMBRIDGE ISD-911	EMILY CHARTER ISD-4012	HINCKLEY ISD-573
CAMPBELL TINTAH ISD-852	EMMONS ISD-243	HITTERDAL-ULEN ISD-914
CANBY ISD-891	ERSKINE ISD-597	HOFFMAN ISD-263
CANNON FALLS ISD-252	ESKO ISD-99	HOLDINGFORD ISD-738
CANTON-MABEL ISD-238	ESV REGION V COMPUTER SERVICE	HOPKINS ISD-270
CARLTON ISD - 93	EVANSVILLE ISD-208	HOUSTON ISD-294
CASS LAKE ISD-115	EVELETH-GILBERT ISD-2154	HOWARD LAKE ISD-880
CEDAR MOUNTAIN ISD-2754	FAIRFAX-GIBBON-WINTHROP ISD-2365	HUMBOLDT ISD-352
CENTENNIAL ISD-12	FAIRMONT/CEYLON ISD-2752	HUTCHINSON ISD-423
CENTRAL MINNESOTA E R D C	FARIBAULT ISD-656	INTERNATIONAL FALLS ISD - 361
CEYLON ISD-451	FARMINGTON ISD-192	INTERNATIONAL SPANISH LANGUAGE ACADEMY
CHANDLER LAKE WILSON ISD-918	FERGUS FALLS SPECIAL EDUCATION 935	INVER GROVE HEIGHTS ISD - 199
CHASKA ISD-112	FERTILE ISD-599	ISLE ISD-473
CHIPPEWA RIVER COOPERATIVE CENTER-988	FINLAYSON ISD-570	ITASCA AREA SCHOOLS COLLABORATIVE
CHISAGO LAKES ISD-141	FISHER ISD-600	IVANHOE ISD-403
CHISHOLM ISD-695	FLOODWOOD ISD-698	JACKSON COUNTY CENTRAL ISD-2862
CHOSEN VALLEY ISD-227	FOLEY ISD-51	JANESVILLE/PEMBERTON/WALDORF ISD-2835
CLARA CITY ISD-2180	FOREST LAKE ISD - 831	JASPER ISD-582
CLAREMONT/DODGE CNTR/CONCOR ISD-2125	FOSTON ISD-601	JEFFERS STORDEN ISD-178
CLARISSA ISD-789	FOUNTAIN -PRESTON ISD-233	JORDAN ISD-717
CLARKFIELD ISD-892	FRANKLIN ISD-650	KASSON-MANTORVILLE ISD-204
CLEARBROOK ISD-161	FRAZEE ISD-23	KEEWATIN-NASHWAUK ISD-319
CLEVELAND ISD-391	FREEBORN ISD-244	KELLIHER ISD-36
CLIMAX ISD-592	FRESHWATER EDUC DIST -6004	KELLOGG-WABASHA ISD-811
CLINTON-GRAVEVILLE-BEARDSLEY ISD-2888	FRIDLEY ISD - 14	KENNEDY ISD-354
CLOQUET ISD-94	FROST ISD-220	KENSINGTON ISD-209
COKATO-DASSEL ISD-466	FULDA ISD-505	KENYON- WANAMINGO ISD-2172
COLD SPRING ISD-750	GARFIELD ISD 215	KERKHOVEN-MURDOCK-SUNBURG ISD-775
COLERAINE ISD-316	GARY ISD-523	KIESTER ISD-222
COLUMBIA HEIGHTS ISD-13	GAYLORD ISD-732	KIMBALL ISD-739
COMFREY ISD-81	GILBERT ISD-699	KINGSLAND PUBLIC SCHOOLS ISD 2137
COOK COUNTY ISD-166	GLENCOE/SILVER LAKE ISD-2859	KITTSON CENTRAL ISD-2171
COSMOS ISD-461	GLENVILLE ISD-245	LA CRESCENT - HOKAH ISD-300
COTTONWOOD-WOOD LAKE ISD-2167	GLENWOOD ISD-612	LAC QUI PARLE ISD-2853
CROMWELL ISD-95	GLOBAL ACADEMY	LAFAYETTE PUBLIC CHARTER SCHOOL
CROOKSTON ISD-593	GOLDEN VALLEY ISD-275	LAKE AGASSIZ SPECIAL EDUCATION COOP
CROSBY IRONTON ISD-182	GONVICK ISD-158	LAKE BENTON ISD-404
CYRUS ISD-611	GOODHUE COUNTY EDUCATION DISTRICT	LAKE CITY ISD-813
DAKOTA CO VO TECH ISD-917	ISD-60	LAKE COUNTRY SERVICE COOP
DANUBE ISD-648	GOODHUE ISD 253	LAKE COUNTY ISD-381
DEER CREEK ISD-543	GOODRIDGE ISD-561	LAKE CRYSTAL/WELCOME MEMORIAL ISD-2071
DEER RIVER ISD - 317	GRACEVILLE ISD-060	LAKE OF THE WOODS ISD-390
DELANO ISD-879	GRAND MEADOW ISD-495	LAKE PARK - AUDOBON ISD 2889
DELAVAN ISD-218	GRAND RAPIDS ISD 318	LAKEFIELD ISD-325
DETROIT LAKES ISD-22	GRANITE FALLS-CLARKFIELD-ECHO ISD-2190	LAKEVILLE ISD - 194
DILWORTH-GLYNDON-FELTON ISD-2164	GREENBUSH ISD-678	LANCASTER ISD-356
DOVER-EYOTA ISD-533	GREY EAGLE ISD-791	LANESBORO ISD-229
DULUTH ISD 709	GROVE CITY ISD-464	LAPORTE ISD-306
DUNWOODY ACADEMY	GRYGLA ISD-447	LE CENTER ISD-392
E CHAIN-GRANADA HUNTLEY ISD-2536	HALSTAD/HENDRUM ISD-2527	LEAF RIVER EDUCATIONAL DISTRICT ISD-6961
EAGLE BEND ISD-2759	HANCOCK ISD-768	LERİY ISD-499
EAST CHAIN ISD-453	HARMONY/PRESTON/FOUNTAIN ISD-2198	LESTER PRAIRIE ISD-424
EAST GRAND FORKS ISD-2205	HARTLAND-N RICHLAND-ELLENDALE ISD-2168	
EAST METRO INTERGRATION DISTRICT 6067	HASTINGS ISD - 200	
	HAWLEY ISD-150	

LEWISTON ISD-857	NEW YORK MILLS ISD-553	ROUND LAKE ISD-516
LINCOLN INTERNATIONAL CHARTER SCHOOL	NICOLLET ISD-507	ROYALTON ISD-485
LITCHFIELD ISD-465	NORTH BRANCH ISD-138	RTR PUBLIC SCHOOLS
LITTLE FALLS ISD-482	NORTH CENTRAL SERVICE COOPERATIVE 5	RUNESTONE AREA EDUCATION DIST 6014
LONG PRAIRIE ISD-792	NORTH COUNTRY VOCATIONAL COOP CENTER	RUSH CITY ISD-139
LONSDALE-MONTGOMERY ISD-394	NORTH ST PAUL-MAPLEWOOD ISD-622	RUSSELL ISD-418
LUVERNE ISD-2184	NORTHEAST EDUC COOP SERVICE UNIT	RUTHTON ISD-584
LYLE ISD-497	NORTHEAST METRO INTERMEDIATE ISD-916	SACRED HEART ISD-655
LYND ISD-415	NORTHFIELD ISD 659	SANBORN ISD-638
MADELIA ISD-837	NORTHLAND LEARNING CENTER	SARTELL ISD-748
MADISON ISD-377	NORTHWEST MINNESOTA SERVICE COOP	SAUK CENTRE ISD-743
MAGNOLIA ISD-669	NORTHWEST REGIONAL INTERDISTRICT	SAUK CENTRE WEST EDUCATION ISD-6026
MAHNOMEN ISD-432	NORWOOD ISD-108	SAUK RAPIDS ISD-47
MAHTOMEDI ISD-832	OGILVIE ISD-333	SEBEKA ISD-820
MANKATO ISD-77	OKLEE ISD-627	SHAKOPEE ISD - 720
MAPLE LAKE ISD-881	OLIVIA ISD-653	SHERBURN ISD-456
MARIETTA ISD-376	ONAMIA ISD-480	SIBLEY COUNTY COOPERATIVE CENTER
MARSHALL COUNTY CENTRAL ISD-441	ORONO ISD - 278	SIBLEY EAST ISD-2310
MARSHALL ISD-413	ORTONVILLE ISD-2903	SILVER LAKE ISD-425
MARTIN COUNTY WEST ISD 2448	OSAKIS ISD-213	SIOUX VALLEY ISD-328
MAYNARD ISD-127	OSLO ISD-442	SLEEPY EYE ISD-84
MAZEPPA-ZUMBROTA ISD-2805	OSSEO ISD-279	SOUDAN-TOWER ISD-708
MC GREGOR ISD 4	OWATONNA ISD -761	SOUTH CENTRAL SERVICE COOPERATIVE
MCLEOD WEST ISD-2887	PARK RAPIDS ISD-309	SOUTH KOOCHICHING - RAINY RIVER ISD-363
MEDFORD ISD-763	PARKERS PRAIRIE ISD-547	SOUTH ST PAUL SPECIAL ISD -6
MEEKER-WRIGHT COUNTY SPECIAL EDUC COOP	PAYNESVILLE ISD-741	SOUTH WASHINGTON COUNTY ISD-833
MELROSE ISD-740	PELICAN RAPID ISD-548	SOUTHEAST SERVICE COOPERATIVE
MENAHGA ISD-821	PEMBERTON-WALDORF ISD-913	SOUTHLAND ISD-500
MENTOR ISD-604	PEQUOT LAKES ISD-186	SOUTHWESTERN TECH COLLEGE ISD-900
MID STATE EDUCATION ISD-6979	PERHAM ISD-549	SPRING GROVE ISD-297
MIDDLE RIVER ISD-440	PETERSON-RUSHFORD ISD-239	SPRING LAKE PARK ISD - 16
MID-RANGE SPEC EDUC COOP	PIERZ ISD-484	SPRING VALLEY ISD-237
MIDWEST SPEC EDUC COOP 398	PILLAGER ISD-116	SPRINGFIELD ISD-85
MILACA ISD-912	PINE CITY ISD-578	ST ANTHONY ISD -282
MILAN ISD-128	PINE ISLAND ISD-255	ST CHARLES ISD-858
MILROY ISD-635	PINE POINT EXP SCH 25	ST CLAIR ISD-75
MINNEAPOLIS SPECIAL ISD-1	PINE TO PRAIRIE COOP CENTER	ST CLOUD ISD-742
MINNEOTA ISD-414	PIPESTONE/JASPER ISD-2689	ST JAMES ISD-840
MINNESOTA LAKE ISD-223	PLAINVIEW-ELGIN-MILLVILLE SCHOOLS	ST LOUIS PARK ISD-283
MINNESOTA RIVER VALLEY ISD-6018	PLUMMER ISD-628	ST MICHAEL-ALBERTVILLE ISD-885
MINNESOTA RIVERLAND TECH COLLEGE	PRINCETON ISD-477	ST PAUL ISD-625
MINNESOTA VALLEY COOP CENTER	PRINSBURG-COMMON ISD-815	ST PETER ISD-508
MINNESOTA VALLEY EDUCATIONAL DISTRICT	PRIOR LAKE ISD-719	STAPLES ISD-793
MINNETONKA ISD-276	PROCTOR ISD-704	STARBUCK ISD-614
MINNEWASKA AREA ISD-2149	RANDOLPH ISD-195	STATE COMMUNITY COLLEGES
MONTEVIDEO ISD-129	RAYMOND ISD-346	STEPHEN ARGYLE ISD-2856
MONTICELLO ISD-882	RED LAKE FALLS ISD-630	STEWART ISD-426
MOORHEAD ISD-152	RED LAKE ISD-38	STEWARTVILLE ISD-534
MOOSE LAKE ISD - 97	RED RIVER VALLEY VOCATIONAL COOP CNTR	STILLWATER ISD-834
MORA ISD-332	RED WING/WINONA ISD-2186	STRANDQUIST ISD-444
MORRIS ISD-769	REDROCK CENTRAL ISD-2884	SW & W CENTRAL EDUC SERVICE
MORRISTOWN ISD-657	REDWOOD FALLS ISD-2758	SWANVILLE ISD-486
MORTON ISD-652	REGION I	TAYLORS FALLS ISD-140
MOTLEY ISD-483	REMER ISD-118	TEAM ACADEMY
MOUND ISD-277	RENVILLE COUNTY WEST DIST. 2890	THIEF RIVER FALLS ISD-564
MOUNDS VIEW ISD-621	RESOURCE TRAINING AND SOLUTIONS	TRACY AREA SCHOOL DIST ISD-2904
MOUNTAIN LAKE ISD-173	RICHFIELD ISD - 280	TRI-COUNTY SCHOOLS ISD-2358
MURRAY COUNTY CENTRAL ISD-2169	RIVER BEND ISD-6049	TRIMONT ISD-457
NAYTAHWAUSH COMMUNITY SCHOOL	ROBBINSDALE ISD-281	TRUMAN ISD-458
NETT LAKE ISD-707	ROCHESTER ISD-535	TWIN VALLEY ISD-526
NEVIS ISD-308	ROCKFORD ISD-883	TYLER ISD-409
NEW LONDON-SPICER ISD-345	ROOT RIVER EDUC DIST 6042	UNDERWOOD ISD-550
NEW PRAGUE ISD-721	ROSEAU ISD-682	UPSALA ISD-487
NEW ULM ISD-88	ROSEMOUNT ISD - 196	VALLEY & LAKES ISD-6001
	ROSEVILLE ISD-623	VERDI ISD-408
	ROTHSAY ISD-850	VERNDALE ISD-818
		VIKING COOPERATIVE CENTER #945

VILLARD ISD-615
 VIRGINIA ISD-706
 WABASSO ISD-640
 WACONIA ISD 110
 WADENA ISD-2155
 WALNUT GROVE ISD-641
 WANAMINGO ISD-258
 WARREN ISD-2176
 WARROAD ISD-690
 WASECA COUNTY COOPERATIVE CENTER
 WASECA ISD-829
 WASIOJA EDUCATION TECHNOLOGY COOPERATIVE
 WASIOJA SPEC EDUC COOP ISD-259
 WATERTOWN MAYER ISD-111
 WATERVILLE ISD-395
 WAUBUN ISD-435
 WAYZATA ISD-284
 WELCOME MEMORIAL ISD-78
 WEST CENTRAL AREA ISD-2342
 WEST CONCORD ISD-205
 WEST METRO EDUCATION PROGRAM
 WEST ST PAUL ISD-197
 WESTBROOK WALNUT GROVE SCHOOLS ISD 2898
 WHEATON ISD-803
 WHITE BEAR LAKE ISD-624
 WILLMAR ISD-347
 WILLOW RIVER ISD-577
 WINDOM ISD-177
 WIN-E-MAC ISD-2609
 WINNEBAGO ISD-225
 WINONA ISD-2186
 WINTHROP ISD-735
 WOOD LAKE ISD-896
 WORTHINGTON ISD-518
 WRENSHALL ISD-100
 WRIGHT TECHNICAL CENTER ISD-966
 ZUMBRO ISD-6012
 ZUMBROTA ISD-260

CHARTER SCHOOLS

ACADEMIA CESAR CHAVEZ CHARTER SCHOOL
 ACADEMY OF BIOSCIENCE
 ACHIEVE LANGUAGE ACADEMY
 AGRICULTURAL & FOOD SCIENCES ACADEMY
 ARTECH
 ASPEN ACADEMY
 AUGSBURG ACADEMY FOR HEALTH CAREERS
 AURORA CHARTER SCHOOL
 AVALON SCHOOL
 BEACON ACADEMY
 BEACON PREPARATORY
 BEST ACADEMY
 BIRCH GROVE COMMUNITY SCHOOL
 BLUESKY CHARTER SCHOOL
 BLUFFVIEW MONTESSORI ISD-4001
 BRIGHT WATER ELEMENTARY CHARTER SCHOOL
 CANNON RIVER STEM SCHOOL
 CEDAR-RIVERSIDE COMMUNITY ISD-4004
 CENTRAL CHARTER SCHOOL
 CENTRAL MINNESOTA DEAF SCHOOL ISD-4022
 CHIRON CHARTER SCHOOL - 4096
 CITY ACADEMY CHARTER SCHOOL ISD-4000
 CLARKFIELD AREA CHARTER SCHOOL
 COLLEGE PREP ELEMENTARY

COLOGNE CHARTER SCHOOL
 COLONEL CHARLES YOUNG MILITARY ACADEMY
 COMMUNITY OF PEACE ACADEMY ISD - 4015
 COMMUNITY SCHOOL OF EXCELLENCE
 CONCORDIA CREATIVE LEARNING ACADEMY
 CROSSLAKE COMMUNITY SCHOOL
 CYBER VILLAGE ACADEMY ISD-4025
 CYGNUS ACADEMY
 DAKOTA ACADEMY CHARTER SCHOOL
 DAKOTA AREA COMMUNITY SCHOOL
 DISCOVERY PUB SCHOOL OF FARIBAULT
 DUGSI ACADEMY CHARTER SCHOOL
 EAGLE RIDGE ACADEMY CHARTER SCHOOL
 EAST RANGE ACADEMY OF TECH & SCIENCE
 ECHO CHARTER SCHOOL
 ECI NOMPA WOONSPE CHARTER SCH ISD 4028
 EL COLEGIO CHARTER SCHOOL
 ELOM INTERNATIONAL ACADEMY
 EMILY GREY ACCELERATED CHARTER SCHOOL
 EXCELL ACADEMY
 F SCOTT FITZGERALD WRITING ACADEMY
 FACE TO FACE ACADEMY
 FAMILY ACADEMY CHARTER SCHOOL
 FORT SNELLING ACADEMY
 FOUR DIRECTIONS CHARTER SCHOOL
 FRASER ACADEMY
 FREDERICK DOUGLASS ACADEMY ISD-4010
 FRIENDSHIP ACADEMY OF FINE ARTS
 GENERAL JOHN VESSEY LEADERSHIP ACADEMY
 GLACIAL HILLS ELEMENTARY
 GREAT EXPECTATIONS SCHOOL
 GREAT RIVER EDUCATION CENTER
 GREAT RIVER SCHOOL
 GREEN ISLE COMMUNITY SCHOOL
 HANSKA CHARTER SCHOOL
 HARBOR CITY INTERNATIONAL CHARTER SCHOOL
 HARVEST PREPARATORY ACADEMY
 HEART OF THE EARTH CENTER, AM INDIAN ED
 HIAWATHA LEADERSHIP ACADEMY
 HIGH SCHOOL FOR THE RECORDING ARTS
 HIGHER GROUND ACADEMY - 4027
 HMONG ACADEMY CHARTER SCHOOL
 HOPE COMMUNITY ACADEMY
 HOPKINS ONLINE ACADEMY
 JANE GOODAL EARTH SCIENCES ACADEMY
 JENNINGS EXPERIENTIAL HIGH SCHOOL
 KALEIDOSCOPE CHARTER SCHOOL
 KIPP STAND ACADEMY
 LA CRESCENT MONTESSORI ACADEMY
 LAKE SUPERIOR HIGH SCHOOL
 LAKES AREA CHARTER SCHOOL
 LAKES INTERNATIONAL LANGUAGE ACADEMY
 LAURA JEFFREY ACADEMY
 LEARNING ADVENTURES MIDDLE SCHOOL
 LEARNING FOR LEADERSHIP CS
 LIBERTY HIGH CHARTER SCHOOL
 LIGHTHOUSE ACADEMY OF NATIONS
 LIONSGATE ACADEMY
 LONG TIENG ACADEMY
 LOVEWORKS ACADEMY VISUAL & PERFORM ARTS
 MAIN ST SCHOOL OF PERFORMING ARTS
 MARTIN HUGHES CHARTER ISD-4040
 MARY MCEVOY EARLY LITERACY ACADEMY
 MATH AND SCIENCE ACADEMY
 METRO DEAF SCHOOL INC.

MEXICA MULTICULTURAL EDUCATION - 4060
 MILROY CHARTER SCHOOL
 MINISINAAKWAANG LEADERSHIP ACADEMY
 MINNEAPOLIS ACADEMY
 MINNESOTA ACADEMY OF TECHNOLOGY
 MINNESOTA BUSINESS ACADEMY
 MINNESOTA INTERNATIONAL MIDDLE SCHOOL
 MINNESOTA INTERNSHIP CENTER
 MINNESOTA NORTH STAR ACADEMY
 MINNESOTA ONLINE HIGH SCHOOL
 MINNESOTA TRANSITIONS ISD-4017
 NATIVE ARTS HIGH SCHOOL
 NERSTRAND ELEMENTARY SCHOOL
 NEW CENTURY CHARTER SCHOOL
 NEW CITY CHARTER SCHOOL
 NEW COUNTRY CHARTER SCHOOL
 NEW DISCOVERIES MONTESSORI ACADEMY
 NEW HEIGHTS CHARTER ISD-4003
 NEW MILLENNIUM CHARTER SCHOOL
 NEW SALEM ACADEMY
 NEW SPIRIT CHARTER SCHOOL ISD-4029
 NEW VISIONS CHARTER ISD-4011
 NEW VOYAGE ACADEMY CHARTER SCHOOL
 NOBLE ACADEMY
 NORTH LAKES ACADEMY
 NORTH SHORE COMMUNITY SCHOOL
 NORTHERN LIGHTS COMMUNITY SCHOOL
 NORTHWEST PASSAGE HIGH SCHOOL
 NOVA CLASSICAL ACADEMY
 NW SUB INTEGRATION SCHOOL DIST- 6078
 ODYSSEY CHARTER ISD-4030
 OSHKI OGIMAAG CHARTER SCHOOL
 PACT CHARTER ISD - 4008
 PAIDEIA ACADEMY
 PARTNERSHIP ACADEMY
 PEAKS CHARTER DIST 4033
 PEAKS CHARTER SCHOOL FARIBAULT
 PILLAGER AREA CHARTER SCHOOL
 PINE GROVE LEADERSHIP ACADEMY
 PRAIRIE CREEK COMMUNITY SCHOOL
 PRAIRIE SEEDS ACADEMY
 PRESTIGE ACADEMY
 RECOVERY SCHOOL OF SOUTHERN MINNESOTA
 RICHARD ALLEN MATH & SCIENCE ACADEMY
 RIDGEWAY COMMUNITY SCHOOL
 RIGHT STEP ACADEMY
 RIVER HEIGHTS CHARTER SCHOOL
 RIVERBEND ACADEMY
 RIVER'S EDGE ACADEMY
 RIVERWAY LEARNING COMMUNITY
 ROCHESTER CHARTER HIGH SCHOOL
 ROCHESTER MATH AND SCIENCE ACADEMY
 SAGE ACADEMY CHARTER SCHOOL
 SCHOOLCRAFT LEARNING COMMUNITY
 SEVEN HILLS CLASSICAL ACADEMY
 SKILLS FOR TOMORROW HIGH SCHOOL ISD-4006

SKILLS FOR TOMORROW JR HIGH
ISD-4037
SOBRIETY HIGH SCHOOL
SOJOURNER TRUTH ACADEMY
CHARTER SCHOOL
SOUL ACADEMY
SOUTHSIDE FAMILY CHARTER ISD 4162
SPECTRUM HIGH SCHOOL
ST CROIX PREPARATORY ACADEMY
ST PAUL CONSERVATORY
PERFORMING ARTISTS
STONEBRIDGE COMMUNITY SCHOOL
STRIDE ACADEMY
STUDIO ACADEMY
SUCCESS ACADEMY ISD-4023
SUMMIT SCHOOL FOR THE ARTS ISD-4024
SWAN RIVER MONTESSORI CHARTER SCHOOL
TAREK IBN ZIYAD ACADEMY
TEST 123 STUDIO ACADEMY
THE DAVINCI ACADEMY OF ARTS AND SCIENCE
TOIVOLA-MEADOWLANDS CHARTER ISD-4002
TREKNORTH HIGH SCHOOL
TRIO WOLF CREEK DISTANCE
LEARNING PROG
TWIN CITIES ACADEMY
TWIN CITIES GERMAN
IMMERSION SCHOOL
TWIN CITIES INTERNATIONAL ELEMENTARY
UBAH MEDICAL ACADEMY
URBAN ACADEMY CHARTER SCHOOL
VERITAS ACADEMY
VILLAGE SCHOOL OF NORTHFIELD ISD-4021
VOYAGEURS EXPEDITIONARY HIGH SCHOOL
WATERSHED HIGH SCHOOL
WAYNEWOOD SCHOOL OF HOPE
WILLIAM MC GEE INSTITUTE OF TECH
WOODSON INSTITUTE FOR EXCELLENCE
WORLD LEARNER CHARTER ISD-4016
WORTHINGTON AREA LANGUAGE ACADEMY
YANKTON COUNTRY SCHOOL
YING HUA ACADEMY

NEW RICHLAND CARE CENTER
NORTHFIELD HOSPITAL
OAK TERRACE HEALTH CARE CENTER
ORTONVILLE HOSPITAL
PENNINGTON COUNTY OAKLAND PARK
NURSING
REGIONS HOSPITAL
RENNILLE COUNTY HOSPITAL
SAUK CENTRE HOSPITAL
SUNNYSIDE NURSING HOME
SWIFT COUNTY BENSON HOSPITAL
VIRGINIA REGIONAL MEDICAL CENTER
WILLMAR RICE MEMORIAL HOSPITAL
WINDOM AREA HOSPITAL
WORTHINGTON HOSPITAL

CEDAR RIVER WATERSHED DISTRICT
CENTENNIAL LAKES POLICE DEPT
CENTRAL LAKES REGION
SANITARY DISTRICT
CENTRAL MINNESOTA COOPERATIVE
CENTRAL MINNESOTA LIBRARIES
CENTRAL MINNESOTA MUNICIPAL
POWER AGENCY
CENTRAL MINNESOTA
REGIONAL DEVELOPMENT
CENTRAL MINNESOTA SWCD - CLUSTER 5
CENTRAL ST CROIX VALLEY CABLE
CHIPPEWA COUNTY SWCD
CHISAGO COUNTY SWCD
CHISAGO LAKES JOINT SEWAGE
TREATMENT COMMISSION
CITY EMPLOYEES' UNION 363
CITY OF HENNING AMBULANCE SERVICE
CITY OF ST PAUL PUBLIC
HOUSING AGENCY
CLAY COUNTY SWCD
CLAY COUNTY VOCATIONAL CENTER
CLEARWATER RIVER WATERSHED
DISTRICT
CLOQUET AREA FIRE DISTRICT
COMFORT LAKE FOREST LAKE WD
COMMUNITY ACTION OF MINNEAPOLIS
COMMUNITY HEALTH BOARD
COOK COUNTY SWCD
COOK COUNTY/GRAND MARAIS
JOINT EDA
COOKS VALLEY WATERSHED DISTRICT
COON CREEK WATERSHED DISTRICT
COOP CENTER 212
CORMORANT LAKES
WATERSHED DISTRICT
COTTONWOOD COUNTY SWCD
COTTONWOOD RIVER
VOCATIONAL CENTER
COTTONWOOD-JACKSON
HEALTH SERVICE
CROOKED CREEK WATERSHED DISTRICT
CROOKSTON HOUSING & ECONOMIC
DEVELOPMENT AUTHORITY
CROW RIVER RECREATION DEPARTMENT
CROW RIVER SPECIAL EDUCATION COOP
CROW WING COUNTY SWCD
CURRIE DUVRAY STORDEN
DAKOTA COMMUNICATIONS CENTER
DAKOTA COUNTY SWCD
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 COMMISSION
EAST CENTRAL REGIONAL LIBRARY
EAST OTTER TAIL COUNTY SWCD
EAST POLK COUNTY SWCD
EAST RANGE JOINT POWERS BOARD
EAST RANGE SECONDARY
TECHNICAL CENTER
ECONOMIC DEVELOPMENT AUTHORITY
EDUCATION MINNESOTA
EDUCATIONAL COOPERATIVE
SERVICE UNIT

HOSPITALS/NURSING HOMES

ADAMS HEALTH CARE CENTER
BATTLE LAKE NURSING HOME
BENEDICTINE LIVING COMMUNITY OF ST
PETER
BRIDGES MEDICAL CENTER
CANNON FALLS MED CENTER - MAYO HEALTH
CHIPPEWA COUNTY HOSPITAL
CLEARWATER COUNTY HOSPITAL
COOK HOSPITAL
DOUGLAS COUNTY HOSPITAL
ELLSWORTH PARKVIEW MANOR NURSING
FAIR OAKS LODGE
FAIRWAY VIEW SENIOR COMMUNITY
GRAND VILLAGE
HENNEPIN HEALTHCARE SYSTEM
HERITAGE LIVING CENTER
HUTCHINSON AREA HEALTH CARE
LAMBERTON VALLEY VIEW MANOR
MEEKER COUNTY HOSPITAL
MULTI COUNTY NURSING SERVICE

MISCELLANEOUS

ACHIEVE SERVICES INCORPORATED
ADAMS AREA AMBULANCE SERVICE
AFSCME COUNCIL 5
AFSCME COUNCIL 65
AGASSIZ VALLEY VOCATIONAL CENTER
AITKIN COUNTY SWCD
ALEXANDRIA LAKE AREA SANITARY DISTRICT
AMBULATORY CARE CENTER
ANOKA COUNTY SWCD
AREA II MINNESOTA RIVER BASIN PRODUCTS
ARROWHEAD LIBRARY SYSTEM
ARROWHEAD REGIONAL
DEVELOPMENT COMMISSION
ASKOV RESCUE
ASSOCIATION OF MINNESOTA COUNTIES
BATTLE LAKE AREA LANDFILL ASSOCIATION
BATTLE LAKE MOTOR PATROL ASSOCIATION
BEAR VALLEY WATERSHED DISTRICT
BECKER COUNTY SWCD
BECKER JOINT POWERS FIRE BOARD
BECKER-CLAY COUNTY SPECIAL EDUCATION
BELLE CREEK WATERSHED DISTRICT
BELTRAMI COUNTY SWCD
BEMIDJI AREA JOINT PLANNING BOARD
BEMIDJI-BELTRAMI AIRPORTS COMMISSION
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
BONANZA VALLEY COOPERATIVE CENTER
BOVEY COLERAINE TREATMENT PLANT COMM
BRAHAM-MILACA JOINT POWERS BD
BRAINERD LAKES REGIONAL AIRPORT
BROWN COUNTY SWCD
BROWNS CREEK WATERSHED DISTRICT
BUFFALO-RED RIVER WATERSHED DISTRICT
BUFFAO CREEK WATERSHED DISTRICT
BURNS-HOMER-PLEASANT SWCD
CALLAWAY OGEMA POLICE DEPARTMENT JPB
CAPITOL REGION WATERSHED DISTRICT
CARLTON COUNTY SWCD
CARNELIAN-MARINE WATERSHED DISTRICT
CARVER COUNTY SWCD
CASS COUNTY SWCD
CCLNS JOINT POWERS BOARD #3
CEDAR RIVER EDUCATION SERVICE COOP

EFSD JOINT RECREATION BOARD	LAC QUI PARLE COUNTY EDA	MINNESOTA MUNICIPAL UTILITIES ASSOC
ELGIN VOLUNTEER AMBULANCE SERVICE	LAC QUI PARLE COUNTY SWCD	MINNESOTA RIVER SOURCE JPB
ELKO NEW MARKET WASTE WATER UTILITY BD	LAC QUI PARLE/YELLOW BANK WATERSHED	MINNESOTA RIVER SPEC EDUC COOP
ELLENDALE AMBULANCE SERVICE	LAKE AGASSIZ REGIONAL LIBRARY	MINNESOTA STATE SHERIFFS ASSOCIATION
ESSENTIAL HEALTH PLAN JOINT POWERS BOARD	LAKE CITY AMBULANCE SERVICE	MINNESOTA TEAMSTER PUBLIC & LAW #320
EVELETH ECONOMIC DEVELOPMENT AUTHORITY	LAKE COUNTY SWCD	MINNESOTA VALLEY COOP
EVELETH VIRGINIA AIRPORT AUTHORITY	LAKE JOHANNA FIRE DEPARTMENT	MINNESOTA VALLEY REGIONAL LIBRARY
EXCELSIOR FIRE DISTRICT	LAKE MINNETONKA COMMUNICATION COMMISSION	MINNESOTA VALLEY TRANSIT AUTHORITY
FARIBAULT COUNTY SWCD	LAKE MINNETONKA CONSERVATION DISTRICT	MISSISSIPPI WATERSHED MANAGEMENT ORGANIZATION
FARWELL KENSINGTON SANITARY DISTRICT	LAKE OF THE WOODS COUNTY SWCD	MOOSE LAKE-WINDEMERE
FERGUS FALLS COOPERATIVE CENTER	LAKE OF THE WOODS EDA	MORRISON COUNTY SWCD
FILLMORE CO SOIL & WATER CONSERVATION	LAKES AREA CREATION	MOTOR PATROL ASSOCIATION
FOREST LAKE CABLE COMMISSION	LAKES AREA POLICE	MOWER COUNTY SWCD
FREEBORN COUNTY SWCD	LAKES COOPERATIVE CENTER	MURRAY CO ECONOMIC DEVELOPMENT AUTHORITY
GARRISON KATHIO SEWER DISTRICT	LAKEVIEW CEMETERY ASSOCIATION	MURRAY CO SWCD
GLACIAL RIDGE COOPERATIVE CENTER	LAKEVILLE ARENAS	NASHWAUK AMBULANCE SERVICE
GLENWOOD JOINT POWER SCH DIST	LEAGUE OF MINNESOTA CITIES	NICOLLET COUNTY SWCD
GOODHUE COUNTY SWCD	LEECH LAKE BAND OF OJIBWE	NICOLLET COUNTY TRI-CITY JOINT POWERS BOARD
GOVERNMENT TRAINING SERVICES	LESUEUR CO SOIL & WATER CONSERVATION	NINE MILE CREEK WATERSHED DISTRICT
GRANT COUNTY SWCD	LINCOLN COUNTY SWCD	NOBLES COUNTY SWCD
GREAT RIVER REGIONAL LIBRARY	LITTLE FALLS-MORRISON COUNTY AIRPORT COM	NORMAN COUNTY SWCD
GREENWAY JOINT RECREATION ASSOCIATION	LOCAL 132	NORTH CENTRAL MINNESOTA SWCD JPB
GROVE CITY ECONOMIC DEVELOPMENT AUTHORITY	LOGIS	NORTH COUNTRY LIBRARY COOP
HARMONY AMBULANCE SERVICE	LONG LAKE CONSERVATION CENTER	NORTH FORK CROW RIVER WATERSHED DISTRICT
HAWLEY AREA EMS JPB	LOWER MINNESOTA RIVER WATERSHED DISTRICT	NORTH KITTSON COUNTY RWS
HEADWATER NUTRITION PROJECT	LOWER SIOUX COMMUNITY POLICE DEPARTMENT	NORTH METRO MAYORS ASSOCIATION
HEADWATERS REGIONAL DEVELOPMENT COMMISSION	LOWER ST CROIX FIRE DEPARTMENT JPB	NORTH METRO TELECOMMUNICATIONS
HENNEPIN SOIL & WATER CONSERVATION DIST	LUVERNE ECONOMIC DEVELOPMENT AUTHORITY	NORTH SHORE COLLABORATIVE JPB
HERON LAKE WATERSHED DISTRICT	LYLE-MAPLEVIEW PUBLIC SAFETY DEPARTMENT	NORTH ST LOUIS SWCD
HIGH ISLAND CREEK WATERSHED DISTRICT	LYON COUNTY SWCD	NORTH SUBURBAN ACCESS CHANNELS
HIGHLAND VOCATIONAL	MAHNOMEN COUNTY SWCD	NORTHEAST MINNESOTA OFFICE JOB TRAINING
HOWA FAMILY CENTER TEST UNIT	MAHNOMEN HEALTH CENTER JPB	NORTHERN DAKOTA COUNTY CABLE COMMISSION
HUBBARD COUNTY SWCD	MAPE	NORTHERN LIGHTS LIBRARY NETWORK
HUDSON SANITARY LANDFILL AUTHORITY	MARSHALL COUNTY SWCD	NORTHWEST REGIONAL DEVELOPMENT COMMISSION
HUMAN SERVICE BOARD MARTIN- FARIBAULT CO	MARSHALL- POLK COUNTY RURAL WATER SYSTEM	NORTHWEST REGIONAL LIBRARY
I 494 CORRIDOR COMMISSION	MARTIN COUNTY SWCD	NORTHWEST SUBURBAN CABLE COMMUNICATIONS COMMISSION
IMPACK 6 JOINT POWERS BOARD	MARTIN-FARIBAULT CO PRAIRIELAND WASTE BD	NORTHWESTERN JUVENILE CENTER
INFINITY MINNESOTA'S DIGITAL ACADEMY	MC LEOD COUNTY SWCD	NW HENNEPIN HUMAN SERVICES COUNCIL
INTERDISTRICT VOCATIONAL CENTER	MEEKER COUNTY SWCD	OKEBENA-OCHEDA WATERSHED DISTRICT
INTERNATIONAL FALLS AMBULANCE SERVICE	MELROSE AMBULANCE SERVICE	OLMSTED COUNTY SWCD
INTERNATIONAL UNION OPERATING ENGINEERS	METRO II	OTTERTAIL COUNTY WATER MANAGMENT DIST
ISANTI AREA JOINT OPERATING FIRE DISTRIC	METRO WASTE CONTROL COMMISSION	PACT 4 FAMILIES COLLABORATIVE
ISANTI CONSERVATION DISTRICT	METRONET	PELICAN RIVER WATERSHED DIST
ITASCA COUNTY SWCD	METROPOLITAN AIRPORTS COMMISSION	PENNINGTON COUNTY SWCD
JACKSON CO SOIL & WATER CONSERVATION	METROPOLITAN CABLE NETWORK	PENNINGTON-RED LAKE COUNTY
JEFFERS AMBULATORY	METROPOLITAN COUNCIL	NURSING SERVICE
JOE RIVER WATERSHED DISTRICT	METROPOLITAN LIBRARY SERVICE AGENCY	PINE COUNTY SWCD
JOINT ADMINISTRATIVE COUNCIL	METROPOLITAN MOSQUITO CONTROL DISTRICT	PINE RIVER AREA SANITARY DISTRICT
JOINT POWERS WATER BOARD	METROPOLITAN SPORTS FACILITY COMMISSION	PINE RIVER SANITARY DISTRICT
KANABEC COUNTY ECONOMIC DEVELOPMENT COMMISSION	METROPOLITAN VISITING NURSE ASSOCIATION	PIONEERLAND LIBRARY SYSTEM
KANABEC COUNTY SWCD	MIDDLE FORK CROW RIVER W DISTRICT	PIPESTONE COUNTY SWCD
KANDIYOHI AREA TRANSIT KAT	MIDDLE RIVER/SNAKE RIVER WD	PLAINVIEW AMBULANCE SERVICE
KANDIYOHI COUNTY SWCD	MID-MINNESOTA DEVELOPMENT COMMISSION	PLAINVIEW-ELGIN SANITARY DISTRICT
KANDIYOHI-WILLMAR ECONOMIC DEVELOPMENT	MILLE LACS COUNTY SWCD	PLUM CREEK LIBRARY SYSTEM
KITCHIGAMI REGIONAL LIBRARY	MILLE LACS TRIBAL POLICE	POLICE DEPT OF SHERBURN AND WELCOME
KITTSON COUNTY SWCD	MINNEAPOLIS COMMUNITY DEVELOPMENT AGENCY	POPE COUNTY SWCD
KITTSON-MARSHALL COUNTY RURAL WATER SYSTEM	MINNEAPOLIS YOUTH COOR BOARD	PRairie ISLAND INDIAN COMMUNITY
KOOCHICHING COUNTY SWCD	MINNEHAHA CREEK WATERSHED DIST	
	MINNESOTA ASSOCIATION OF URBAN COUNTIES	
	MINNESOTA BALLPARK AUTHORITY	
	MINNESOTA COUNTIES COMPUTER COOPERATIVE	
	MINNESOTA COUNTIES INT TRUST	
	MINNESOTA INTER-COUNTY ASSOCIATION	

PRAIRIE LAKES DETENTION CENTER	SERVICE EMPLOYEES INTERNATIONAL UNION	TRVERSE COUNTY SWCD
PRIME WEST HEALTH SYSTEM JPB	SERVICE EMPLOYEES LOCAL 63	TRVERSE DES SIOUX REGIONAL LIBRARY
PRIOR LAKE-SPRING LAKE WATERSHED DIST	SHELL ROCK RIVER WATERSHED DISTRICT	TRI-CITY BIOSOLIDS DISPOSAL AUTHORITY
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	SHERBURNE COUNTY SWCD	TRI-CITY CABLE TV
PUBLIC SAFETY DEPT AMBOY AND VERNON CENT	SIBLEY COUNTY SWCD	TRI-COUNTY COMMUNITY CORRECTIONS
QUAD CITIES CABLE COMMISSION	SLEEPY EYE AMBULANCE SERVICE	TURTLE CREEK WATERSHED DIST
QUAD CITIES COMMUNITY CABLE ACCESS COR	SO WASHINGTON COUNTY CABLE COMMISSION	TWO RIVERS WATERSHED DIST
QUAD CITIES COMMUNITY TELEVISION	SOLID WASTE AUTHORITY OF LAVELL	UNIVERSITY OF MINNESOTA
QUAD CITIES ECONOMIC DEVELOPMENT AUTHORITY	SOUTH CENTRAL EDUC DIST	UPPER MINNESOTA RIVER WATERSHED DIST
QUAD CITY COOPERATIVE	SOUTH CENTRAL EMS JPB	UPPER MINNESOTA VALLEY REG DEVELOPMENT COMMISSION
RAINBOW RIDER TRANSIT BOARD	SOUTH CENTRAL MINNESOTA INTERLIBRARY EXC	UPPER SIOUX COMMUNITY UTILITIES PLUS
RAMSEY CONSERVATION DISTRICT	SOUTH CENTRAL TECHNICAL SERVICE AREA	VADNAIS LAKE AREA
RAMSEY COUNTY SWCD	SOUTH COUNTRY HEALTH ALLIANCE	VALLEY BRANCH WATERSHED DISTRICT
RAMSEY WASHINGTON METRO WATERSHED DIST	SOUTH EASTERN FARIBAULT COUNTY POLICE	VIKING LIBRARY SYSTEM
RAMSEY-WASHINGTON SUBURBAN CABLE COMMISSION	SOUTH LAKE MINNETONKA POLICE DEPT	VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY
RANGE ASSOCIATION OF MUNICIPALITIES	SOUTH METRO FIRE DISTRICT	WABASHA COUNTY SWCD
RED LAKE COUNTY SWCD	SOUTH ST LOUIS COUNTY SOLID WASTE	WADENA COUNTY SWCD
RED LAKE WATERSHED DIST	SOUTH ST LOUIS COUNTY SWCD	WARROAD WATERSHED DISTRICT
RED RIVER VALLEY CONSERVATION SRVC AREA	SOUTH TWO RIVER WATERSHED DISTRICT	WASECA COUNTY SWCD
RED RIVER WATERSHED MANAGEMENT	SOUTH WASHINGTON WATERSHED DISTRICT	WASHINGTON SWCD
RED ROCK RURAL WATER SYSTEM	SOUTHEAST SWCD TECH SUPPORT JPB	WATONWAN COUNTY SWCD
RED WING ENVIRONMENTAL LEARNING CENTER	SOUTHERN MN MUNICIPAL POWER AGENCY	WEST CENTRAL AREA AGENCY ON AGING
REDWOOD COUNTY SWCD	SOUTHWEST TRANSIT	WEST CENTRAL MIGRANT REGION
REDWOOD-COTTONWOOD RIVERS CONTROL AREA	SPICER EDA	WEST CENTRAL REGIONAL DEVELOPMENT
REGION 4 ADULT MENTAL HEALTH CONSORTIUM	SPIRIT MOUNTAIN RECREATIONAL AUTHORITY	WEST CENTRAL VOCATIONAL
REGION FIVE DEVELOPMENT COMMISSION	SPRING GROVE AMBULANCE CORP	WEST HENNEPIN COUNTY HUMAN SERVICES
REGION IX DEVELOPMENT COMMISSION	SPRING LAKE PARK BLAINE MOUNDS VIEW FIRE	WEST HENNEPIN PUBLIC SAFETY DEPARTMENT
REMER AMBULANCE SERVICE	ST BONIF/MINNESTRISTA POLICE COMMISSION	WEST METRO FIRE-RESCUE DISTRICT
RENNVILLE COUNTY SWCD	ST CLOUD AREA PLAN ORGINIZATION	WEST OTTERTAIL COUNTY SWCD
RICE COUNTY SWCD	ST CLOUD METRO TRANSIT COMMISSION	WEST POLK COUNTY SWCD
RICE CREEK WATERSHED DIST	ST LOUIS & LAKE COUNTY REGIONAL RAILROAD	WESTERN AREA CITY & COUNTY COOPERATIVE
RICE-STEELE CONSOLIDATED DISPATCH	ST LOUIS COUNTY NORTHWOODS SOLID WASTE	WESTERN LAKE SUPERIOR SANITARY DISTRICT
RICH PRAIRIE SEWER AND WATER DISTRICT	ST PAUL ARENA COMPANY	WESTERN PLAINS LIBRARY SYSTEM
RILEY-PURGATORY-BLUFF CREEK WD	STATE SUPREME COURT JUDICIAL DISTRICT	WHITE BEAR LAKE CONSERVATION DISTRICT
RIVER RIDER TRANSIT SERVICE	STEARN BENTON EMPLOYMENT TRAINING COUNCIL	WHITE EARTH TRIBAL PUBLIC SAFETY
ROCK CO SWCD	STEARNS COUNTY SWCD	WHITEWATER WATERSHED PROJECT JPB
ROCK COUNTY RWS	STEELE CO OWATONNA SCHOOLS COLLABORATIVE	WILD RICE WATERSHED DISTRICT
ROOT RIVER SWCD	STEELE COUNTY SWCD	WILKIN COUNTY SWCD
ROSEAU COUNTY SWCD	STEVENS COUNTY SWCD	WILLMAR MEDICAL SERVICES LLP
ROSEAU RIVER WATERSHED DISTRICT	STMA ARENA JPB	WINONA COUNTY SWCD
RUM RIVER COOP CENTER	STOCKTON-ROLLINGSTONE-MINNESOTA CITY WATERSHED DIST	WORTHINGTON CABLE 3 JOINT POWERS BOARD
RUNESTONE COMMUNITY CENTER	SW MULTI-CO INTERLIB EXCHG	WRIGHT COUNTY SWCD
RUNESTONE COOPERATIVE CENTER	SW REGIONAL DEVEL COMM	WWWRR
RURAL CITIES ADMINISTRATION	SWIFT COUNTY SWCD	YELLOW MEDICINE COUNTY SWCD
RUSH LAKE AREA SD	THIRTY LAKES WATERSHED DISTRICT	YELLOW MEDICINE RIVER WD
SAND HILL RIVER WATERSHED DISTRICT	THREE RIVERS PARK DISTRICT	ZIMMERMAN LIVONIA FIRE DISTRICT
SAUK CENTRE WATERSHED DIST	TODD COUNTY SWCD	
SCOTT COUNTY SWCD	TOWER/BREITUNG WASTEWATER BOARD	
SCOTT JOINT CITY PROSECUTION	TOWNSHIP MAINTENANCE ASSOCIATION	
SE REGIONAL DEVELOPMENT COMMISSION	TRAILBLAZER JOINT POWERS BOARD	
SEIU LOCAL 284		
SERPENT LAKE SANITARY SEWER DISTRICT		

THIS PAGE LEFT
BLANK INTENTIONALLY.



**Public Employees Retirement
Association of Minnesota**

60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088

