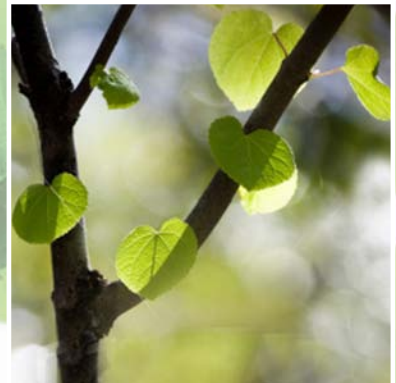


2009

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2009

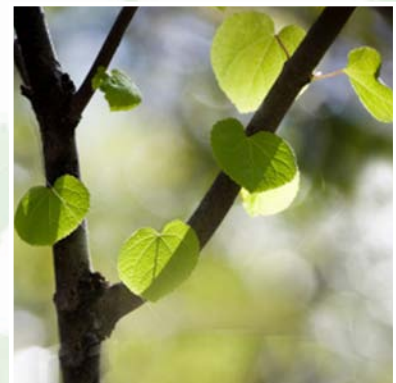
The Public Employees' Retirement Fund is a discretely presented component unit of the state of Indiana.



PERF is a trust and an independent body, corporate and politic. The fund is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code Sections 5-10.3-2-1(b) and 5-10.2-2-1).

2009

Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2009

The Public Employees' Retirement Fund is a discretely presented component unit of the state of Indiana.

*Public Employees' Retirement Fund
1977 Police Officers' and Firefighters' Pension
and Disability Fund
Judges' Retirement System
State Excise Police, Gaming Agent, Gaming Control
Officer and Conservation Enforcement Officers'
Retirement Plan
Prosecuting Attorneys' Retirement Fund
Legislators' Retirement System*

- Defined Contribution Plan*
- Defined Benefit Plan*

*State Employees' Death Benefit Fund
Public Safety Officers' Special Death Benefit Fund
Pension Relief Fund*

Prepared By

Public Employees' Retirement Fund • 143 West Market Street
Indianapolis, IN 46204 • Toll-free: (888) 526-1687
www.perf.in.gov • questions@perf.in.gov

Indiana
PERF
Public Employees' Retirement Fund



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For the Fiscal Year Ended June 30, 2009

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Public Employees' Retirement Fund



Letter of Transmittal



Terren B. Magid
Executive Director

December 2009

Dear Board Members:

With the global economy experiencing the deepest crisis in decades, PERF, along with all institutional investors, experienced one of its most challenging years ever. Notwithstanding the unprecedented disruption in the financial markets, I'm pleased to report that the Indiana Public Employees' Retirement Fund (PERF) remains in solid financial condition, despite the global recession. Our funded status remains sound and we received an unqualified audit report from the Indiana State Board of Accounts (SBoA) including, for the first time in memory, zero findings.

These accomplishments are a testimony to our commitment to accountable, prudent management which I believe you will find reflected in the pages of this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009.

Financial Management: PERF management and staff are very proud to have received an unqualified audit opinion for fiscal year 2009, our fourth consecutive clean opinion. This result is affirmation of PERF's continuing commitment to accurately and completely represent the financial condition of this organization. It is also the product of PERF's ongoing focus on effective processes and controls and strong desire to provide its members and employers with the integrity and transparency they deserve in the management of their pension systems. Even in these challenging economic times, members and employers should take great confidence in PERF's ability to prudently manage the funds with accountability.

We are equally proud to have received no audit findings for the first time anyone at PERF or the SBoA can remember. In fiscal year 2004 PERF received a qualified audit opinion with 30 specific findings regarding areas of needed improvement. Diligent and persistent efforts to turn around PERF's performance resulted in a reduced number of findings each year since 2004 culminating in zero findings in fiscal year 2009. Again, the steady progress toward this result is a testament to the sound financial processes and controls to which the PERF management and staff have been firmly committed these last four years.

Five-year Process & Systems Strategic Plan: Fund management continues on our path of improvement with our focus squarely on our mission of Excellence in Customer Service. PERF has embarked on year three of the five-year process and systems strategic plan it started in 2007. When completed, PERF will operate using a state-of-the-art financial system; a more user friendly, web-based tool to transact business with our sponsoring employers; and a more efficient and intuitive benefits administration system. Moreover, PERF plans to offer its members daily valuation and investment election changes for the ASA accounts in 2010. In short, PERF's services offerings will be more aligned with the types of offerings participants have come to expect from leading 21st century financial services companies, while being more efficient and cost effective.

Market Performance: Without question, the 2009 fiscal year presented significant challenges to pension funds throughout the world. Indiana PERF was no exception. Investments at the fund performed better than the market during an extremely challenging year. In a global recession that saw Standard & Poor's 500 Index drop 26.2 percent in the year, PERF's



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2009 Comprehensive Annual Financial Report

Letter of Transmittal

investment loss was 20.6 percent. However, from January through June of 2009, PERF's investment return of 6.1 percent was nearly twice the broader stock market growth as measured by a 3.2 percent gain in the S&P 500.

Solid Funding: PERF funds reached an aggregate funded status of 99.6 percent at the July 1, 2008 start of the fund's 2009 fiscal year. Nationally, state pension plans were funded at about 77 percent according to the 2009 Wilshire Report on State Retirement Systems. We are pleased with this overall funded status and continue to work to achieve and maintain full funding. While the full short-term impact of the global recession on funded status is not fully reflected in this annual report, it will continue to be reflected gradually in reports in the coming years. We are confident that our long-term approach to prudent investment management will allow us to maintain a solid funded ratio over the decades to come.

Customer Service: The PERF team remains unrelenting its commitment to continually improve customer service. During the fiscal year, we learned that our customer service scores had improved by more than 30 percent since 2004, placing PERF among the top pension plans according to national research. This is the conclusion of a report by CEM Benchmarking, a Toronto-based international pension benchmarking company. The report reflects in-depth research comparing PERF with 39 leading U.S. pension funds. In 2004, PERF scored seven out of 100 in its ability to process new retirements, according to CEM. In 2008, this improved dramatically to a score of 82, with 98 percent of new retirements processed on a timely basis.

Accountability and National Excellence: Following this letter you'll see a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), and an Achievement Award from the Public Pension Coordinating Council (PPCC). The GFOA certification for PERF's 2008 annual report marks the third straight year that a PERF annual report has achieved this recognition. The PPCC award recognizes PERF's excellence in meeting professional standards for plan design and administration. This recognition rates PERF's system management and administration among an exclusive handful of public retirement systems in the nation and also marks the third consecutive year we have achieved this distinction.

Background Information

As of June 30, 2009, PERF was responsible for the investment of approximately \$12.4 billion in net assets. In total, PERF paid monthly retirement, disability and survivor benefits to 65,455 benefit recipients, served 153,856 members actively employed in public service and worked in partnership with 1,215 participating employers statewide.

This report provides detailed information on the performance of all retirement plans administered by PERF, including:

- Public Employees' Retirement Fund
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Judges' Retirement System
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan
- Prosecuting Attorneys' Retirement Fund
- Legislators' Retirement System

PERF also administers two special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, PERF manages the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers' and firefighters' pension systems of Indiana's cities and towns. PERF is not responsible for the administration of those local pension funds, which have been closed to new membership since the creation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. However, PERF makes disbursements from funds provided by the General Assembly to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Public Employees' Retirement Fund



Letter of Transmittal

Management's Responsibility for Financial Reporting

PERF's management prepared the financial statements included in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. PERF's management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of PERF's operations.

The Indiana State Board of Accounts (SBoA), PERF's external auditor, has conducted an audit of the general purpose financial statements in accordance with generally accepted auditing standards, performing work as it deemed necessary to express an opinion in their report.

The SBoA completed their audit of PERF's financial statements for the fiscal year ending June 30, 2009, on September 30, 2009. As noted previously, the results show PERF has made significant progress in improving the quality of its financial processes over a period of four years.

Reporting Financial Information

PERF's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. This system includes the written policies and procedures of the Board of Trustees.

Management also is charged with recording these transactions as necessary to maintain accountability for assets, and to permit preparation of financial statements in accordance with generally accepted accounting principles.

For financial reporting purposes, PERF follows the Governmental Accounting Standards Board (GASB) Statement No. 25 Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 Pension Disclosures. PERF has also implemented Statement No. 51, Accounting and Financial Reporting for Intangible Assets. Assets of PERF are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplementary Information following the Notes to the Financial Statements.

The GASB issued Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This statement establishes financial reporting standards for state and local governments. The Management Discussion and Analysis is contained within the Financial Section and serves to supplement the Introductory Section of the Comprehensive Annual Financial Report, as well as financial statements, notes and supplementary information within the Financial Section.

Economic Condition

PERF's economic condition is based primarily upon investment results and contributions from members and employers. Mercer Investment Consulting evaluated the year-end investment portfolio. The return comparison begins on page 80.

Investments & Asset Allocation

As of June 30, 2009, the Consolidated Retirement Investment Fund (CRIF) had a market value of \$11.8 billion, a decline of \$3.1 billion since June 30, 2008. The decrease in assets was due to negative investment performance over the one-year period, particularly in the equity markets. The Investment Section includes an in-depth discussion of the CRIF and the investment policies guiding the Board of Trustees in their decision making. The Board of Trustees continues to make progress in diversifying the assets of PERF and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

Prudent diversification through strategic asset allocation is fundamental to the Board of Trustees' overall investment policy. The policy is designed to provide an optimal mix of asset classes in order to meet PERF's return objectives, while maintaining appropriate diversification and risk control. PERF continues to incorporate traditional assets (cash, domestic and international stocks, and domestic fixed income) while also incorporating nontraditional assets (such as real estate and private equity) into the target asset mix.

2009 Comprehensive Annual Financial Report

Letter of Transmittal

The investment portfolio mix at fair value for fiscal year ended June 30, 2009, was approximately 31.9 percent fixed income, 50.5 percent public equities, 16.5 percent in alternative investments and 1.1 percent residual cash within the fund. Of the total portfolio as of June 30, 2009, the equity portfolio was comprised of 27 percent domestic equity, 8.4 percent global equity, and 15.1 percent international equity.

Funding

The health of a retirement system is measured by its ability to fund current and future benefit obligations of its members, which is represented by its funding level. Adequate funding levels reflect the ratio between total actuarial assets compared to total actuarial accrued liabilities. Total CRIF returns of negative 20.6 percent were below actuarial assumptions of 7.25 percent. However, it should be noted the 7.25 percent assumption is based on a long-term, multi-year strategy. Notwithstanding the volatility of recent market conditions, PERF and its investments remain in sound, stable condition. The actuarial accrued liability of PERF is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to all current retirees, beneficiaries and employees for service earned to date. The funding ratio is the percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan and generally, the greater this percentage, the stronger the plan.

The accumulated balance of funds derived from the excess of additions over deductions is referred to as the net assets held in trust for pension benefits in the Statement of Changes in Fiduciary Net Assets in the Financial Section of this report. Actuarial accrued liability, funding status and progress for the plans are presented in the Required Supplementary Information Schedule of Funding Progress and Note 5 of the Notes to the Financial Statements.

Actuarial Survey Valuation

An actuarial review of PERF is performed annually. An assumption experience study is performed every three to five years. The actuarial firm, McCreedy & Keene, completed the experience study, actuarial reviews and valuations. In addition, the firm served as technical advisor to PERF. Actuarial certification and supporting statistics are included in the Actuarial and Statistical sections of this report.

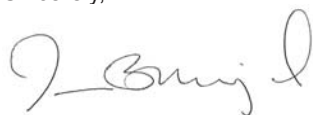
Acknowledgements

This 2009 Comprehensive Annual Financial Report represents our commitment to a constructive spirit of full disclosure to clearly communicate our financial story and to motivate interested individuals to read this document. It is intended to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

Our success in achieving this level of public accountability would not be possible without the effective teamwork and committed service of PERF's staff and advisors.

Our members, employers and the people of the state of Indiana have bestowed on us significant confidence and trust in the management of this fund. We are committed to living up to, and exceeding, their high expectations. In addition, on behalf of the entire PERF team, I thank the Board of Trustees, Governor Mitch Daniels, the members of the Pension Management Oversight Commission, the Indiana General Assembly and the many public employees and employers who strongly encourage us to continually raise the bar of service to our customers.

Sincerely,



Terren B. Magid
Executive Director



Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2009***

Presented to

Indiana Public Employees' Retirement Fund

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle
Program Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees' Retirement Fund of Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Public Employees' Retirement Fund



Administrative Organization

Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Executive Team

Terren Magid
Executive Director

Steven Barley
Deputy Director
Chief Operations Officer

David Huffman
Deputy Director
Chief Technology Officer

Kathryn Cimera
General Counsel

Janell Gurney
Director of Human Resources

Jeffrey Hutson
Chief Communication Officer

Wisty Malone
Director of Internal Audit

Todd Williams
Chief Financial Officer

Shawn Wischmeier
Chief Investment Officer

Professional Consultants¹

McCready and Keene, Inc.
7941 Castleway Drive
Indianapolis, IN 46250-0460

Mercer Investment Consulting, Inc.
10 South Wacker Drive, Ste. 1700
Chicago, IL 60606-7500

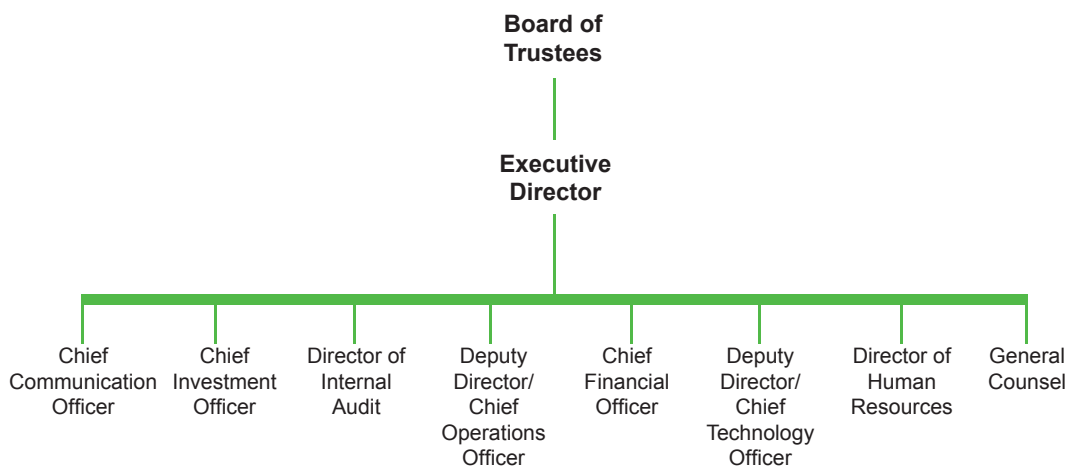
Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

¹A complete list of investment professionals who have provided services to PERF can be found on pages # and #.



Executive Team

Organizational Chart



2009 Comprehensive Annual Financial Report

PERF Board of Trustees & Executive Team

Board of Trustees



Ken Cochran
Chair



Kevin Boehnlein
Vice Chairman



Cynthia Walsh



Ryan Kitchell



Matt Murphy



Robert Welch

Executive Team



Terren Magid
Executive Director



Steven Barley
Chief Operations Officer



David Huffman
Chief Technology Officer



Todd Williams
Chief Financial Officer



Janell Gurney
Director of Human Resources



Jeffrey Hutson
Chief Communication Officer



Shawn Wischmeier
Chief Investment Officer



Kathryn Cimera
General Counsel



Wisty Malone
Director of Internal Audit

Public Employees' Retirement Fund



Fund Highlights: Public Employees' Retirement Fund

Membership and Eligibility

The Public Employees' Retirement Fund (PERF Plan) includes eligible state and local government employees.

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Allowance Reduction |
|-------------|--|---|
| 50 up to 59 | 15 or more | 11% at age 59, additional 5% for each year under age 59 |
| 55 | Age at retirement plus total years of service equals 85 or more | None |
| 60 | 15 or more | None |
| 65 | 10 or more | None |
| 65 | 8 or more ¹ | None |

¹A member who has at least eight years of PERF Plan service as a county clerk, county auditor, county recorder, county treasurer, county sheriff or county coroner is eligible for normal retirement after reaching age 65. This change in the law applies only to members retiring after June 30, 2002. Public Law 73-2002 also provides that a member serving as state auditor, state treasurer or secretary of state, and whose term commences after the November 5, 2002 election, be vested with at least eight years of creditable service.

BENEFIT FORMULA

$$\text{Annual Benefit} = (\text{Years of Creditable Service} \times \text{Average Annual Compensation} \times .011) + \text{Annuity Savings Account}^2$$

²Members can elect at retirement to receive their Annuity Savings Account as a monthly supplement to their defined pension benefit or in a total distribution.

Cost of Living Allowance

Cost of living allowances are passed by the Indiana General Assembly on an ad hoc basis.

Contribution Rates

- The amount (rate) of employer contributions is adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account, and employers have the option of making all or part of this contribution on behalf of the member. Members may also voluntarily contribute up to an additional 10 percent of their wages into their Annuity Savings Account.

2009 Comprehensive Annual Financial Report

Fund Highlights: Public Employees' Retirement Fund (continued)

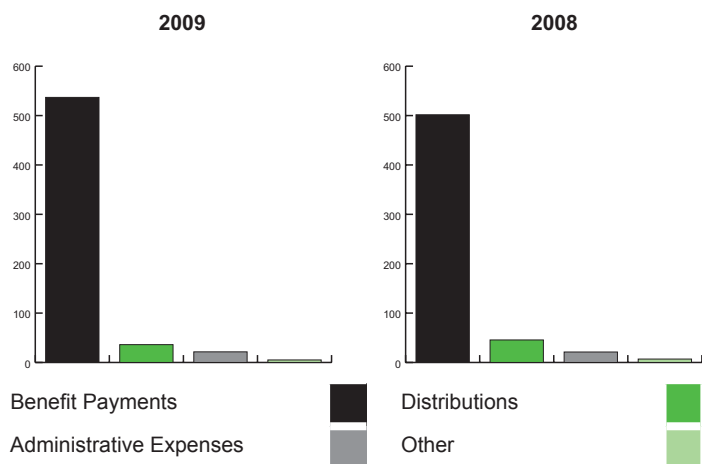
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|------------------------------|---------------------|-------------------|
| Additions by Source | | |
| Member Contributions | \$ 160.0 | \$ 155.7 |
| Employer Contributions | 323.2 | 303.9 |
| Net Investment Income (Loss) | (2,517.9) | (1,079.9) |
| Other | 3.1 | 6.6 |
| Totals | \$ (2,031.6) | \$ (613.7) |

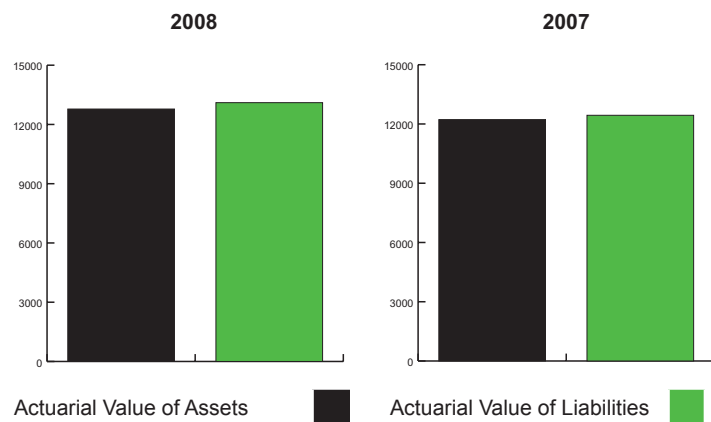
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|---------------------------|-----------------|-----------------|
| Deductions by Type | | |
| Benefit Payments | \$ 536.8 | \$ 501.6 |
| Distributions | 36.1 | 45.6 |
| Administrative Expenses | 21.5 | 21.2 |
| Other | 5.1 | 6.9 |
| Totals | \$ 599.5 | \$ 575.3 |

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

| | 2008 | 2007 |
|--------------------------------|--------------|--------------|
| Funding Progress | | |
| Actuarial Value of Assets | \$ 12,780.1 | \$ 12,220.9 |
| Actuarial Value of Liabilities | 13,103.2 | 12,439.8 |
| Funding Ratios | 97.5% | 98.2% |

Public Employees' Retirement Fund



Fund Highlights: 1977 Police Officers' and Firefighters' Pension and Disability Fund

Membership and Eligibility

1977 Police Officers' and Firefighters' Pension and Disability Fund provides coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town or township.

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Actuarial Reduction |
|-----|------------------|--|
| 50 | 20 or more | Actuarial reduction of 14 percent at age 50 which decreases uniformly from age 50 to age 52 on a monthly basis |
| 52 | 20 or more | None |

BENEFIT FORMULA

Annual Benefit =

Monthly Benefit = 50 percent¹ of first-class salary for 20 years of service.

¹This percentage is increased by 1 percent for each six months of active service accumulated after 20 years of service (to a maximum of 32 years, or 74 percent).

Cost of Living Allowance

Cost of living allowance is a percentage determined by statute equal to the change in the Consumer Price Index, but not in excess of a 3 percent increase.

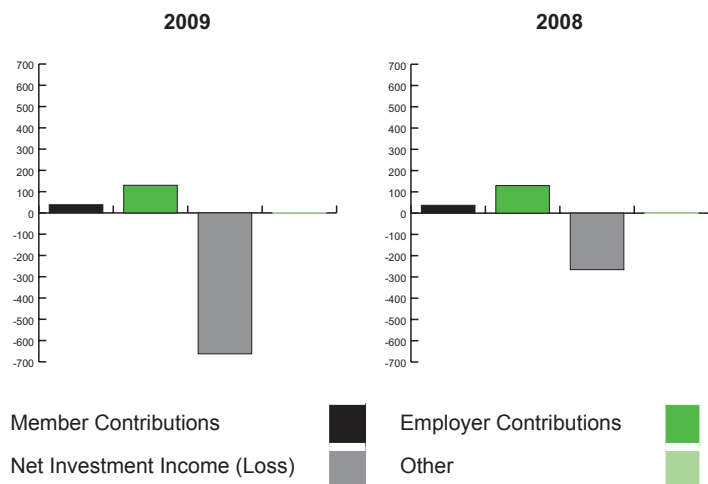
Contribution Rates

- Members contribute 6 percent of first-class salary for the term of their employment up to 32 years. Employers have the option of making all or part of this contribution on behalf of the member.
- Employer contribution rates are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: 1977 Police Officers' and Firefighters' Pension and Disability Fund (continued)

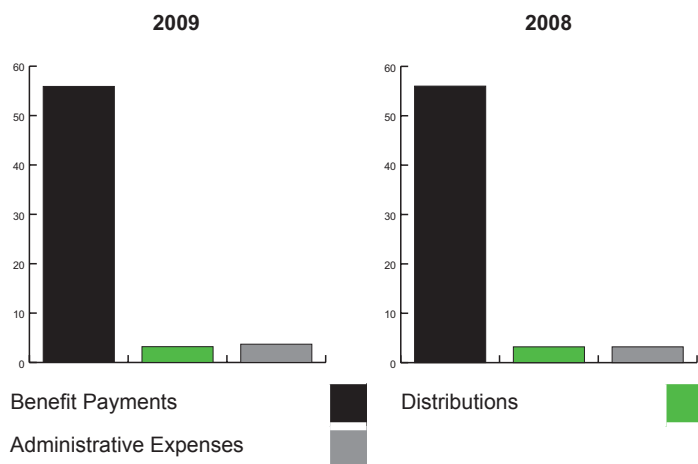
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|------------------------------|-------------------|------------------|
| Additions by Source | | |
| Member Contributions | \$ 38.5 | \$ 36.8 |
| Employer Contributions | 130.0 | 129.5 |
| Net Investment Income (Loss) | (662.6) | (265.7) |
| Other | 0.2 | 0.1 |
| Totals | \$ (493.9) | \$ (99.3) |

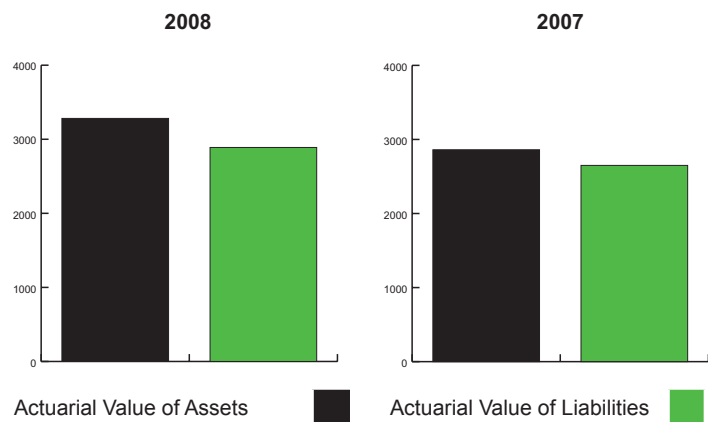
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|---------------------------|----------------|----------------|
| Deductions by Type | | |
| Benefit Payments | \$ 55.9 | \$ 56.0 |
| Distributions | 3.2 | 3.2 |
| Administrative Expenses | 3.7 | 3.2 |
| Totals | \$ 62.8 | \$ 62.4 |

Funding Progress
Actuarial Study as of January 1 (in millions)



Actuarial Study as of January 1
(in millions)

| | 2008 | 2007 |
|--------------------------------|---------------|---------------|
| Funding Progress | | |
| Actuarial Value of Assets | \$ 3,281.5 | \$ 2,860.5 |
| Actuarial Value of Liabilities | 2,889.3 | 2,649.5 |
| Funding Ratios | 113.6% | 108.0% |

Public Employees' Retirement Fund



Fund Highlights: Judges' Retirement System

Membership and Eligibility

The Judges' Retirement System includes any person who has served, is serving or shall serve as a regular judge of the Supreme Court of the state of Indiana, Circuit Court of any Judicial Court, Indiana Tax Court or County Courts including: Circuit, Superior, Criminal, Probate, Juvenile and Municipal Courts.

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Allowance Reduction |
|-----|---|---|
| 55 | Age at retirement plus total years of service equals 85 or more | None |
| 62 | 8 or more | 0.1% for each month that retirement precedes age 65 |
| 65 | 8 or more | None |

BENEFIT FORMULA

Annual Benefit = Salary at Retirement¹ x Percentage Below

| Years of Service | Percentage | Years of Service | Percentage |
|------------------|------------|------------------|------------|
| 8 | 24% | 16 | 54% |
| 9 | 27 | 17 | 55 |
| 10 | 30 | 18 | 56 |
| 11 | 33 | 19 | 57 |
| 12 | 50 | 20 | 58 |
| 13 | 51 | 21 | 59 |
| 14 | 52 | 22 or more | 60 |
| 15 | 53 | — | — |

¹Benefit calculations for the 1977 System (those who began service as a judge before September 1, 1985) are based on the current salary of the judge's position from which they retired. The 1985 System (those who began service as a judge after August 31, 1985) uses the salary paid to the participant when they retired or the salary paid for the office the participant held at the time of the participant's separation, depending on the participant's separation date and date of retirement application.

Cost of Living Allowance

For the 1977 System, the cost of living allowance is a percentage increase equal to the increase in the salary of the judge's position from which the judge retired. For the 1985 System, a 2 percent cost-of-living allowance is payable January 1, 2009 to participants, survivors and beneficiaries, up to December 31, 2009.

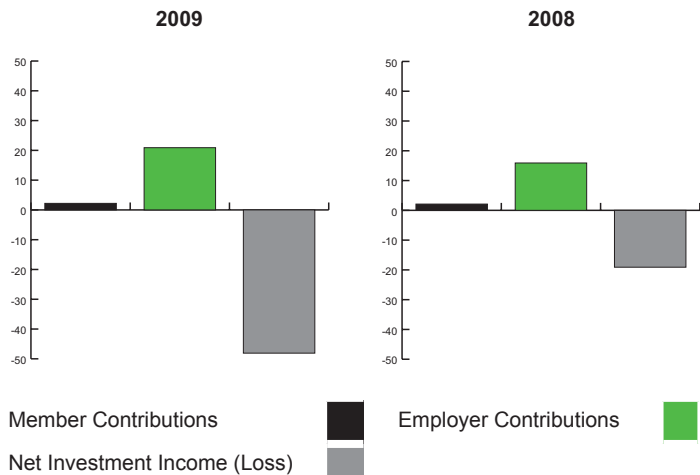
Contribution Rates

- Employees contribute 6 percent of the judge's statutory salary until 22 years of service have been completed.
- Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state's General Fund.

2009 Comprehensive Annual Financial Report

Fund Highlights: Judges' Retirement System (continued)

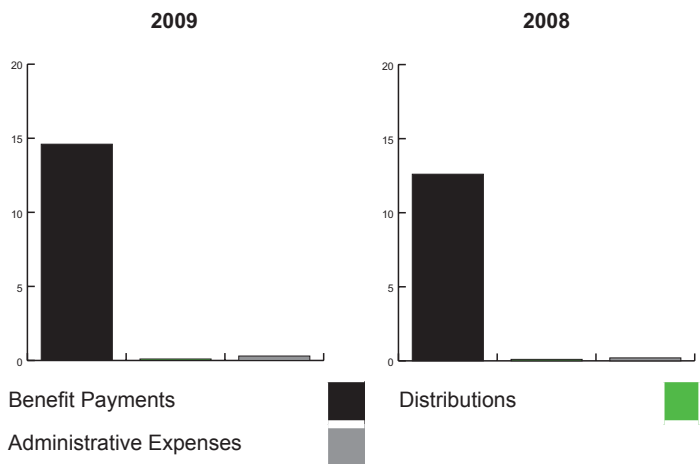
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|------------------------------|------------------|-----------------|
| Additions by Source | | |
| Member Contributions | \$ 2.2 | \$ 2.1 |
| Employer Contributions | 20.9 | 15.9 |
| Net Investment Income (Loss) | (48.1) | (19.1) |
| Totals | \$ (25.0) | \$ (1.1) |

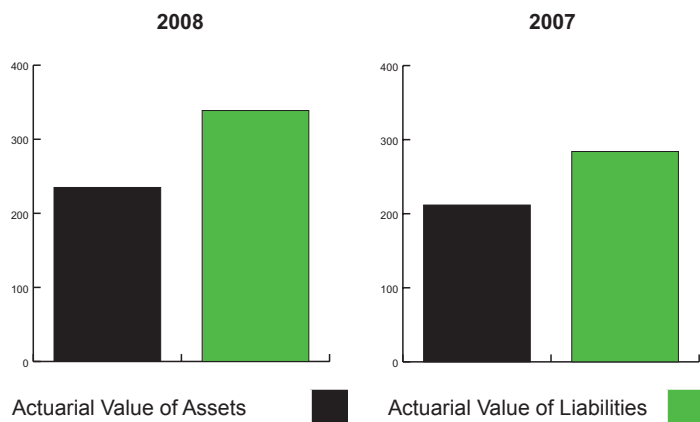
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|---------------------------|----------------|----------------|
| Deductions by Type | | |
| Benefit Payments | \$ 14.6 | \$ 12.6 |
| Distributions | 0.1 | 0.1 |
| Administrative Expenses | 0.3 | 0.2 |
| Totals | \$ 15.0 | \$ 12.9 |

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

| | 2008 | 2007 |
|--------------------------------|--------------|--------------|
| Funding Progress | | |
| Actuarial Value of Assets | \$ 234.9 | \$ 211.7 |
| Actuarial Value of Liabilities | 338.8 | 284.0 |
| Funding Ratios | 69.3% | 74.6% |

Public Employees' Retirement Fund



Fund Highlights: State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

Membership and Eligibility

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan includes employees engaged exclusively in the performance of law enforcement duties of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer or gaming agent.

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Allowance Reduction |
|-----|---|---|
| 45 | 15 or more | 0.25% for each full month that retirement precedes age 60 |
| 50 | 25 or more | None |
| 55 | Age at retirement plus total years of service equals 85 or more | None |
| 65 | Mandatory retirement at age 65 | None |

BENEFIT FORMULA

$$\text{Annual Benefit} = 25 \text{ percent}^1 \times \text{Average Annual Salary}^2$$

¹This percentage is increased by 1.67 percent of average annual salary for each completed year of creditable service after 10 years. However, the total percentage may not exceed 75 percent.

²Average Annual Salary is defined as the average annual salary of an officer during the five years of highest annual salary in the 10 years immediately preceding an officer's retirement date.

Cost of Living Allowance

Cost of living allowance is applied at the same rate as was passed by the Indiana General Assembly for the Public Employees' Retirement Fund.

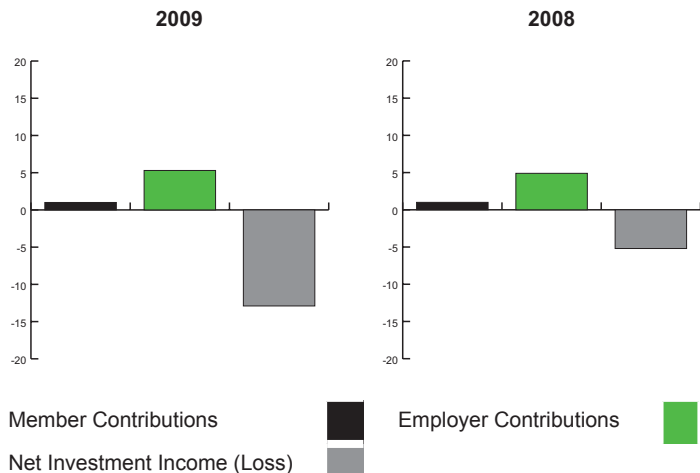
Contribution Rates

- Members contribute 4 percent of their annual salary.
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

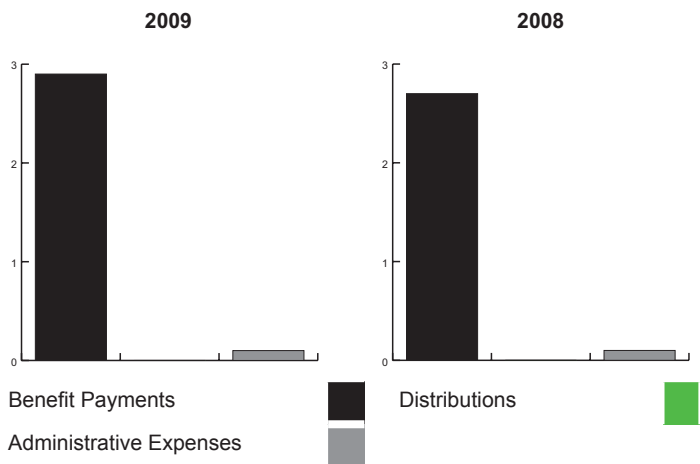
Fund Highlights: State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (continued)

Additions by Source
For Fiscal Year Ended June 30 (in millions)



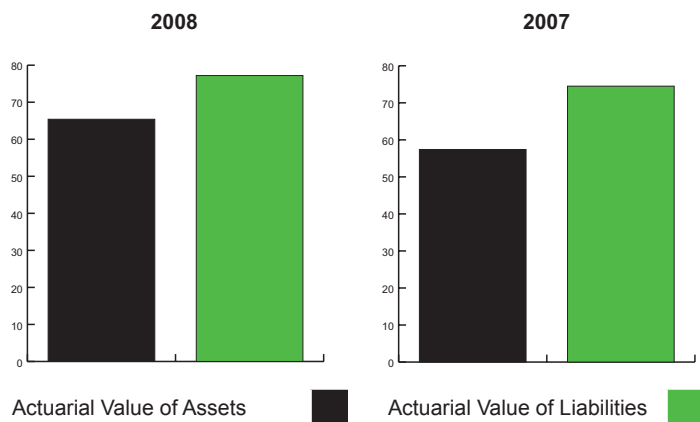
| For fiscal year ended June 30 (in millions) | 2009 | 2008 |
|--|-----------------|---------------|
| Additions by Source | | |
| Member Contributions | \$ 1.0 | \$ 1.0 |
| Employer Contributions | 5.3 | 4.9 |
| Net Investment Income (Loss) | (12.9) | (5.2) |
| Totals | \$ (6.6) | \$ 0.7 |

Deductions by Type
For Fiscal Year Ended June 30 (in millions)



| For fiscal year ended June 30 (in millions) | 2009 | 2008 |
|--|---------------|---------------|
| Deductions by Type | | |
| Benefit Payments | \$ 2.9 | \$ 2.7 |
| Distributions | - | - |
| Administrative Expenses | 0.1 | 0.1 |
| Totals | \$ 3.0 | \$ 2.8 |

Funding Progress
Actuarial Study as of July 1 (in millions)



| Actuarial Study as of July 1 (in millions) | 2008 | 2007 |
|---|--------------|--------------|
| Funding Progress | | |
| Actuarial Value of Assets | \$ 65.4 | \$ 57.4 |
| Actuarial Value of Liabilities | 77.2 | 74.5 |
| Funding Ratios | 84.7% | 77.1% |

Public Employees' Retirement Fund



Fund Highlights: Prosecuting Attorneys' Retirement Fund

Membership and Eligibility

The Prosecuting Attorneys' Retirement Fund (PARF) includes prosecuting attorneys, chief deputy prosecuting attorneys and other deputy prosecuting attorneys paid by the state. PARF members are also members of the PERF Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF Plan.

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Allowance Reduction |
|-----|------------------|---|
| 62 | 8 or more | 0.25% for each full month that retirement precedes age 65 |
| 65 | 8 or more | None |

BENEFIT FORMULA

Annual Benefit = Highest Annual Salary (state-paid portion only) at Retirement x Percentage Below

| Years of Service | Percentage | Years of Service | Percentage |
|------------------|------------|------------------|------------|
| Less than 8 | 0% | 15 | 53% |
| 8 | 24 | 16 | 54 |
| 9 | 27 | 17 | 55 |
| 10 | 30 | 18 | 56 |
| 11 | 33 | 19 | 57 |
| 12 | 50 | 20 | 58 |
| 13 | 51 | 21 | 59 |
| 14 | 52 | 22 or more | 60 |

Cost of Living Allowance

No cost of living allowance is available.

Contribution Rates

- Members contribute 6 percent of the state-paid portion of their annual salary.
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: Prosecuting Attorneys' Retirement Fund (continued)

Additions by Source
For Fiscal Year Ended June 30 (in millions)

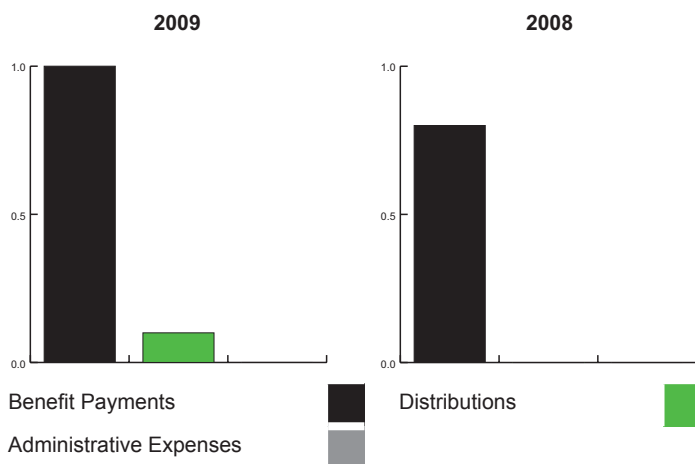


For fiscal year ended June 30
(in millions)

Additions by Source

| | 2009 | 2008 |
|------------------------------|-----------------|-----------------|
| Member Contributions | \$ 1.3 | \$ 1.2 |
| Employer Contributions | 0.2 | 0.2 |
| Net Investment Income (Loss) | (5.3) | (2.1) |
| Totals | \$ (3.8) | \$ (0.7) |

Deductions by Type
For Fiscal Year Ended June 30 (in millions)

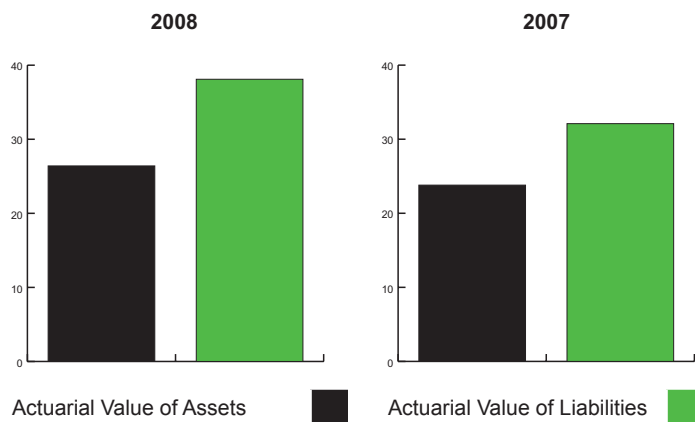


For fiscal year ended June 30
(in millions)

Deductions by Type

| | 2009 | 2008 |
|-------------------------|---------------|---------------|
| Benefit Payments | \$ 1.0 | \$ 0.8 |
| Distributions | 0.1 | - |
| Administrative Expenses | - | - |
| Totals | \$ 1.1 | \$ 0.8 |

Funding Progress
Actuarial Study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

Funding Progress

| | 2008 | 2007 |
|--------------------------------|--------------|--------------|
| Actuarial Value of Assets | \$ 26.4 | \$ 23.8 |
| Actuarial Value of Liabilities | 38.1 | 32.1 |
| Funding Ratios | 69.2% | 74.3% |

Public Employees' Retirement Fund



Fund Highlights: Legislators' Retirement System — Defined Benefit Plan

Membership and Eligibility

The Legislators' Retirement System Defined Benefit Plan includes only legislators of the state of Indiana who were serving on April 30, 1989, and elected participation. Legislators elected or appointed after April 30, 1989 participate in the Legislators' Defined Contribution Plan.¹

MEMBERS RECEIVING RETIREMENT BENEFITS

| Age | Years of Service | Allowance Reduction |
|-----|---|---|
| 55 | 10 or more ² | Benefit reduced using early retirement formula ³ |
| 55 | Age at retirement plus total years of service as a member of the General Assembly equals 85 or more | None |
| 60 | 15 or more | None |
| 65 | 10 or more ⁴ | None |

¹ The Legislators' Retirement System also includes a defined contribution plan available to all legislators of the state of Indiana who serve in the Indiana General Assembly on or after April 30, 1989. Members contribute 5 percent of their annual salary. The state of Indiana contribution rate is a percentage that is the sum of: 1) the state's employer contribution rate for state employees, and 2) the rate the state pays on behalf of state employees to their Annuity Savings Accounts. This rate, by statute, cannot exceed the total contribution rate paid that year by the state to PERF for state employees.

² Has terminated service as a member of the Indiana General Assembly and is not receiving nor is entitled to receive a salary from the state.

³ Early Retirement Benefit Formula:

Step 1: 780 months (65 years) – age at retirement in full months = [x].

Step 2: If [x] is equal to or less than 60, then multiply [x] by 0.1 percent to obtain a product [y]. If [x] is greater than 60, then multiply 0.4167 percent by the difference between 60 and the remainder [x]. Then take this product and add 6 percent to obtain a sum [y].

Step 3: Then subtract [y] from 100 percent to determine the percentage of age 65 retirement benefit received.

⁴ Has terminated service as a member of the Indiana General Assembly, is not receiving nor is entitled to receive a salary from the state, and is not receiving and has not previously received a reduced monthly benefit under this plan.

BENEFIT FORMULA

Lesser of:

- \$40 x Years of service before November 8, 1989 or
- Highest consecutive three-year average annual salary at termination ÷ 12

Legislators elected or appointed after April 30, 1989 participate in the Legislators' Defined Contribution Plan.

Cost of Living Allowance

Cost of living allowance is applied at the same rate as was passed by the Indiana General Assembly for the PERF Plan.

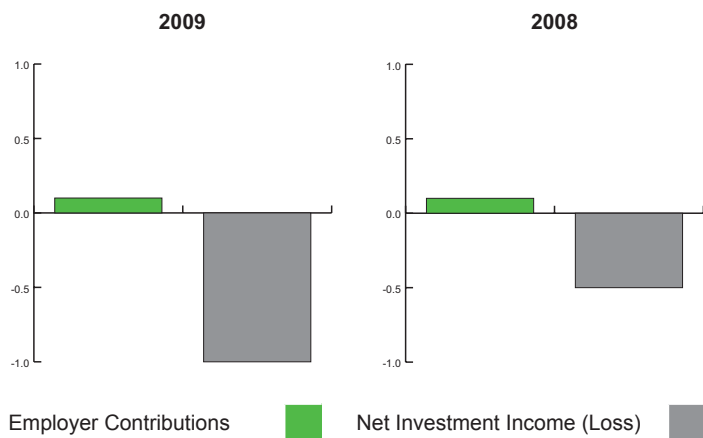
Contribution Rates

Employer contributions are adopted by the PERF Board of Trustees based on recommendations of PERF's actuary.

2009 Comprehensive Annual Financial Report

Fund Highlights: Legislators' Retirement System — Defined Benefit Plan (continued)

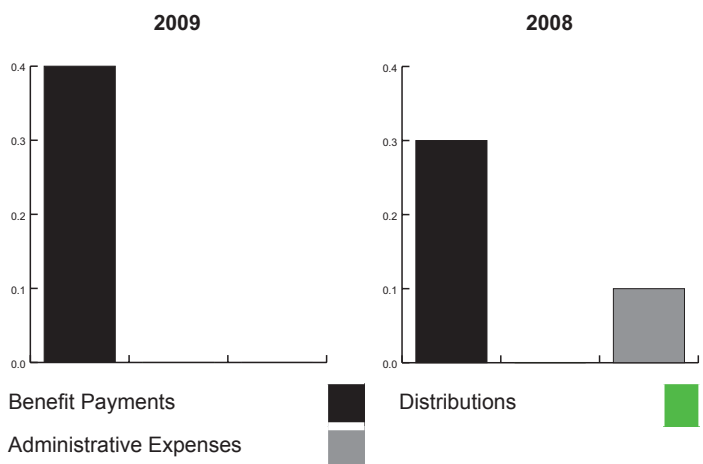
Additions by Source
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|------------------------------|-----------------|-----------------|
| Additions by Source | | |
| Employer Contributions | \$ 0.1 | \$ 0.1 |
| Net Investment Income (Loss) | (1.0) | (0.5) |
| Totals | \$ (0.9) | \$ (0.4) |

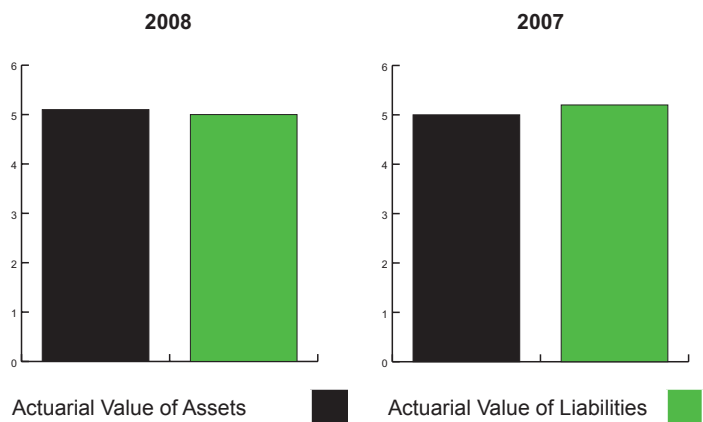
Deductions by Type
For Fiscal Year Ended June 30 (in millions)



For fiscal year ended June 30
(in millions)

| | 2009 | 2008 |
|---------------------------|---------------|---------------|
| Deductions by Type | | |
| Benefit Payments | \$ 0.4 | \$ 0.3 |
| Distributions | - | - |
| Administrative Expenses | - | 0.1 |
| Totals | \$ 0.4 | \$ 0.4 |

Funding Progress
Actuarial Study as of July 1 (in millions)



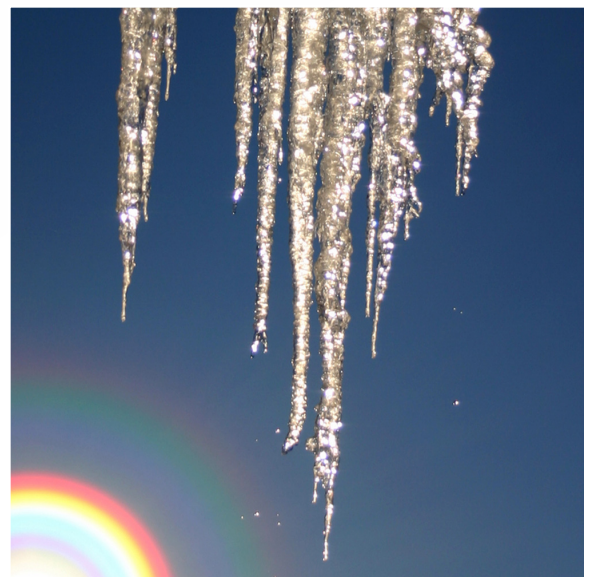
Actuarial Study as of July 1
(in millions)

| | 2008 | 2007 |
|--------------------------------|---------------|--------------|
| Funding Progress | | |
| Actuarial Value of Assets | \$ 5.1 | \$ 5.0 |
| Actuarial Value of Liabilities | 5.0 | 5.2 |
| Funding Ratios | 101.6% | 97.4% |

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Financial Section

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Independent Auditors' Report



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF PUBLIC EMPLOYEES' RETIREMENT FUND BOARD OF TRUSTEES

We have audited the accompanying financial statements of the Public Employees' Retirement Fund Board of Trustees (PERF), as of and for the year ended June 30, 2009. These basic financial statements are the responsibility of the Public Employees' Retirement Fund Board of Trustees' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic 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 basic financial statements referred to above present fairly, in all material respects, the plan net assets of the fiduciary funds of the Public Employees' Retirement Fund Board of Trustees as of June 30, 2009, and the changes in the plan net assets of the fiduciary funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Schedule of Funding Progress, Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Administrative Expenses, Investment Expenses, Contractual and Professional Service Expenses, Investment Section, Actuarial Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Administrative Expenses, Investment Expenses, and Contractual and Professional Service Expenses 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 Section, Investment Section, Actuarial Section, and Statistical Section 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.

State Board of Accounts
STATE BOARD OF ACCOUNTS

September 30, 2009

Public Employees' Retirement Fund



Management's Discussion and Analysis

This section presents Management's Discussion and Analysis (MD&A) of the Public Employees' Retirement Fund of Indiana (PERF) financial statements for the year ended June 30, 2009. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the *PERF Comprehensive Annual Financial Report*. This section should be read in conjunction with the Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information.

The following retirement plans are included in the PERF financial statements: Public Employees' Retirement Fund (PERF plan); 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund); Judges' Retirement System (JRS); State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C plan); Prosecuting Attorneys' Retirement Fund (PARF); Legislators' Defined Contribution Plan (LDC plan) and Legislators' Defined Benefit Plan (LDB plan). Also included in the financial statements are non-retirement funds managed by PERF: the Public Safety Officers' Special Death Benefit Fund (PSO Special Death Benefit Fund); the State Employees' Death Benefit Fund (SE Death Benefit Fund) and the Pension Relief Fund (PR Fund). See Notes to the Financial Statements for descriptions of these retirement plans and non-retirement funds.

Financial Highlights

- Total net assets of PERF were \$12.4 billion as of June 30, 2009. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were \$12.3 billion as of June 30, 2009.
- Total net assets of PERF decreased by \$3.3 billion, or 21.1 percent, from the prior year. The decrease was due primarily to negative investment returns.
- Net assets of the PR Fund, which are held in trust for pool participants, were \$105.4 million as of June 30, 2009, compared to \$172.4 million as of June 30, 2008. PR Fund distributions are mandated by state law and continue to outpace revenues.
- Substantially all of the investments for the retirement plans and funds administered by PERF are pooled in the Consolidated Retirement Investment Fund (CRIF). The CRIF rate of return on investments for the year declined 20.6 percent (gross of fees) on a market value basis, compared to last year's decline of 7.9 percent. The decline was due primarily to negative returns in the public equity segment.
- As of July 1, 2008, the date of the most recent actuarial valuation, the Public Employees' Retirement Fund, the largest pension plan administered by PERF, is funded actuarially at 97.5 percent. This represents a decrease from the 98.2 percent funded level as of July 1, 2007. Employer contributions are adjusted annually based on actuarial computations to fund the plan.

Overview of the Financial Statements

The Statement of Fiduciary Net Assets presents information on PERF's assets and liabilities and the resulting net assets held in trust for pension benefits, employee death benefits and pool participants. This statement reflects PERF's investments at fair value, along with cash and short-term investments, receivables, and other assets and liabilities. This statement indicates the resources available to pay future pension and death benefits and gives a snapshot at a particular point in time.

2009 Comprehensive Annual Financial Report

Management's Discussion and Analysis (continued)

The Statement of Changes in Fiduciary Net Assets presents information showing how PERF's net assets held in trust for pension benefits, death benefits and pool participants changed during the years ended June 30, 2008 and June 30, 2009. It reflects contributions by members and employers along with deductions for retirement benefits, distributions, PR Fund distributions and withdrawals, and administrative expenses. Investment income and losses during the period are also presented, showing income and/or losses from investing and securities lending activities.

Financial Analysis

Total assets of PERF were \$16.6 billion as of June 30, 2009, compared to \$18.9 billion as of June 30, 2008. The decrease in total assets was due primarily to negative investment returns.

Total liabilities were \$4.1 billion as of June 30, 2009, compared to \$3.2 billion as of June 30, 2008. The increase was due to increases in investment related transactions not yet settled and an increase in securities lending activity at year end.

A summary of PERF's net assets is presented below:

Net Assets (dollars in thousands)

| | June 30, 2009 | June 30, 2008 | % Change |
|----------------------------------|----------------------|----------------------|----------------|
| Assets | | | |
| Cash and Cash Equivalents | \$ 1,197,416 | \$ 747,349 | 60.2 % |
| Securities Lending Collateral | 2,367,249 | 2,036,840 | 16.2 |
| Receivables and Prepays | 1,384,453 | 959,110 | 44.3 |
| Investments | 11,597,110 | 15,145,752 | (23.4) |
| Capital Assets (Net) | 6,306 | 2,926 | 115.5 |
| Total Assets | \$ 16,552,534 | \$ 18,891,977 | (12.4)% |
| Liabilities | | | |
| Securities Lending Collateral | \$ 2,367,249 | \$ 2,036,840 | 16.2 % |
| Other Current Liabilities | 1,762,510 | 1,117,814 | 57.7 |
| Long-Term Liabilities | 243 | 244 | (.4) |
| Total Liabilities | \$ 4,130,002 | \$ 3,154,898 | 30.9 % |
| Total Net Assets | \$ 12,422,533 | \$ 15,737,079 | (21.1)% |

Public Employees' Retirement Fund



Management's Discussion and Analysis (continued)

A summary of net assets by fund compared to the prior year is as follows:

Summary of Net Assets by Fund (dollars in thousands)

| | June 30, 2009 | June 30, 2008 | % Change |
|--|----------------------|----------------------|----------------|
| Public Employees' Retirement Fund | \$ 9,442,336 | \$ 12,073,470 | (21.8)% |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2,591,674 | 3,148,396 | (17.7) |
| Judges' Retirement System | 179,428 | 219,426 | (18.2) |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 51,404 | 61,076 | (15.8) |
| Prosecuting Attorneys' Retirement Fund | 19,696 | 24,613 | (20.0) |
| Legislators' Defined Contribution Plan | 19,778 | 24,298 | (18.6) |
| Legislators' Defined Benefit Plan | 3,368 | 4,674 | (27.9) |
| Public Safety Officers' Special Death Benefit Fund | 2,842 | 2,459 | 15.6 |
| State Employees' Death Benefit Fund | 6,566 | 6,251 | 5.0 |
| Pension Relief Fund | 105,441 | 172,416 | (38.8) |
| Total | \$ 12,422,533 | \$ 15,737,079 | (21.1)% |

Substantially all of the investments for the retirement plans and funds administered by PERF are pooled in the CRIF. The investments of the non-retirement funds administered by PERF are not included in the CRIF. The following table presents PERF's investment allocation in the CRIF compared to PERF's target investment allocation and the prior year allocation. The PERF Board of Trustees approved a change to the long-term target asset allocation on October 17, 2008. This will cause some allocations to be outside their target ranges as the portfolio is rebalanced to the new long-term target asset allocation.

| | June 30, 2009 Actual | June 30, 2009 Target | Allowable Range ¹ | June 30, 2008 Actual |
|-------------------------|-------------------------|-------------------------|---------------------------------|-------------------------|
| Domestic Equity | 27.0% | 15% | 10 to 20% | 39.3 % |
| International Equity | 15.1 | 15 | 10 to 20 | 18.2 |
| Fixed Income | 24.6 | 20 | 15 to 25 | 17.6 |
| Global Equity | 8.4 | 10 | 5 to 15 | 9.8 |
| TIPS | 7.3 | 10 | 5 to 15 | 6.6 |
| Alternative Investments | 16.5 | 30 | 25 to 35 | 7.3 |
| Cash | 1.1 | - | - | 1.2 |
| Total | 100% | 100% | | 100% |

¹See Notes to the Financial Statements, Note 6 for additional information.

2009 Comprehensive Annual Financial Report

Management's Discussion and Analysis (continued)

A summary of changes in net assets compared to the prior year is as follows:

Changes in Net Assets (dollars in thousands)

| | June 30, 2009 | June 30, 2008 | % Change |
|--|-----------------------|-----------------------|-----------------|
| Additions | | | |
| Member Contributions | \$ 204,391 | \$ 198,132 | 3.2 % |
| Employer Contributions | 479,578 | 454,474 | 5.5 |
| Contributions to PR Fund: | | | |
| From the state of Indiana | 109,533 | 61,521 | 78.0 |
| Other Contributions from the state | 539 | 517 | 4.3 |
| Net Investment Income / (Loss) | (3,256,830) | (1,371,497) | (137.5) |
| Transfers from Teachers' Retirement Fund (TRF) | 3,402 | 6,419 | (47.0) |
| Other | 166 | 405 | (59.0) |
| Total Additions | \$ (2,459,221) | \$ (650,029) | (278.3)% |
| Deductions | | | |
| Benefits | 612,083 | \$ 575,030 | 6.4% |
| Distributions | 40,742 | 49,977 | (18.5) |
| Transfers to Teachers' Retirement Fund (TRF) | 5,137 | 6,847 | (25.0) |
| Pension Relief Distributions | 167,279 | 134,948 | 24.0 |
| Local Unit Withdrawals ¹ | 4,020 | 2,422 | 66.0 |
| Administrative Expenses | 26,064 | 24,963 | 4.4 |
| Total Deductions | \$ 855,325 | \$ 794,187 | 7.7 % |
| Increase (Decrease) in Net Assets | \$ (3,314,546) | \$ (1,444,216) | (129.5)% |
| Change in Net Assets Held In Trust For: | | | |
| Pension Benefits | \$ (3,248,269) | \$ (1,370,606) | (137.0)% |
| Future Death Benefits ¹ | 698 | 681 | 2.5 |
| State and Local Units ² | (66,975) | (74,291) | (9.8) |

¹Other Employee Benefit Trust Funds.

²Pension Relief Fund only.

Additions

Additions needed to fund benefits for the pension trust funds are accumulated through member and employer contributions, and net returns on invested funds. Member contributions for the year ended June 30, 2009, totaled \$204.4 million. This represents an increase of \$6.2 million or 3.2 percent, compared to the prior year. Employer contributions were \$479.6 million, an increase of \$25.1 million or 5.5 percent. Employer contributions are adjusted annually based on actuarial computations to fund the plan.

PERF recognized a net investment loss of \$3.3 billion for the year ended June 30, 2009, compared to a net investment loss of \$1.4 billion the prior year. The total rate of return on the CRIF was negative 21.0 percent (net of fees) compared to a 7.9 percent loss the prior year.

Public Employees' Retirement Fund



Management's Discussion and Analysis (continued)

Indiana law effective for the fiscal year ended June 30, 2002, permitted cities and towns to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to those cities and towns at their request. There were no deferrals during the year ended June 30, 2009. The state of Indiana makes contributions to the PR Fund by way of appropriations, certain tax receipts and lottery funds. These contributions totaled \$109.5 million for the fiscal year ended June 30, 2009, and \$61.5 million for the fiscal year ended June 30, 2008.

Deductions

The deductions from PERF's net assets held in trust for pension benefits include retirement, disability and survivor benefits, distributions of contributions and interest/earnings or losses to former members, and administrative expenses. For the year ended June 30, 2009, benefits amounted to \$612.1 million, an increase of \$37.1 million or 6.4 percent from the prior year. The increase in benefits was due primarily to an increase in the number of retirees from 63,081 at June 30, 2008 to 65,455 at June 30, 2009. Distributions paid out to former members were \$40.7 million, which represents a decrease of \$9.2 million or 18.5 percent from the prior year. The decrease is primarily due to \$1.8 million in minimum balance distributions that were processed in fiscal year 2008, as well as the impact of the market value decline on annuity savings account balances.

The cost of administering PERF's retirement plans and non-retirement funds, excluding investment manager expenses, amounted to \$26.1 million, an increase of \$1.1 million or 4.4 percent, compared to the prior year. The increase was due primarily to support costs for modernization projects which were launched in order to expand customer service and create operating efficiencies.

Historical Trends

A pension fund is fully funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the defined benefit pension plans administered by PERF as of the latest actuarial valuations were as follows:

| | <u>July 1, 2008</u> | <u>July 1, 2007</u> |
|---------------|------------------------|------------------------|
| PERF | 97.5% | 98.2% |
| JRS | 69.3 | 74.6 |
| E, G & C plan | 84.7 | 77.1 |
| PARF | 69.2 | 74.3 |
| LDB plan | 101.6 | 97.4 |
| | <u>January 1, 2008</u> | <u>January 1, 2007</u> |
| 1977 Fund | 113.6% | 108.0% |

An analysis of the funding progress, employer contributions and a discussion of actuarial assumptions and methods is set forth in Note 5 and in the Required Supplementary Information of the Financial Section.

Public Employees' Retirement Fund



Statement of Fiduciary Net Assets

As of June 30, 2009 (with Comparative Totals as of June 30, 2008)*

| | Pension Trust Funds | | | | |
|--|-----------------------------------|---|---------------------------|--|--|
| | Public Employees' Retirement Fund | 1977 Police Officers' and Firefighters' Pension and Disability Fund | Judges' Retirement System | State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | Prosecuting Attorneys' Retirement Fund |
| <i>(dollars in thousands)</i> | | | | | |
| Assets | | | | | |
| Cash and Cash Equivalents | \$ 874,391 | \$ 282,017 | \$ 20,262 | \$ 5,047 | \$ 1,900 |
| Securities Lending Collateral | 1,795,972 | 515,274 | 35,490 | 10,279 | 3,960 |
| Receivables | | | | | |
| Contributions | 99,402 | 40,058 | 101 | 292 | 58 |
| Investment Income | 34,426 | 9,873 | 680 | 197 | 76 |
| Due From Other Funds | 19,518 | 95 | 43 | 5 | - |
| Investment and Contract Sales | 893,879 | 256,459 | 17,664 | 5,116 | 1,971 |
| Member Loans | - | - | - | - | - |
| Miscellaneous Receivable | 446 | 221 | - | - | - |
| Due From Teachers' Retirement Fund | 1,633 | - | - | - | - |
| Total Receivables | 1,049,304 | 306,706 | 18,488 | 5,610 | 2,105 |
| Prepaid Expenses | 29 | - | - | - | - |
| Investments | | | | | |
| Debt Securities | 2,872,422 | 824,112 | 56,761 | 16,440 | 6,334 |
| Equity Securities | 3,230,548 | 926,860 | 63,838 | 18,490 | 7,123 |
| Mutual Funds and Collective Trust Funds | 1,673,823 | 379,363 | 26,129 | 7,568 | 2,916 |
| Other | 1,033,821 | 296,593 | 20,428 | 5,917 | 2,279 |
| Total Investments | 8,810,615 | 2,426,929 | 167,157 | 48,414 | 18,652 |
| Capital Assets | | | | | |
| Land | 547 | - | - | - | - |
| Building | 2,893 | - | - | - | - |
| Computer Software & Equipment | 3,629 | - | - | - | - |
| Accumulated Depreciation | (763) | - | - | - | - |
| Total Capital Assets | 6,306 | - | - | - | - |
| Total Assets | 12,536,617 | 3,530,925 | 241,397 | 69,350 | 26,617 |
| Liabilities | | | | | |
| Accounts Payable | 15,783 | 15 | 1 | 1 | 2 |
| Salaries and Benefits Payable | 771 | - | - | - | - |
| Investments Payable | 1,280,756 | 367,454 | 25,309 | 7,330 | 2,824 |
| Due to Teachers' Retirement Fund | 618 | - | - | - | - |
| Deferred Revenue | - | 40,000 | - | - | - |
| Securities Lending Collateral | 1,795,972 | 515,274 | 35,490 | 10,279 | 3,960 |
| Due to Other Funds | 138 | 16,509 | 1,169 | 336 | 135 |
| Total Current Liabilities | 3,094,038 | 939,252 | 61,969 | 17,946 | 6,921 |
| Compensated Absences Liability-Long Term | 243 | - | - | - | - |
| Total Liabilities | 3,094,281 | 939,252 | 61,969 | 17,946 | 6,921 |
| Net Assets Held in Trust for: | | | | | |
| Pension Benefits | 9,442,336 | 2,591,674 | 179,428 | 51,404 | 19,696 |
| Future Death Benefits | - | - | - | - | - |
| State and Local Units | - | - | - | - | - |
| Total Net Assets Held in Trust | \$ 9,442,336 | \$ 2,591,674 | \$ 179,428 | \$ 51,404 | \$ 19,696 |

2009 Comprehensive Annual Financial Report

| Legislators' Retirement System | | State Employees' Death Benefit Fund | | Public Safety Officers' Special Death Benefit Fund | | Investment Trust Fund Pension Relief Fund | | 2009 Totals | 2008 Totals |
|--------------------------------|----------------------|-------------------------------------|-----------------|--|----------------------|---|--|-------------|-------------|
| Defined Contribution Plan | Defined Benefit Plan | | | | | | | | |
| \$ 5,182 | \$ 328 | \$ 426 | \$ 194 | \$ 7,669 | \$ 1,197,416 | \$ 747,349 | | | |
| 1,759 | 680 | 2,678 | 1,157 | - | 2,367,249 | 2,036,840 | | | |
| 31 | - | - | - | - | 139,942 | 138,587 | | | |
| 35 | 13 | 66 | 28 | 2 | 45,396 | 44,421 | | | |
| - | 1 | - | - | - | 19,662 | 19,454 | | | |
| 875 | 339 | 22 | 11 | - | 1,176,336 | 755,281 | | | |
| 773 | - | - | - | - | 773 | 779 | | | |
| 15 | - | - | - | - | 682 | - | | | |
| - | - | - | - | - | 1,633 | 588 | | | |
| 1,729 | 353 | 88 | 39 | 2 | 1,384,424 | 959,110 | | | |
| - | - | - | - | - | 29 | - | | | |
| 2,813 | 1,088 | 6,133 | 2,787 | - | 3,788,890 | 3,520,868 | | | |
| 3,164 | 1,224 | - | - | - | 4,251,248 | 7,246,835 | | | |
| 7,290 | 501 | - | - | 98,933 | 2,196,523 | 3,375,763 | | | |
| 1,012 | 392 | - | - | 6 | 1,360,449 | 1,002,286 | | | |
| 14,279 | 3,205 | 6,133 | 2,787 | 98,939 | 11,597,110 | 15,145,752 | | | |
| - | - | - | - | - | 547 | 547 | | | |
| - | - | - | - | - | 2,893 | 2,893 | | | |
| - | - | - | - | - | 3,629 | 87 | | | |
| - | - | - | - | - | (763) | (601) | | | |
| - | - | - | - | - | 6,306 | 2,926 | | | |
| 22,950 | 4,567 | 9,325 | 4,177 | 106,610 | 16,552,534 | 18,891,977 | | | |
| 8 | 1 | 5 | 152 | 10 | 15,978 | 12,151 | | | |
| - | - | - | - | - | 771 | 703 | | | |
| 1,277 | 485 | 35 | 10 | - | 1,685,480 | 1,082,596 | | | |
| - | - | - | - | - | 618 | 2,910 | | | |
| - | - | - | - | - | 40,000 | - | | | |
| 1,759 | 680 | 2,678 | 1,157 | - | 2,367,249 | 2,036,840 | | | |
| 127 | 32 | 41 | 16 | 1,159 | 19,662 | 19,454 | | | |
| 3,171 | 1,198 | 2,759 | 1,335 | 1,169 | 4,129,758 | 3,154,654 | | | |
| - | - | - | - | - | 243 | 244 | | | |
| 3,171 | 1,198 | 2,759 | 1,335 | 1,169 | 4,130,002 | 3,154,898 | | | |
| 19,778 | 3,368 | - | - | - | 12,307,684 | 15,555,953 | | | |
| - | - | 6,566 | 2,842 | - | 9,408 | 8,710 | | | |
| - | - | - | - | 105,441 | 105,441 | 172,416 | | | |
| \$ 19,778 | \$ 3,368 | \$ 6,566 | \$ 2,842 | \$ 105,441 | \$ 12,422,533 | \$ 15,737,079 | | | |

Public Employees' Retirement Fund



Statement of Changes in Fiduciary Net Assets

For the year ended June 30, 2009 (with Comparative Totals for the year ended June 30, 2008)*

| | Pension Trust Funds | | | | |
|--|-----------------------------------|---|---------------------------|--|--|
| | Public Employees' Retirement Fund | 1977 Police Officers' and Firefighters' Pension and Disability Fund | Judges' Retirement System | State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | Prosecuting Attorneys' Retirement Fund |
| (dollars in thousands) | | | | | |
| Additions | | | | | |
| Contributions: | | | | | |
| Members | \$ 160,034 | \$ 38,520 | \$ 2,196 | \$ 1,025 | \$ 1,274 |
| Employers | 323,151 | 130,002 | 20,861 | 5,294 | 170 |
| Other Contributions from State of Indiana: | | | | | |
| Cigarette Tax | - | - | - | - | - |
| Alcohol Tax | - | - | - | - | - |
| Bail Bond and Private University Fees | - | - | - | - | - |
| Pension Relief State Appropriation | - | - | - | - | - |
| Lottery Proceeds | - | - | - | - | - |
| Total Contributions | 483,185 | 168,522 | 23,057 | 6,319 | 1,444 |
| Investment Income | | | | | |
| Investment Income (Loss) | (2,483,844) | (653,722) | (47,559) | (12,774) | (5,185) |
| Securities Lending Income | 27,094 | 7,539 | 535 | 148 | 59 |
| Less Investment Expenses: | | | | | |
| Securities Lending Expenses | (12,790) | (3,538) | (252) | (69) | (27) |
| Other Investment Expenses | (48,415) | (12,960) | (918) | (256) | (101) |
| Net Investment Income (Loss) | (2,517,955) | (662,681) | (48,194) | (12,951) | (5,254) |
| Other Additions | | | | | |
| Intergovernmental Transfers - Other Retirement Funds | 3,115 | 131 | 151 | 5 | - |
| Miscellaneous Income | 32 | 115 | - | - | - |
| Total Other Additions | 3,147 | 246 | 151 | 5 | - |
| Total Additions | (2,031,623) | (493,913) | (24,986) | (6,627) | (3,810) |
| Deductions | | | | | |
| Pension and Disability Benefits | 536,783 | 55,560 | 14,649 | 2,915 | 1,007 |
| Death Benefits | - | 306 | - | - | - |
| Distribution of Contributions and Interest | 36,099 | 3,172 | 55 | 36 | 55 |
| Intergovernmental Transfers - Other Retirement Funds | 5,132 | 5 | - | - | - |
| Pension Relief Distributions | - | - | - | - | - |
| Local Unit Withdrawals | - | - | - | - | - |
| Administrative Expenses | 21,497 | 3,766 | 308 | 94 | 45 |
| Total Deductions | 599,511 | 62,809 | 15,012 | 3,045 | 1,107 |
| Net Increase (Decrease) | (2,631,134) | (556,722) | (39,998) | (9,672) | (4,917) |
| Beginning Net Assets Held in Trust for: | | | | | |
| Pension Benefits | 12,073,470 | 3,148,396 | 219,426 | 61,076 | 24,613 |
| Future Death Benefits | - | - | - | - | - |
| State and Local Units | - | - | - | - | - |
| Ending Net Assets Held in Trust | \$ 9,442,336 | \$ 2,591,674 | \$ 179,428 | \$ 51,404 | \$ 19,696 |

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| Legislators' Retirement System | | Other Employee Benefit Trust Funds | | Investment Trust Fund | | 2009 Totals | 2008 Totals |
|-----------------------------------|----------------------------|---------------------------------------|--|--------------------------|-------------|----------------------|----------------------|
| | | State Employees' | Public Safety | Pension | | | |
| Defined Contribution Plan | Defined Benefit Plan | Death Benefit Fund | Officers' Special Death Benefit Fund | Relief Fund | | | |
| \$ 1,342 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 204,391 | \$ 198,132 |
| - | 100 | - | - | - | - | 479,578 | 454,474 |
| - | - | - | - | 27,811 | - | 27,811 | 28,278 |
| - | - | - | - | 3,111 | - | 3,111 | 3,243 |
| - | - | - | 539 | - | - | 539 | 517 |
| - | - | - | - | 48,611 | - | 48,611 | - |
| - | - | - | - | 30,000 | - | 30,000 | 30,000 |
| 1,342 | 100 | - | 539 | 109,533 | - | 794,041 | 714,644 |
| (4,391) | (1,024) | 405 | 158 | (3,860) | - | (3,211,796) | (1,323,363) |
| 29 | 11 | 18 | 10 | - | - | 35,443 | 123,873 |
| (14) | (5) | (7) | (4) | - | - | (16,706) | (104,564) |
| (119) | (19) | (42) | (17) | (924) | - | (63,771) | (67,443) |
| (4,495) | (1,037) | 374 | 147 | (4,784) | - | (3,256,830) | (1,371,497) |
| - | - | - | - | - | - | 3,402 | 6,419 |
| 4 | 15 | - | - | - | - | 166 | 405 |
| 4 | 15 | - | - | - | - | 3,568 | 6,824 |
| (3,149) | (922) | 374 | 686 | 104,749 | - | (2,459,221) | (650,029) |
| - | 363 | - | - | - | - | 611,277 | 574,022 |
| - | - | 50 | 300 | 150 | - | 806 | 1,008 |
| 1,325 | - | - | - | - | - | 40,742 | 49,977 |
| - | - | - | - | - | - | 5,137 | 6,847 |
| - | - | - | - | 167,279 | - | 167,279 | 134,948 |
| - | - | - | - | 4,020 | - | 4,020 | 2,422 |
| 46 | 21 | 9 | 3 | 275 | - | 26,064 | 24,963 |
| 1,371 | 384 | 59 | 303 | 171,724 | - | 855,325 | 794,187 |
| (4,520) | (1,306) | 315 | 383 | (66,975) | - | (3,314,546) | (1,444,216) |
| 24,298 | 4,674 | - | - | - | - | 15,555,953 | 16,926,559 |
| - | - | 6,251 | 2,459 | - | - | 8,710 | 8,029 |
| - | - | - | - | 172,416 | - | 172,416 | 246,707 |
| \$ 19,778 | \$ 3,368 | \$ 6,566 | \$ 2,842 | \$ 105,441 | \$ - | \$ 12,422,533 | \$ 15,737,079 |

Public Employees' Retirement Fund



Notes to the Financial Statements – June 30, 2009

Note 1. Description of Retirement Plans

(A) Public Employees' Retirement Fund

The Public Employees' Retirement Fund of Indiana Plan (PERF Plan) is a defined benefit multiple-employer public employee retirement system that acts as a common investment and administrative agent for units of state and local governments in Indiana. Established by the Indiana Legislature in 1945 and governed through the Public Employees' Retirement Fund of Indiana (PERF) Board of Trustees by Indiana Code (IC) 5-10.2 and IC 5-10.3, this trust fund provides a retirement program for most officers and employees of the state of Indiana who are not eligible for another program.

The PERF Plan also covers many officers and employees of municipalities of the state, including counties, cities, towns, townships and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by the PERF Board of Trustees. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one year of service in both PERF and the Teachers' Retirement Fund (TRF) have the option of choosing from which of these funds they would like to retire.

At June 30, 2009, the number of participating political subdivisions was 1,200. At July 1, 2008, the PERF Plan membership consisted of:

| | |
|--|---------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 62,424 |
| Terminated employees entitled to benefits but not yet receiving them | 15,450 |
| Active employees: vested and non-vested | 140,146 |
| Total | 218,020 |
| Total covered payroll (<i>dollars in thousands</i>) | \$ 4,600,354 |

The PERF Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's Annuity Savings Account. The employer contribution rate is based on an actuarial valuation and is adopted by the PERF Board of Trustees in accordance with IC 5-10.2-2-11. The Annuity Savings Account consists of the member's contributions, set by statute at 3 percent of compensation as defined by IC 5-10.2-3-2, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their annuity savings accounts.

The pension benefit vests after 10 years of creditable service. The vesting period is eight years for certain elected officials. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's Annuity Savings Account instead of receiving the amount as an annuity. The Annuity Savings Account may be withdrawn at any

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Notes to the Financial Statements (continued) – June 30, 2009

time should a member terminate employment prior to being vested. Prior to January 1, 2009 withdrawal of the Annuity Savings Account by a vested member prior to retirement resulted in forfeiture of the related pension benefit. However, effective January 1, 2009, a member who is vested, terminated his or her employment after December 31, 2008, and has not performed any service in a PERF covered position for 90 days may withdraw their Annuity Savings Account and upon becoming eligible for retirement will still be entitled to receive his or her pension. A member who withdrew their annuity and terminated his or her employment prior to January 1, 2009, and/or failed to wait the 90 day period, forfeits his or her pension benefit.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of PERF plan covered employment. The average annual compensation in this calculation is an average of the member's highest 20 calendar quarters' salaries during PERF plan covered employment. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's salary.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of PERF Plan covered employment is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension, ranging from 44 to 94 percent of the pension benefit described above.

The PERF Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse or surviving dependent children. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

As of January 1, 2009, a cost of living adjustment (COLA) was effective for certain participants, survivors and beneficiaries of the PERF Plan who retired or became disabled before January 1, 2008. The COLA amount for members who retired after December 1999 was 2 percent, and the amount for members who retired before January 1, 2000 was 2.5 percent.

(B) 1977 Police Officers' and Firefighters' Pension and Disability Fund

The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) is a defined benefit, multiple-employer,

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

cost-sharing public employee retirement system. It was established in 1977 and is governed by IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

At June 30, 2009, the number of participating employer units totaled 163 (which include 257 police and fire departments). At January 1, 2008, the 1977 Fund membership consisted of:

| | |
|--|-------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 2,548 |
| Terminated employees entitled to benefits but not yet receiving them | 190 |
| Active employees: vested and non-vested | 12,611 |
| Total | 15,349 |
| Total covered payroll (<i>dollars in thousands</i>) | \$ 603,963 |

A member is required by statute to contribute 6 percent of a first-class officer's or firefighter's salary for the term of their employment up to 32 years. The accumulated value of the member's contribution, including interest, may be withdrawn if the member terminates employment prior to completing 20 years of service. The actuary determines employer contributions, subject to approval by PERF Board of Trustees.

A member who retires at or after the age of 52 with 20 years of service is entitled to 50 percent of the salary of a first-class officer, as reported by the employer in the year the 1977 Fund member ended service plus 1 percent of that salary for each six months of active service over 20 years to a maximum of 12 years.

The 1977 Fund also provides disability and survivor benefits. An active member may file an application for disability benefits. A determination is then made as to whether the member has a covered impairment and whether the impairment was incurred in the line of duty or not. The calculation for disability benefits is based on when the member was first hired, the type of impairment and other factors. In addition, the heirs or estate of a fund member may be entitled to receive \$12,000 upon the member's death.

If a member dies while receiving retirement or disability benefits, there are provisions for the surviving spouse and child(ren) to receive a portion of the benefits. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent of the member's monthly benefit during the spouse's lifetime. Each of the member's surviving child(ren) is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18 or age 23 if a full-time student. If there is no eligible surviving spouse or child(ren), a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

There was no cost of living adjustment (COLA) for the year ended June 30, 2009.

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Notes to the Financial Statements (continued) – June 30, 2009

(C) Judges' Retirement System

The Judges' Retirement System is a single employer public employee retirement system and a defined benefit plan established in 1953, and is governed through the PERF Board of Trustees by IC 33-38-6, IC 33-38-7 and IC 33-38-8. Coverage is for any person who has served, is serving or shall serve as a regular judge of the (1) Supreme Court of the state of Indiana, (2) Circuit Court of any Judicial Court, (3) Indiana Tax Court or (4) county courts including: Circuit, Superior, Criminal, Probate, Juvenile, and Municipal Courts. Indiana Code 33-38-8 applies to judges beginning service after August 31, 1985.

The Judges' Retirement System consists of two plans: the 1977 System and the 1985 System. The 1977 System includes all individuals who began service as a judge before September 1, 1985, unless the individual, within ten days after becoming a judge, filed an irrevocable election not to participate in the 1977 System. The 1985 System covers all individuals who: (1) began service as a judge after August 31, 1985 and (2) are not participants in the 1977 System. The 1985 System is mandatory for all new judges.

At July 1, 2008, the Judges' Retirement System membership consisted of:

| | |
|--|------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 276 |
| Terminated employees entitled to benefits but not yet receiving them | 93 |
| Active employees: vested and non-vested | 267 |
| Total | 636 |
| Total covered payroll (dollars in thousands) | \$ 33,729 |

Member contributions are established by statute at 6 percent of total statutory compensation paid by the state of Indiana, deducted from the member's salary and remitted by the Auditor of State. However, no contribution is required and no such amounts shall be paid by the member for more than 22 years of service.

Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state's General Fund. Indiana Code 33-38-6-17 provides that this appropriation include only funds sufficient to cover the aggregate liability of the fund for benefits to the end of the biennium on an actuarially funded basis. The statute also provides for remittance of docket fees and court fees which are considered employer contributions.

The Judges' Retirement System provides retirement, permanent disability and death benefits. Retirement benefits vest after eight years of creditable service. Judges who retire at or after age 65 with eight years of creditable service (or are at least 55 years of age and the participant's age in years plus the participant's years of service is at least 85) are entitled to an annual retirement benefit, payable monthly for life, in an amount calculated in accordance with statute.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the amount the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant's annual retirement benefit. The benefits of the retired judges that were former participants in the 1977 System are increased by the same percentage increase as the active judges' salary.

A reduced amount is paid for early retirements that may be selected upon attainment of age 62. There is no vesting requirement for permanent disability benefits.

Surviving spouses or dependent child(ren) are entitled to benefits if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight years of service and was in service as a judge.

Participants, survivors and beneficiaries of the 1985 System who were receiving a monthly benefit as of December 31, 2008 received a 2 percent cost of living adjustment. Cost of living increases for the 1985 System are determined by statute.

(D) State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

The State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C Plan) was established in 1972 and is governed by IC 5-10-5.5, as amended. The E, G & C Plan is a single employer defined benefit plan for certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer, gaming agent or any gaming control officer who is engaged exclusively in the performance of law enforcement duties.

At July 1, 2008, the E, G & C Plan membership consisted of:

| | |
|--|------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 137 |
| Terminated employees entitled to benefits but not yet receiving them | 20 |
| Active employees: vested and non-vested | 410 |
| Total | 567 |
| Total covered payroll (<i>dollars in thousands</i>) | \$ 21,333 |

Members are required by statute to contribute 4 percent of the member's annual salary to the E, G & C Plan. If a member leaves covered employment or dies before 15 years of creditable service, accumulated member contributions plus interest, as credited by the PERF Board of Trustees, are distributed to the member, designated beneficiary or the member's estate. The state of Indiana, as the employer, is required by statute to contribute the remaining amount necessary to actuarially fund the benefits.

The E, G & C Plan provides retirement, disability and survivor benefits. Generally, retirement benefits vest after 15 years of creditable service. Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, officers who become a participant after reaching 50 years of age are required to retire on the earlier of: (1) the first day of the month following the participant's 65th birthday or (2) the first day of the month following the

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Notes to the Financial Statements (continued) – June 30, 2009

completion of 15 years of service. A participant who is at least 55 years of age and the sum of the participant's years of creditable service and age in years equals at least 85 may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A step-rate benefits formula specified by statute is used to calculate benefits that are payable monthly for life. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with 15 years of creditable service. The retirement benefit is increased 1.67 percent of the participant's average annual salary for each year of service after 10 years.

Participants with one year of creditable service may purchase service credit for prior service in a position covered by any Indiana public retirement fund as defined under IC 5-10-5.5-7.5.

A participant is entitled to receive creditable service for the time the participant receives disability benefits under a state disability plan established under IC 5-10-8-7.

If nominated by the member, the surviving spouse or the parent(s) is entitled to an annual survivors' allowance for life equal to 50 percent of the amount the participant would have been entitled to if he/she had retired. If nominated and eligible, surviving unmarried minor child(ren) are entitled to an annual survivors' allowance equal to 50 percent of the amount the participant would have been entitled to if he/she had retired, divided equally between or among all nominated and eligible children. This benefit will continue until the child reaches 18 years of age or marries.

There is no vesting requirement for entitlement to the E, G & C Plan's permanent and temporary disability benefits. The disability benefit calculation is based on whether the disability arose in the line of duty, the degree of impairment as determined by PERF's medical authority, and the participant's monthly salary.

COLA increases for E, G & C Plan are equal to the increase for the PERF Plan subject to the general assembly providing sufficient funding for the increased cost of benefits.

(E) Prosecuting Attorneys' Retirement Fund

The Prosecuting Attorneys' Retirement Fund (PARF) was established in 1989 and is governed by IC 33-39-7. PARF is a single employer defined benefit plan and is for individuals who serve as a (1) prosecuting attorney, (2) chief deputy prosecuting attorney or (3) certain other deputy prosecuting attorneys paid by the state of Indiana. These individuals' salaries are paid from the General Fund of the state of Indiana.

At July 1, 2008, the PARF membership consisted of:

| | |
|--|------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 26 |
| Terminated employees entitled to benefits but not yet receiving them | 119 |
| Active employees: vested and non-vested | 209 |
| Total | 354 |
| Total covered payroll (dollars in thousands) | \$ 20,617 |

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

Members contribute 6 percent of their salary. They receive annual interest earnings of 5.5 percent in accordance with statute.

PARF provides retirement, disability and survivor benefits. A participant is entitled to a retirement benefit if the participant is at least 65 years of age (62 years for reduced benefits), has at least eight years of service, has ceased service in a PARF covered position and is not receiving, nor is entitled to receive, any salary for services currently performed except for services rendered as a senior prosecuting attorney under IC 33-39-7-15.

The amount of the annual retirement benefit for a participant who is at least 65 years of age is the product of the highest annual salary that was paid to the participant, multiplied by a percentage based on the participant's years of service. The percentages range from 24 percent for eight years of service to 60 percent for 22 or more years of service. If the participant is at least 62 years of age, the participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent for each month that the participant's age at retirement precedes the participant's 65th birthday.

Retirement benefits payable to a participant are reduced by the defined benefit portion of the pension, if any, that would be payable to the participant from the PERF Plan if the participant had retired from the PERF Plan on the date the participant's retirement from PARF occurred. Members of this fund are also participating members of the PERF Plan. The state of Indiana has elected to pay the 3 percent employee contribution for the member's Annuity Savings Account in the PERF plan.

PARF also provides disability and survivor benefits. A participant who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant's years of service. The percentages range from 40 percent for five to 10 years of service to 50 percent for 20 or more years of service.

The surviving spouse of a participant who dies is entitled to benefits if on the date of the participant's death the participant has a PARF benefit, has completed at least eight years in a covered position, or has met the requirements for a disability benefit.

The surviving spouse is entitled to a benefit for life equal to the greater of \$7,000 annually or 50 percent of the retirement benefit the participant was drawing at the time of death, or to which the participant would have been entitled had the participant retired and begun receiving retirement benefits on the date of death, with reductions as necessary for early retirement. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

All disability benefits payable from PARF and benefits payable to a surviving spouse or dependent child(ren) are reduced by the amounts, if any, that would be payable under the PERF plan.

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Notes to the Financial Statements (continued) – June 30, 2009

(F) Legislators' Retirement System

The Legislators' Retirement System was established in 1989 by IC 2-3.5. The retirement system is for certain members of the General Assembly of the state of Indiana as specified by the provisions of the statute.

The Legislators' Retirement System is comprised of two separate and distinct plans. The Legislators' Defined Benefit Plan (LDB Plan) (IC 2-3.5-4), a single employer defined benefit plan, applies to each member of the General Assembly who was serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (LDC Plan) (IC 2-3.5-5) applies to each member of the General Assembly who was serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b), and each member of the General Assembly who is elected or appointed after April 30, 1989.

At July 1, 2008, the Legislators' Retirement System membership consisted of:

| | Defined Benefit Plan | Defined Contribution Plan |
|--|-------------------------|---------------------------------|
| Retirees, disabilitants and beneficiaries receiving benefits | 44 | - |
| Terminated employees entitled to benefits but not yet receiving them | 35 | - |
| Active employees: vested and non-vested | 34 | 213 |
| Total | 113 | 213 |
| Total covered payroll (<i>dollars in thousands</i>) | | \$ 5,464 |

Legislators' Defined Contribution Plan

Each participant in the LDC Plan shall make employee contributions of 5 percent of salary received for services rendered after June 30, 1989. The employer contribution prior to January 1, 2009 was equal to 20 percent of the annual salary received by each participant for services rendered after June 30, 1989 and was appropriated from the state of Indiana general fund. Effective January 1, 2009 the employer contribution rate is established each year by PERF and is confirmed by the State Budget Agency. The contribution rate is a percentage that is the sum of: 1) the state's employer contribution rate for state employees, and 2) the rate the state pays on behalf of state employees to their Annuity Savings Accounts. This rate, by statute, cannot exceed the total contribution rate paid that year by the state to PERF for state employees.

Investments in the members' accounts are individually directed and controlled by plan participants who direct the investment of their account balances among several investment options of varying degrees of risk and return potential. The investment options include the Consolidated Retirement Investment Fund (CRIF), Bond Fund, Money Market Fund, Small Cap Stock Fund, S&P 500 Stock Index Fund and International Equity Index Fund. Members may make changes to their investment directions daily. Investments of the plan are reported at fair value.

A participant of the LDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LDC Plan. The amount available for withdrawal is the fair market value of the participant's account on the payment date. Account balances are fully vested to the participants. The withdrawn amount

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the PERF board, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.

If a participant dies while a member of the General Assembly or after terminating service as a member, but prior to withdrawing from the LDC Plan, the participant's account is to be paid to the beneficiary(ies) or to the survivor(s) if there is no properly designated beneficiary, or if no beneficiary survives the participant. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the payment date.

A member of the LDB Plan, under certain circumstances, may also be a member of the LDC Plan.

Legislators' Defined Benefit Plan

The amount required to actuarially fund participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund in the month of July of each year of the biennium.

The LDB Plan provides retirement, disability and survivor benefits. Members of the General Assembly who began service after April 30, 1989, are not members of this plan.

A participant is entitled to an unreduced monthly retirement benefit if the participant is at least 65 years of age and has at least 10 years as a member of the General Assembly; is at least 55 years of age and whose years of service as a member of the General Assembly plus years of age equal at least 85; or is at least 60 years of age and has at least 15 years of service as a member of the General Assembly. To qualify for a monthly retirement benefit, the member must have terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly and is not receiving, nor is entitled to receive, a salary from the state.

The monthly retirement benefit is the lesser of \$40 multiplied by the total years of service completed by the participant as a member of the General Assembly before November 8, 1989, or the highest consecutive three-year average annual salary of the participant under IC 2-3-1-1 at the date the participant's service as a member of the General Assembly is terminated, divided by 12.

A participant who has reached at least age 55, has terminated service as a member of the General Assembly, has at least 10 years of service as a member of the General Assembly, and is not receiving, nor is entitled to receive, a salary from the state of Indiana is eligible for early retirement with a reduced benefit. The actual reduction is based on the participant's age and ranges from one-tenth of 1 percent to 56 percent of the monthly retirement as calculated above.

The LDB Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. If a participant dies while receiving retirement benefits, or had completed at least 10 years of service as a member of the General Assembly, or was permanently disabled and receiving

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Notes to the Financial Statements (continued) – June 30, 2009

disability benefits from the system, the surviving spouse is entitled to receive survivor benefits. The benefits are for life and are equal to 50 percent of the amount of retirement benefits that the participant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

COLA increases for the LDB plan are equal to the increase for the PERF Plan as determined by statute passed by the Indiana General Assembly on an ad hoc basis and are generally based on date of retirement, and other eligibility factors.

Note 2. Description of Non-Retirement Funds

(A) State Employees' Death Benefit Fund

Indiana Code 5-10-11 established the State Employees' Death Benefit program. Under the program a death benefit of \$50,000 is to be paid to the surviving spouse or, if there is no surviving spouse, to the surviving child(ren) (to be shared equally) of a state of Indiana employee who dies in the line of duty as defined in the statute.

The law provides that "[t]he state shall provide these benefits by purchasing group life insurance or by establishing a program of self-insurance." It was determined that a program of self-insurance would be established, and effective with the state's pay period ended October 23, 1993, the state assessed state agencies 0.1 percent of gross pay to fund this program. Because of the size of the fund and the infrequency of payments, collection of the assessment ceased November 1999.

(B) Public Safety Officers' Special Death Benefit Fund

Indiana Code 5-10-10 established the Special Death Benefit Fund. The fund was established for the purpose of paying a lump sum death benefit of \$150,000 to the surviving spouse or child(ren) of a public safety officer (as defined by IC 5-10-10-4) or other eligible officers (as defined by IC 5-10-10-4.5) who dies in the line of duty. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2, payments under IC 5-10-10-4.5, and investment earnings of the fund.

(C) Pension Relief Fund

The Pension Relief Fund (PR Fund) was created by the Indiana General Assembly in 1977 (IC 5-10.3-11). The purpose of the PR Fund is to give financial relief to pension funds maintained by units of local government for their police officers' and firefighters' retirement plan benefits.

The PR Fund's additions are derived from contributions from the state of Indiana from a portion of cigarette and alcohol taxes, a portion of the state's lottery proceeds, investment income earned and appropriations from the General Assembly.

Distributions are made from the PR Fund to units of local government by June 30 and September 30. Prior to January 1, 2009 the distribution was based on a statutory formula consisting of two separate computations: the "K portion" and the "M portion." The "K portion" is based on the number of retirees and amount of benefits projected to be paid during the current year, and the "M portion" is based on the maximum ad valorem tax levy established for each participating municipality. In

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first-class patrolman or a first-class firefighter.

Effective January 1, 2009 the distribution is determined by an estimate of the total amount of pension, disability and survivors benefits from the 1925 police pension fund, the 1937 firefighters' fund and the 1953 police pension fund. The estimate is prepared on a city by city basis, and on a departmental basis. The distribution is offset by whatever distributions are to be made from the Public Deposit Insurance Fund.

In addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first-class patrolman or a first-class firefighter.

The PR Fund also pays a lump sum line of duty death benefit of \$150,000. The benefit is paid to the surviving spouse or, if there is no surviving spouse, to the surviving child(ren) of a member of the 1977 Fund who dies in the line of duty as defined by IC 36-8-8-20. If there is no surviving spouse or child(ren), the benefit is paid to the parent(s) in equal shares.

Units of local government are permitted to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to the units of local government at their request. As of June 30, 2009, units of local government had investments with a market value of approximately \$7.2 million on deposit in the PR Fund. In the fund's financial statements, the earmarked relief payments are reflected as distributions, and the deferred amounts are reflected as additions from units of local government.

Note 3. Summary of Significant Accounting Policies

Listed below are significant accounting policies adhered to by the PERF Board of Trustees.

(A) Reporting Entity

PERF is an independent body corporate and politic exercising essential government functions. The financial statements presented in this report represent only those funds for which the PERF Board of Trustees has responsibility and are not intended to represent the financial position or results of operations of the state of Indiana or all of the retirement and benefit plans administered by the state. Although PERF is not a state agency, it is a discretely presented component unit of the state of Indiana for financial statement reporting purposes.

The following funds are included in the financial statements:

- Public Employees' Retirement Fund (PERF Plan);
- 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund);
- Judges' Retirement System;
- State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (E, G & C Plan);
- Prosecuting Attorneys' Retirement Fund (PARF);
- Legislators' Defined Contribution Plan (LDC Plan);

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Notes to the Financial Statements (continued) – June 30, 2009

- Legislators' Defined Benefit Plan (LDB Plan);
- State Employees' Death Benefit Fund;
- Public Safety Officers' Special Death Benefit Fund; and
- Pension Relief Fund (PR Fund).

See Notes 1 and 2 for descriptions of these plans.

(B) Basis of Accounting

The financial statements of PERF have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. PERF applies all applicable GASB pronouncements in accounting and reporting for its operations.

The PERF Board of Trustees administers seven pension trust funds, two death benefit funds accounted for as other employee benefit trust funds, and an investment trust fund. These fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The PERF Board of Trustees also has general fund accounts on the Auditor of State's accounting system. These are used to transfer general fund appropriations to certain funds. The accounts themselves are not included in these financial statements, but the appropriations are included as contribution in the funds for which the appropriations were made.

(C) Contributions

Contributions are recognized as revenues when due, pursuant to formal commitments as well as statutory or contractual requirements. Employers are not required to submit the contributions until the month following the end of the quarter. The estimates for contributions receivable at year-end for each of the retirement funds were determined on the basis that best represents that fund's receivable. The different bases include actual third quarter contributions received during the quarter ended June 30, 2009, actual contributions received in July for workdays in June, or a combination of the two.

(D) Benefits and Distributions

Pension benefits are recognized when due and payable. Initial benefits payments are made after processing the retirement applications. Annuity savings accounts distributions (refunds) are recognized when the distribution applications are due and payable.

(E) Administrative Expenses

An annual budget for the administrative expenses of PERF is reviewed and approved by the PERF Board of Trustees. Administrative expenses are paid from plan assets and investment earnings.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

The PERF Plan pays the administrative expenses of all the funds. At June 30, a receivable is established in the PERF Plan and a payable in the other funds for the amount due to the PERF Plan for the other funds' administrative expenses.

(F) Deposits and Investments

At June 30, the Treasurer of State acted as the official custodian of the cash and securities of the funds, except for securities held by banks or trust companies under custodial agreements with PERF. The PERF Board of Trustees contracts with investment counsel, trust companies or banks to assist PERF in its investment program. The PERF Board of Trustees is required to diversify investments in accordance with the prudent investor standards. The investment policy statement adopted by the PERF Board of Trustees and the asset allocation approved by the PERF Board of Trustees contain limits and goals for each type of investment portfolio and specifies prohibited transactions. See Note 6 for more information.

(G) Method Used to Value Investments

GASB Statement Nos. 25 and 50 require that investments of defined benefit plans be reported at fair value. Short-term investments are reported at market value when available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the official closing price at current exchange rates. Fair values of collective trust funds are determined by the fair value per share of the pool's underlying portfolio as provided by the trustee. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Values for limited partnership interests are those estimates most recently provided by the general manager, plus or minus cash flows transacted since the valuation date.

(H) Investment Unit Trust Accounting

In order to provide a consolidated rate of return for the pension funds and effectively invest in a diversified manner, the PERF Board of Trustees has directed that investment unit trust accounting be implemented and that the investments be commingled as allowed by state statutes. Unit trust accounting involves assigning units to each fund based on the share of the fund's investment fair value to the total fair value of the consolidated investments. The custodian bank prepares consolidated bank statements and fund statements that show the unit trust accounting activity. Investment earnings and appreciation increase the per unit value of all participating funds. Deposits and withdrawals for each fund change the number of units held by each fund. These changes are recorded at the unit value on the transaction date. Investment earnings or losses and fees for the total consolidated fund are allocated to each of the pension funds on a monthly basis using the pro rata fair value share at month end.

The CRIF is an internal investment pool as defined by the GASB. It is comprised of investment bank accounts that are maintained individually for each of the contracted investment managers. The CRIF includes all investments and transactions of the pension funds, except for the PERF Plan members' annuity savings accounts directed outside the guaranteed fund and a short-term investment account. The LDC Plan also has investment options other than the CRIF. The non-retirement funds administered by PERF are not included in the CRIF.

In accordance with GASB criteria for internal investment pools, the assets and liabilities of the CRIF are allocated pro rata to each of the retirement funds within the pool. This includes cash equivalents, securities lending collateral, accounts

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Notes to the Financial Statements (continued) – June 30, 2009

receivable and payable to brokers, accrued interest and the investment holdings. The financial statements recognize the investment purchases and sales on the trade date as required by the GASB.

The PERF Plan members' annuity savings accounts directed to the S&P 500 Stock Index Fund are commingled and included with those portfolios maintained for the PR Fund. The unit trust method is used to separately account for the transactions and balances owned by the PERF Plan members' annuity savings accounts and the PR Fund.

(I) Investment and Contract Sales Receivables and Investments Payable

Investment and contract sales receivables and investments payable consists primarily of forward currency contracts, spot currency contracts, and receivables or payables for securities purchased or sold but not settled as of June 30, 2009.

(J) Other Investments

Other investments include warrants, overdrafts and investment in shares of limited liability partnerships.

(K) Building

PERF owns and resides in the building at 143 W. Market Street. The building is depreciated over 20 years using the straight-line method. At June 30, 2009 the accumulated depreciation on the building was approximately \$709,000.

(L) Equipment

Equipment with a cost of \$20,000 or more is capitalized at its original cost and depreciation is recognized in administrative expenses. Depreciation is computed on the straight-line method over the estimated useful life of the assets. Accumulated depreciation as of June 30, 2009, was approximately \$54,000. No new equipment was capitalized during the year.

(M) Intangible Assets

PERF is in the process of implementing new computer systems. Charges incurred for development of internally generated computer software in the amount of \$3.5 million were capitalized as of June 30, 2009. The systems are not yet operational, and no amortization has been calculated as of June 30, 2009.

(N) Inventories

Inventories of consumable supplies are not recognized on the *Statement of Fiduciary Net Assets* since they are considered immaterial. Purchases of consumable supplies are recognized as expenses at the time of purchase.

(O) Reserves and Designations

Listed below are the legally required reserves and other designations of fund equity.

1. Member Reserve – The member reserve represents member contributions made by or on behalf of the members plus any interest earned, less amounts distributed or transferred to the benefits in force reserve for retirement, disability or other benefits. For the PERF Plan, this reserve is the members' annuity savings accounts. Member reserves are fully funded.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

2. Employer Reserve – This reserve consists of the accumulated employer contributions, plus earnings, less transfers made to the benefits in force reserve of the actuarial pension cost. The funding status of the employer reserve is outlined in Note 5 and accompanying Required Supplementary Information.

3. Benefits in Force – This reserve represents the actuarially determined present value of future benefits for all members who are currently retired or disabled and survivors of members who died in service. The accumulated contributions of the members who elect to annuitize their annuity savings accounts and the actuarial pension cost are transferred to the reserve upon retirement or disability. This reserve is fully funded based on the latest actuarial valuation.

4. Undistributed Investment Income Reserve – This reserve is credited with all investment earnings. Interest transfers are made periodically during the year to the other reserves as allowed or required by the individual funds' statutes. The transfers are at rates established by the PERF Board of Trustees, statutes or the actual earning rates of the investment options, depending on the statutes of the individual funds. The budget for the next fiscal year is transferred to the administrative expense designation. Any remaining balance (positive or negative) is transferred to the employer reserve and allocated to the employers of the fund.

(dollars in thousands)

| Retirement Funds | Member Reserve | Employer Reserve | Benefits in Force | Undistributed Income |
|----------------------------------|----------------|------------------|-------------------|----------------------|
| PERF Fund | \$ 2,669,318 | \$ 2,420,587 | \$ 4,227,620 | \$ - |
| 1977 Fund | 571,534 | 1,317,753 | 702,387 | - |
| Judges' Retirement System | 21,649 | (11,209) | 168,988 | - |
| E, G & C Plan | 5,274 | 16,573 | 29,557 | - |
| PARF | 19,240 | (6,573) | 7,029 | - |
| Legislators' Retirement System – | | | | |
| LDC Plan | 19,778 | N/A | N/A | - |
| LDB Plan | N/A | 1,354 | 2,014 | - |

5. Administrative Expense – This designation represents the following fiscal year's administrative budget in the PERF Plan, which initially pays administrative expenses. The budget for the fiscal year ending June 30, 2010 includes total expenditures of approximately \$124.8 million, including investment manager fees.

(P) Compensated Absences

PERF's full-time employees are permitted to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates at the rate of one day per month and sick leave at the rate of one day every two months plus an extra day every four months. Bonus vacation days are awarded upon completion of five, 10 and 20 years of employment with PERF and/or the state of Indiana. Personal leave days are earned at the rate of one day every four months; any personal leave accumulated in excess of three days automatically becomes part of the sick leave balance. Upon separation from service, employees in good standing will be paid for a maximum of 30 unused vacation leave days.

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Notes to the Financial Statements (continued) – June 30, 2009

No liability is reported for unpaid accumulated sick leave. Vacation and personal leave and the salary related payments that are expected to be liquidated are reported as Compensated Absences Liability.

(Q) PERF Annual Pension Cost and Net Pension Obligation

PERF is a discretely presented component unit of the state of Indiana, and PERF employees are combined with the state of Indiana for actuarial purposes.

The Annual Pension Cost and Net Pension Obligations, and the historical trend information for the state of Indiana PERF Plan are as follows:

Annual Pension Cost and Net Pension Obligation (Asset) (dollars in thousands):

| | |
|---|-----------------|
| Annual required contribution | 99,135 |
| Interest on net pension obligation | (3,868) |
| Adjustment to annual required contribution | 4,408 |
| Annual pension cost | 99,675 |
| Contributions made | (106,867) |
| Increase (decrease) in net pension obligation | (7,192) |
| Net pension obligation, beginning of year | (53,349) |
| Net pension obligation, end of year | (60,541) |
| Contribution rate | 6.5% |

Three-Year Trend Information

(dollars in thousands)

| Actuarial Valuation Date | Annual Pension Cost (APC) | % of APC Contributed | Net Pension Obligation |
|--------------------------|---------------------------|----------------------|------------------------|
| July 1, 2008 | 99,675 | 107.2% | (60,541) |
| July 1, 2007 | 97,043 | 92.5% | (53,349) |
| July 1, 2006 | 88,720 | 82.2% | (60,591) |

(R) Transfers to and from Teachers' Retirement Fund

If a member who has service in both TRF and PERF chooses to retire from a PERF Plan, PERF will use the member's TRF service and Annuity Savings Account balance at the time of retirement to calculate the member's retirement benefit. Likewise, if such a member chooses to retire from a TRF covered position, TRF will use the member's PERF service and Annuity Savings Account balance. The respective fund sets up a receivable for both the Annuity Savings Account and the calculated reserve for the pension for those members retiring from their fund with service in the other fund. The receivable is included as a line item in the receivable section of the *Statement of Fiduciary Net Assets*. Likewise, a payable is set up for the amount due to the other fund, in the liabilities section of the *Statement of Fiduciary Net Assets*.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

(S) Adoption of New Accounting Standard

In June 2007, the GASB issued Statement No. 51, Accounting and Financial Reporting for Intangible Assets, as an amendment of GASB Statements No. 34 and No. 42 effective for periods beginning after June 15, 2009. The provisions of Statement No. 51 clarify reporting requirements for intangible assets, particularly in the areas of recognition, initial measurement, and amortization thereby enhancing the comparability of the reporting of such assets. PERF has implemented the provisions of Statement No. 51 for the fiscal year ended June 30, 2009.

Note 4. Contributions Required and Contributions Made

(A) Public Employees' Retirement Fund

The state of Indiana and any political subdivision that elects to participate in the PERF Plan is obligated by statute to make contributions to the plan. The required contributions are determined by the PERF Board of Trustees based on actuarial investigation and valuation. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension portion of the retirement benefit (normal cost) and the amortization of unfunded liabilities.

The actuarial cost method used in the valuation is the entry age normal cost method in accordance with IC 5-10.2-2-9. Under this method as supplied to the PERF Plan, a normal cost is determined for each active participant which is the level percentage of compensation needed as an annual contribution from entry age to retirement age to fund projected benefits.

The unfunded actuarial accrued liability on any valuation date is the accumulated value of such normal costs for each non-retired participant from entry date to the valuation date less the value of assets for non-retired members at that date. This unfunded actuarial liability is compared to the expected unfunded actuarial accrued liability, which is determined as the prior valuation unfunded liability reduced by scheduled amortization payments and increased by interest at the actuarially assumed rate. Any changes between the actual actuarial accrued liability and expected actuarial accrued liability due to changes in benefit levels (excluding COLAs), changes in actuarial assumptions, and actuarial experience gains or losses are amortized over a 30-year period.

The actuary calculates actuarial assets using an asset smoothing method for the determination of the employer actuarially required contribution. Under the smoothing method, actuarial assets are equal to 75 percent of the expected actuarial assets plus 25 percent of the market value of assets. The expected actuarial value of assets is equal to the preceding year's actuarial assets adjusted for non-investment related transactions and increased by interest at the actuarially assumed rate.

The required contribution levels are determined under the assumption that a 1.5 percent COLA will be granted in each future year, applying not only to then current retirees, but also to active members who have yet to retire. The full effect of a 1.5 percent annual COLA is handled on a pre-funded basis.

(B) 1977 Police Officers' and Firefighters' Pension and Disability Fund

The funding policy for the 1977 Fund is mandated by statute that requires quarterly remittances of member and employer contributions based on percentages of locally established estimated salary rates rather than actual payroll. The member

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Notes to the Financial Statements (continued) – June 30, 2009

contribution rate is not actuarially determined but was established by statute at 6 percent of the salary of a first-class officer or firefighter.

The employer contribution rate is actuarially determined using the entry age normal cost method. The total required to actuarially fund normal cost is reduced by the total estimated member contributions. As the 1977 Fund is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. All participating employers are required to contribute 19.5 percent of the salary of a first-class officer or firefighter during the calendar year.

(C) Judges' Retirement System

Employer contribution requirements for the Judges' Retirement System are not actuarially determined but are established by statute (IC 33-38-6-17) and appropriations. There is an appropriation from the state of Indiana General Fund for each biennium to the Judges' Retirement System based on the recommendation of the actuary.

(D) State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

The funding policy for the E,G & C Plan provides for biennial appropriations authorized by the Indiana General Assembly which, when combined with anticipated member contributions, are sufficient to actuarially fund benefits (normal cost), amortize the unfunded accrued liability over 30 years and prevent the state's unfunded accrued liability from increasing. State of Indiana statute defines the funding policy. Effective July 1, 2007, member contributions, defined by statute as 4 percent of annual salary, are remitted to the fund upon each payroll.

The significant actuarial assumptions used to determine contribution requirements include: rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually; projected salary increases of 4.5 percent per year, compounded annually; and assets valued by smoothed market value basis.

(E) Prosecuting Attorneys' Retirement Fund

The amount required to actuarially fund the PARF participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund. Members contribute 6 percent of the state paid portion of their annual salary.

(F) Legislators' Retirement System

For the LDC Plan, each participant is required to contribute 5 percent of annual salary. In addition, the state of Indiana is required to contribute a percentage of the member's annual salary on behalf of the participant as determined by PERF and confirmed by the State Budget Agency each year. Effective January 1, 2009 the rate was established at 9.3 percent. For the LDB Plan, the amount required to actuarially fund participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund.

(G) Other Contribution Information

Beginning with the July 1, 2007 actuarial valuations for the PERF Plan, E,G & C Plan, and PARF, smoothing rules were

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

applied to the employer contribution rate to help reduce wide variations in the employer contribution rates from year to year. Beginning with the January 1, 2007 actuarial valuation for the 1977 Fund, the same smoothing rules were applied.

Note 5. Funded Status and Funding Progress – Pension Plans

The funded status of each plan as of July 1, 2008, the most recent actuarial valuation date except 1977 Fund which is as of January 1, 2008, is as follows:

| Retirement Plans <i>(dollars in thousands)</i> | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL or (Funding Excess) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c) |
|---|--|--|---|-----------------------|----------------------------------|---|
| PERF Plan | \$ 12,780,116 | \$ 13,103,221 | \$ 323,105 | 97.5% | \$ 4,600,354 | 7.0 % |
| 1977 Fund | 3,281,480 | 2,889,295 | (392,185) | 113.6% | 603,963 | (64.9) |
| Judges' Retirement System | 234,881 | 338,749 | 103,868 | 69.3% | 33,729 | 307.9 |
| E,G & C Plan | 65,375 | 77,177 | 11,802 | 84.7% | 21,333 | 55.3 |
| PARF | 26,350 | 38,069 | 11,719 | 69.2% | 20,617 | 56.8 |
| LDB Plan | 5,120 | 5,039 | (81) | 101.6% | N/A | N/A |

Actuarial valuations involve estimates of the value of reported amounts, such as salaries and credited service, and assumptions about the probability of events far into the future, such as employment terminations, deaths, disabilities, and retirements. Because of these estimates and assumptions, actuarially determined amounts are subject to periodic review and potential revision depending on results as compared to actual experience and reasonably anticipated future experience.

If a defined benefit pension plan is being funded based on reasonable actuarial funding methods and reasonable actuarial assumptions, then the actuarial value of plan assets and the actuarial accrued liability for benefits should, over time, approach equality. The required *Schedule of Funding Progress* immediately following the *Notes to the Financial Statements* presents multi-year trend information which should illustrate this trend. However it should be noted that, from year-to-year, plan enhancements and actual plan experience different from that assumed will make year-to-year comparisons variable.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

The calculations upon which an actuarial valuation are determined are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of cost sharing between the employer and the plan members.

Actuarial calculations reflect a long term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the

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Notes to the Financial Statements (continued) – June 30, 2009

employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Additional information as of the latest actuarial valuation follows:

| | PERF Plan | Judges' Retirement System | E, G & C Plan |
|-------------------------------|---|----------------------------------|---|
| Valuation Date | July 1, 2008 | July 1, 2008 | July 1, 2008 |
| Actuarial Cost Method | Entry Age Normal Cost | Pay-as-you-go | Entry Age Normal Cost |
| Amortization Method | Level Dollar, Closed Amortization Period | N/A | Level Dollar, Closed Amortization Period |
| Remaining Amortization Period | 30 Years | N/A | 29 Years |
| Asset Valuation Method | Smoothed Market Value Basis | N/A | Smoothed Market Value Basis |

Actuarial Assumptions:

| | | | |
|---|-------|-----|-------|
| Investment Rate of Return | 7.25% | N/A | 7.25% |
| Projected Salary Increases | 4% | 4% | 4.50% |
| Postretirement Benefit Increases ² | N/A | 4% | N/A |
| Cost of Living Increases | 1.50% | N/A | 1.50% |

| | 1977 Fund | PARF | LDB Plan |
|-------------------------------|---|---|---|
| Valuation Date | January 1, 2008 | July 1, 2008 | July 1, 2008 |
| Actuarial Cost Method | Entry Age Normal Cost | Entry Age Normal Cost | Accrued Benefit (Unit Credit) |
| Amortization Method | Level Dollar, Open Amortization Period | Level Dollar, Closed Amortization Period | Level Dollar, Closed Amortization Period |
| Remaining Amortization Period | 30 Years | 29 Years | 14 Years |
| Asset Valuation Method | Smoothed Market Value Basis | Smoothed Market Value Basis | Smoothed Market Value Basis |

Actuarial Assumptions:

| | | | |
|----------------------------------|-------|-------|-------|
| Investment Rate of Return | 7.25% | 7.25% | 7.25% |
| Projected Salary Increases | 4% | 4% | 3% |
| Postretirement Benefit Increases | N/A | N/A | N/A |
| Cost of Living Increases | 2.75% | N/A | 1.50% |

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

Note 6. Deposits and Investments

Investment Guidelines and Limitations:

The Indiana General Assembly enacted the prudent investor standard to apply to the PERF Board of Trustees and govern all its investments. Under the statute (IC 5-10.3-5-3(a)), the PERF Board of Trustees must “invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.” The PERF Board of Trustees also is required to diversify such investments in accordance with the prudent investor standard.

Within these governing statutes, the PERF Board of Trustees has broad authority to invest the assets of the plans. The PERF Board of Trustees utilizes external investment managers, each with specific mandates to implement the investment program. Depending on the mandate and the contractual agreement with the investment manager, investments may be managed in separate accounts, commingled accounts, mutual funds or other structures acceptable to the PERF Board of Trustees.

The PERF Board of Trustees approved a new asset allocation for the CRIF on October 17, 2008.

| Asset Classes | Target Norm | Allowable Ranges |
|--|--------------------|-------------------------|
| Equities - Domestic | 15% | 10% - 20% |
| Equities - International | 15 | 10 - 20 |
| Equities - Global | 10 | 5 - 15 |
| Fixed Income - Core & Core-Opportunistic | 20 | 15 - 25 |
| Fixed Income - TIPS | 10 | 5 - 15 |
| Alternatives – Private Equity | 10 | 5 - 15 |
| Alternatives – Real Assets | 10 | 5 - 15 |
| Alternatives – Absolute Return | 10 | 5 - 15 |

Investments in the PERF annuity savings accounts and the LDC Plan are directed by the members in each plan and as such the asset allocation will differ from that of the CRIF. The PR Fund is invested to a target of 70 percent Fixed Income – Core and 30 percent Equities – Domestic. The Special Death Benefit Funds are 100 percent fixed income.

The following investment types, unless otherwise approved by the PERF Board of Trustees, are prohibited by the PERF investment policy statement (PERF's IPS) as adopted by the PERF Board of Trustees.

- Short sales of any kind.
- Repurchase agreements that may create any kind of leverage in the portfolio.
- Repurchase agreements as non cash equivalents.
- Purchases of letter or restricted stock.
- Buying or selling on margin.
- Purchases of futures and options.

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Notes to the Financial Statements (continued) – June 30, 2009

- Entrance into swap agreements.
- Purchases of derivative securities which have any of the following characteristics: leverage, indexed principal payment or links to indices representing investments.
- Purchases of interest only or principal only collateralized mortgage obligations.
- Any transaction that would be a “prohibited transaction” under the Internal Revenue Code Section 503.
- Purchases of inverse floaters.

Custodial Credit Risk

Custodial credit risk is the risk that PERF will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counterparty fails. Investment securities are exposed to risk if the securities are uninsured, are not registered in the name of PERF and are held by either the counterparty or the counterparty trust department’s agent, but not in PERF’s name.

There was no custodial credit risk for investments including investments related to securities lending collateral as of June 30, 2009. Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5, securities held for the fund are held by banks under custodial agreements in the fund’s name. While PERF’s Investment Policy Statement does not specify custodial risk, statutes provide certain custodial requirements.

Deposit Risks

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. Deposits held in the two demand deposit accounts are carried at cost and are insured up to \$250,000 each. Deposits in the demand accounts held in excess of \$250,000 are not collateralized. Deposits with the Indiana Treasurer of State are entirely insured. Deposits held with the investment custodian are insured up to \$250,000.

| Cash Deposits (dollars in thousands) | Total | JP Morgan Chase | National City Bank | Bank of New York Mellon |
|---|--------------|------------------------|---------------------------|--------------------------------|
| Demand deposit account – carrying value | \$ 919.1 | \$ 795.5 | \$ 61.9 | \$ 61.7 |
| Demand deposit account – bank balance | 85,070.6 | 77,103.3 | 83.1 | 7,884.2 |
| Held with Treasurer of State | 54,657.9 | - | - | - |
| Held with investment custodian: | | | | |
| Cash | 32,248.8 | - | - | - |

Credit Risk

PERF’s IPS sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and is outlined in each portfolio manager contract. The guidelines and benchmarks are as follows: the Enhanced Index and Core fixed income portfolio (excluding TIPS) must maintain an average credit quality rating of at least A1 (Moody’s) or the equivalent; securities must be rated at least Baa3 (Moody’s) or the equivalent at the time of purchase unless specifically approved by the PERF Board of Trustees. The Core-Opportunistic fixed income portfolio must maintain an average credit quality rating of at least investment grade by Moody’s or the equivalent. The benchmark for the fixed income portfolio is the Barclays Capital Aggregate Bond Index and Barclays Capital Universal Bond Index; and the Treasury Inflation Protection Securities (TIPS)

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

portfolio must substantially match the quality of its benchmark, the Barclays Capital US TIPS Index. The quality rating of investments in debt securities as described by the Nationally Recognized Statistical Rating Organization (NRSRO) Standard and Poor's at June 30, 2009 is as follows:

| Quality Rating <i>(dollars in millions)</i> | Fair Value | % of Portfolio |
|---|-------------------|-----------------------|
| AAA | \$ 2,692.1 | 54.4 % |
| AA | 88.3 | 1.8 |
| A | 347.7 | 7.0 |
| A-1 | 109.8 | 2.2 |
| BBB | 457.4 | 9.3 |
| BB | 79.0 | 1.6 |
| B | 49.5 | 1.0 |
| CCC | 21.3 | 0.4 |
| CC | 5.4 | 0.1 |
| C | 0.7 | 0.0 |
| D | 0.2 | 0.0 |
| Not Rated | 1,097.6 | 22.2 |
| Total | \$ 4,949.0 | 100 % |

The credit risk schedule includes debt securities, short-term money market funds, bond mutual funds and bond commingled funds. Of the total fair value reported, approximately \$2.3 billion (46.2 percent) is AAA rated US Treasury, US Agency or US Agency Mortgage Backed Securities. The remaining balance of approximately \$2.6 billion (53.8 percent) consists of corporate debt, short-term custodial money market funds, commingled or mutual funds, municipal securities, asset-backed, mortgage-backed securities, and emerging markets debt of various credit quality ratings.

The \$1.1 billion not rated by Standard & Poor's is primarily in money market funds, mutual funds or commingled funds.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. PERF's IPS limits the purchase of securities of any one issuer (with the exception of the US Government and its agencies) to an initial cost of 5 percent or two times the benchmark weight of the market value of an investment manager's portfolio, whichever is greater. Through capital appreciation, no such holding should exceed 10 percent of the market value of the total holdings of such investment manager's portfolio, unless the Board approves an exception.

For investment managers contracted to manage concentrated portfolios, exposure to the securities issued by a single issuer (with the exception of the U.S. Government and its agencies) is limited to 7.5 percent or two times the benchmark weight of the market value of the investment manager's portfolio, whichever is greater. Through capital appreciation, no such holdings should exceed 15 percent of the market value of the total holdings of the investment manager's portfolio, unless the Board approves an exception.

At June 30, 2009, there was no concentration of credit risk for the CRIF.

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Notes to the Financial Statements (continued) – June 30, 2009

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. Duration is a measure of interest rate risk. The greater the duration of a bond or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates and vice-versa. Duration is an indicator of a bond price's sensitivity to a 100 basis point change in interest rates.

PERF's IPS sets duration guidelines for the fixed income investment portfolio. The Indexed and Enhanced Index fixed income portfolios must substantially match the duration characteristics of the benchmark index. The Core fixed income portfolio limits the duration of the portfolio to not vary more than 20 percent above or below the duration of the applicable benchmark index. The duration of the Core-Opportunistic portfolio may not vary more than 5 years above or below the duration of the benchmark index.

Duration information is provided below:

| Investment Type (dollars in millions) | Net Asset Fair Value | % of Net Asset Fair Value | Duration |
|---|-----------------------------|----------------------------------|-----------------|
| Short-term Investment Fund | \$ 879.6 | 15.9 % | 0.00 |
| Government & Agency Obligations | 1,285.7 | 23.2 | 4.35 |
| Residential & Commercial Mortgage-Backed Securities | 1,367.1 | 24.7 | 2.52 |
| Corporate Bonds | 1,050.4 | 18.9 | 5.46 |
| Asset-backed | 117.6 | 2.1 | 0.92 |
| Municipal Securities | 21.6 | 0.4 | 7.90 |
| Other ¹ | 822.0 | 14.8 | 1.17 |
| Total Net Asset Fair Value | \$ 5,544.0 | 100 % | 2.89 |

¹ Includes mutual funds, collective trusts, and derivatives

PERF investments are directly, or indirectly, sensitive to changes in the interest rate environment. Some derivative products, identified in the derivatives financial instruments section, are also sensitive to interest rate risk. Debt securities, debt securities mutual funds and commingled funds, and short-term cash and cash-equivalents represent the portions of the portfolio most sensitive to interest rate risk and are included in the duration information.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. PERF's foreign currency exposure is focused primarily in international and global equity holdings. Futures currency contracts are reported in the following schedule at gross exposure value. Forward currency contracts values include both receivables and payables.

PERF's IPS refers to foreign currency guidelines that are linked directly, or indirectly, to the benchmark indices for each sub-asset class or as outlined in each portfolio manager contract. The equity portfolio sub-asset classes have specific guidelines for international equities and global equity investments. Certain sub-asset classes do not allow emerging markets

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

investments while some allow up to 30 percent of market value to be held in emerging markets. PERF has exposure to foreign currency fluctuation as follows:

| Currency <i>(dollars in millions)</i> | Equity Securities | Debt Securities | Contracts, Currencies, or Money Market Securities | Total Fair Value | % of Foreign Currency | % of Total Investments (USD) |
|---|--------------------------|------------------------|--|-------------------------|------------------------------|-------------------------------------|
| Euro | \$ 513.7 | \$ 17.6 | \$ 132.5 | \$ 663.8 | 31.7% | 5.7% |
| Japanese Yen | 313.2 | 0.0 | 88.0 | 401.2 | 19.1 | 3.5 |
| Pound Sterling | 258.8 | 0.3 | 77.3 | 336.5 | 16.0 | 2.9 |
| Australian Dollar | 104.0 | 4.2 | 26.9 | 135.2 | 6.5 | 1.2 |
| Hong Kong Dollar | 112.0 | 0.0 | 5.7 | 117.7 | 5.6 | 1.0 |
| Swiss Franc | 77.0 | 0.0 | 3.2 | 80.1 | 3.8 | 0.7 |
| Other | 230.4 | 37.6 | 94.5 | 362.5 | 17.3 | 3.1 |
| Total | \$ 1,609.1 | \$ 59.7 | \$ 428.1 | \$ 2,097.0 | 100.0% | 18.1% |

Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the PERF Board of Trustees may authorize a custodian bank to enter into a securities lending program agreement under which securities held by the custodian on behalf of PERF may be loaned. The purpose of such a program is to provide additional revenue for PERF.

Statute requires that collateral initially in excess of the total market value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total market value of the loaned securities. The PERF Board of Trustees requires that collateral securities and cash be initially pledged at 102 percent of the market value of the securities lent. No more than 40 percent of CRIF's total assets may be lent at one time. The custodian bank and/or its securities lending subagents provide 100 percent indemnification to the PERF Board of Trustees and the CRIF against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold by the PERF Board of Trustees unless the borrower defaults. PERF retains the market value risk with respect to the investment of the cash collateral. During the reporting period through June 30, 2009, PERF experienced a credit event that negatively impacted the value of the collateral pool. Given PERF's high liquidity profile, this event did not materially impact the liquidity of the securities lending portfolio. PERF will inject capital into the pool during fiscal year 2010 to bring the value of the collateral pool back to 102 percent of the market value of securities lent.

Cash collateral investments are subject to the investment guidelines specified by PERF's IPS. It states that the maximum weighted average days to maturity may not exceed 60. The average term to maturity of the cash collateral portfolio was approximately 17 days at June 30, 2009. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities.

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Notes to the Financial Statements (continued) – June 30, 2009

The fair value of securities lent for cash collateral at June 30, 2009

| Investment Type <i>(dollars in millions)</i> | Loan Value |
|--|-------------------|
| Government Obligation | \$ 903.8 |
| Corporate Bonds | 75.6 |
| Equities | 1,336.8 |
| Total Fair Value | \$ 2,316.2 |

The credit quality of the cash collateral investments as described by Standard and Poor's at June 30, 2009

| Investments Quality Rating <i>(dollars in millions)</i> | Fair Value | Percent of Portfolio |
|---|-------------------|-----------------------------|
| AAA | \$ 83.3 | 3.5% |
| AA | 80.0 | 3.4 |
| A-1 and A-1+ | 2,118.8 | 89.5 |
| A2 | 25.0 | 1.1 |
| Not Rated | 60.1 | 2.5 |
| Total | \$ 2,367.2 | 100% |

The majority of A-1 and A-1+ collateral investments are commercial paper. The majority of the Not Rated collateral investments are money market funds.

At June 30, 2009, PERF had loaned approximately \$36.2 million US Treasury and government agency obligations for securities collateral. The securities collateral value was approximately \$36.9 million which represented 102 percent coverage.

Derivative Financial Instruments

PERF's IPS authorizes the use of derivative instruments as a meaningful component of the strategies within the absolute return and commodities allocations. The fair value of total investments in the absolute return portfolio was \$716 million and the fair value of total investments in the commodities portfolio was \$349 million at June 30, 2009. PERF's directly held investments in derivatives are not leveraged. In the case of an obligation to purchase (long a financial future or a call option), the full value of the obligation is held in cash or cash equivalents. For obligations to sell (short a financial future or buy a put option), the reference security is held in the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the PERF Board of Trustees, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. During the year, PERF's derivative investments included but were not limited to, foreign currency forward contracts, SWAPS, options, and futures.

Foreign currency forward contracts are used to hedge against the currency risk in PERF's foreign equity stock and debt security portfolios. A foreign currency forward contract is an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed-upon price. Fluctuations in the market value of foreign currency forward contracts are marked to market on a daily basis.

Public Employees' Retirement Fund



Notes to the Financial Statements (continued) – June 30, 2009

At June 30, 2009, PERF's investments included the following currency forwards balances (dollars in millions):

| | |
|---------------------------------------|---------|
| Forward Currency Contract Receivables | \$451.8 |
| Forward Currency Contract Payables | \$452.5 |

PERF's investment managers use financial futures to replicate an underlying security or index they intend to hold or sell in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security. Additionally, PERF's investment managers use futures contracts to adjust the portfolio risk exposure. A financial futures contract is an agreement to buy or sell a specific amount at a specified delivery or maturity date for an agreed-upon price. Financial future positions are recorded with a corresponding offset, which results in a carrying value equal to zero. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to, or received from, the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio. Futures contracts may be used for the purpose of investing cash flows or modifying duration but in no event may leverage be created by any individual security or combination of securities. At June 30, 2009, PERF's notional value of directly held futures totaled \$1.4 billion.

Note 7. Long Term Commitments for Alternative Investments

PERF had entered into long term commitments for funding alternative investments in private equity and private real estate of approximately \$2.9 billion as of June 30, 2009. The fund has disbursed approximately \$1.0 billion toward the commitments as of June 30, 2009. The expected investment term of these commitments extend through 2028. These amounts include five Euro-denominated and one Norwegian Kroner-denominated commitments to limited liability partnerships converted to United States dollars at the closing exchange rate as of June 30, 2009.

Note 8. Risk Management

PERF is exposed to various risks of loss. These losses include damage to property owned, personal injury or property damage liabilities incurred by an officer, agent or employee, malfeasance and theft by employees, certain employee health and death benefits, and unemployment and worker's compensation costs for employees.

PERF's policy is generally not to purchase commercial insurance for the risk of losses to which it is exposed. Instead it records as an expense any loss as the liability is incurred or replacement items are purchased. PERF does carry general liability, property, and business interruption insurance, as well as a blanket bond and excess coverage on specific employees. The PERF Board of Trustees administers the state of Indiana's risk financing activity for the state employees' death benefits.

Note 9. Required and Other Supplementary Information

The historical trend information designed to provide information about PERF's progress in accumulating sufficient assets to pay benefits when due is *Required Supplementary Information*. The schedules are included immediately following the *Notes to the Financial Statements*. Other Supplementary Information is presented for the purpose of additional analysis and is not a required part of the Financial Statements.

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Notes to the Financial Statements (continued) – June 30, 2009

Note 10. Subsequent Events

Deferred Revenue

Subsequent to the year end, \$40 million of deferred revenue in the 1977 Fund was changed from allotted funds to appropriated funds by the State Budget Agency.

Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2009.

Public Employees' Retirement Fund

- Liability for a PERF member's unfunded service credit when member retires will be charged against employer account.
- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior PERF retirement fund to purchase service credit.

1977 Police Officers' and Firefighters' Pension and Disability Fund

- A fund member with at least one year of 1977 Fund service credit may purchase up to two years of military service under certain conditions.
- A member of 1977 Fund receiving a disability benefit based upon certain determinations may be entitled to receive the disability benefit for the remainder of the disabled member's life. Upon reaching age 52, the disabled member is entitled to receive a monthly supplemental benefit. Time spent on disability up to 20 years is considered active service for retirement benefit.
- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior 1977 Fund retirement fund to purchase service credit.

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

- An employee beneficiary of a sheriff's retirement plan may transfer certain amounts from a prior E,G&C Plan retirement fund to purchase service credit.

Judges' Retirement System (effective July 1, 2010)

- Full-time magistrates serving after July 1, 2010 are eligible to participate beginning on the later of January 1, 2011 or the date the person begins service as a full-time magistrate. Full-time magistrates serving before July 1, 2010 who make an election pursuant to IC 33-38-8-10.5 are eligible to participate on or after January 1, 2011.
- For participants who apply to receive a retirement benefit prior to January 1, 2010, and for those who separate from service prior to January 1, 2010 and who are eligible for a retirement benefit in the fiscal years beginning after June 30, 2010, participants will receive a cost of living allowance of a percentage increase equal to the increase in the salary of the judges' position from which the judge retired.

Public Employees' Retirement Fund



Required Supplementary Information: Schedule of Funding Progress (dollars in thousands)

| Actuarial Valuation Date | Actuarial Value of Plan Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL or (Funding Excess) (b-a) | Funded Ratio (a/b) | Annual Covered Payroll (c) | Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c) |
|---|------------------------------------|---|--|--------------------|----------------------------|---|
| Public Employees' Retirement Fund | | | | | | |
| 7/1/2003 | \$ 9,293,952 | \$ 9,034,573 | \$ (259,379) | 102.9% | \$ 3,952,230 | (6.6)% |
| 7/1/2004 | 9,853,976 | 9,844,353 | (9,623) | 100.1 | 4,198,942 | (0.2) |
| 7/1/2005 | 10,471,937 | 10,858,322 | 386,385 | 96.4 | 4,318,450 | 8.9 |
| 7/1/2006 | 11,177,971 | 11,450,928 | 272,957 | 97.6 | 4,322,180 | 6.3 |
| 7/1/2007 | 12,220,934 | 12,439,798 | 218,864 | 98.2 | 4,385,676 | 5.0 |
| 7/1/2008 | 12,780,116 | 13,103,221 | 323,105 | 97.5 | 4,600,354 | 7.0 |
| Judges' Retirement System | | | | | | |
| 7/1/2003 | 126,152 | 206,846 | 80,694 | 61.0% | 25,400 | 317.7 % |
| 7/1/2004 | 135,798 | 209,992 | 74,194 | 64.7 | 25,693 | 288.8 |
| 7/1/2005 | 151,003 | 272,855 | 121,852 | 55.3 | 32,231 | 378.1 |
| 7/1/2006 | 178,276 | 272,997 | 94,721 | 65.3 | 34,065 | 278.1 |
| 7/1/2007 | 211,747 | 283,995 | 72,248 | 74.6 | 29,712 | 243.2 |
| 7/1/2008 | 234,881 | 338,749 | 103,868 | 69.3 | 33,729 | 307.9 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | | | | | | |
| 7/1/2003 | 37,286 | 52,006 | 14,720 | 71.7% | 11,944 | 123.2 % |
| 7/1/2004 | 38,772 | 50,010 | 11,238 | 77.5 | 10,209 | 110.1 |
| 7/1/2005 | 41,663 | 59,964 | 18,301 | 69.5 | 13,223 | 138.4 |
| 7/1/2006 | 48,496 | 64,765 | 16,269 | 74.9 | 14,892 | 109.2 |
| 7/1/2007 | 57,414 | 74,451 | 17,037 | 77.1 | 17,715 | 96.2 |
| 7/1/2008 | 65,375 | 77,177 | 11,802 | 84.7 | 21,333 | 55.3 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | | | | | | |
| 1/1/2003 | 1,660,445 | 1,766,846 | 106,401 | 94.0% | 432,954 | 24.6 % |
| 1/1/2004 | 1,797,124 | 1,875,518 | 78,394 | 95.8 | 469,750 | 16.7 |
| 1/1/2005 | 1,976,905 | 2,064,171 | 87,266 | 95.8 | 493,707 | 17.7 |
| 1/1/2006 | 2,347,986 | 2,415,053 | 67,067 | 97.2 | 522,227 | 12.8 |
| 1/1/2007 | 2,860,512 | 2,649,525 | (210,987) | 108.0 | 557,644 | (37.8) |
| 1/1/2008 | 3,281,480 | 2,889,295 | (392,185) | 113.6 | 603,963 | (64.9) |
| Prosecuting Attorneys' Retirement Fund | | | | | | |
| 7/1/2003 | 12,758 | 15,685 | 2,927 | 81.3% | 13,159 | 22.2 % |
| 7/1/2004 | 14,655 | 22,588 | 7,933 | 64.9 | 15,149 | 52.4 |
| 7/1/2005 | 16,876 | 25,744 | 8,868 | 65.6 | 16,659 | 53.2 |
| 7/1/2006 | 20,053 | 29,184 | 9,131 | 68.7 | 19,225 | 47.5 |
| 7/1/2007 | 23,815 | 32,052 | 8,237 | 74.3 | 18,092 | 45.5 |
| 7/1/2008 | 26,350 | 38,069 | 11,719 | 69.2 | 20,617 | 56.8 |
| Legislators' Retirement System - Defined Benefit Plan | | | | | | |
| 7/1/2003 | 4,200 | 4,948 | 748 | 84.9% | N/A ¹ | N/A ¹ |
| 7/1/2004 | 4,206 | 4,856 | 650 | 86.6 | N/A ¹ | N/A ¹ |
| 7/1/2005 | 4,339 | 4,999 | 660 | 86.8 | N/A ¹ | N/A ¹ |
| 7/1/2006 | 4,721 | 5,232 | 511 | 90.2 | N/A ¹ | N/A ¹ |
| 7/1/2007 | 5,035 | 5,169 | 134 | 97.4 | N/A ¹ | N/A ¹ |
| 7/1/2008 | 5,120 | 5,039 | (81) | 101.6 | N/A ¹ | N/A ¹ |

¹ Benefit formula is primarily based on service, rather than compensation.

See Note 5. Funded Status and Funding Progress for the actuarial methods and assumptions used in preparing this schedule.

2009 Comprehensive Annual Financial Report

Required Supplementary Information: Schedule of Employer Contributions (dollars in thousands)

| Public Employees' Retirement Fund | | | Judges' Retirement System | | |
|-----------------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|
| Year Ended June 30 | Annual Required Contributions | Percentage Contributed | Year Ended June 30 | Annual Required Contributions | Percentage Contributed |
| 2004 | \$ 182,674 ¹ | 128.6 ¹ % | 2004 | \$ 10,488 | 123.6% |
| 2005 | 212,658 ¹ | 97.0 ¹ | 2005 | 10,064 | 134.5 |
| 2006 | 248,120 ¹ | 92.9 ¹ | 2006 | 14,932 | 90.7 |
| 2007 | 275,171 ¹ | 92.2 ¹ | 2007 | 12,249 | 119.7 |
| 2008 | 291,397 ¹ | 104.3 ¹ | 2008 | 10,028 | 158.8 |
| 2009 | 316,059 | 102.2 | 2009 | 16,131 | 129.3 |

| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | | | 1977 Police Officers' and Firefighters' Pension and Disability Fund | | |
|--|----------------------------------|---------------------------|--|----------------------------------|---------------------------|
| Year Ended June 30 | Annual Required Contributions | Percentage Contributed | Year Ended December 31 | Annual Required Contributions | Percentage Contributed |
| 2004 | \$ 2,190 | 96.8% | 2003 | \$ 87,253 | 108.9% |
| 2005 | 1,867 | 116.0 | 2004 | 92,833 | 110.8 |
| 2006 | 2,710 | 92.2 | 2005 | 97,286 | 111.8 |
| 2007 | 3,128 | 107.4 | 2006 | 102,964 | 139.0 |
| 2008 | 3,676 | 132.0 | 2007 | 108,741 | 112.7 |
| 2009 | 4,427 | 119.6 | 2008 | 117,773 | 112.6 |

| Prosecuting Attorneys' Retirement Fund | | | Legislators' Retirement System Defined Benefit Plan | | |
|--|----------------------------------|---------------------------|--|----------------------------------|---------------------------|
| Year Ended June 30 | Annual Required Contributions | Percentage Contributed | Year Ended June 30 | Annual Required Contributions | Percentage Contributed |
| 2004 | \$ 144 | 647.9% | 2004 | \$ 95 | 216.8% |
| 2005 | 889 | 108.1 | 2005 | 89 | 231.5 |
| 2006 | 952 | 17.9 | 2006 | 91 | 109.9 |
| 2007 | 1,044 | 18.2 | 2007 | 120 | 83.3 |
| 2008 | 1,040 | 16.3 | 2008 | 66 | 151.5 |
| 2009 | 1,340 | 12.7 | 2009 | 45 | 222.2 |

¹ Prior year data has been restated to reflect the smoothing rules.

See accompanying Note 5 to the Financial Statements.

Public Employees' Retirement Fund



Other Supplementary Information: Administrative Expenses – Year Ended June 30, 2009

(dollars in thousands)

Personnel Services:

| | | |
|---------------------------------|----|---------------|
| Salaries and Wages | \$ | 8,171 |
| Employee Benefits | | 3,216 |
| Supplemental Services | | 673 |
| Total Personnel Services | | 12,060 |

Contractual and Professional Services:

| | | |
|--|--|---------------|
| Actuarial | | 134 |
| Legal | | 699 |
| Consultants | | 1,789 |
| Contractual Services | | 1,352 |
| Information System Development Services | | 6,048 |
| Total Contractual and Professional Services | | 10,022 |

Communications:

| | | |
|-----------------------------|--|--------------|
| Telephone | | 114 |
| Postage | | 689 |
| Printing | | 421 |
| Other | | 17 |
| Total Communications | | 1,241 |

Miscellaneous:

| | | |
|------------------------------|--|--------------|
| Data Processing | | 471 |
| Travel | | 226 |
| Training | | 101 |
| Supplies and Maintenance | | 342 |
| Dues and Subscriptions | | 74 |
| Office Supplies | | 59 |
| Office Equipment | | 457 |
| Operating and Other Expenses | | 1,011 |
| Total Miscellaneous | | 2,741 |

Total Administrative Expenses

\$ 26,064

Allocation of Administrative Expenses:

| | |
|--|--------|
| Public Employees' Retirement Fund | 21,498 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 3,766 |
| Judges' Retirement System | 308 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 93 |
| Prosecuting Attorneys' Retirement Fund | 45 |
| Legislators' Retirement System - Defined Contribution Plan | 46 |
| Legislators' Retirement System - Defined Benefit Plan | 21 |
| State Employees' Death Benefit Fund | 9 |
| Public Safety Officers' Special Death Benefit Fund | 3 |
| Pension Relief Fund | 275 |

Total Administrative Expenses Allocation

\$ 26,064

2009 Comprehensive Annual Financial Report

Other Supplementary Information:

Investment Expenses – Year Ended June 30, 2009

(dollars in thousands)

Investment Expenses

Custodial and Consulting

| | | | |
|-----------------------------------|-----------------------|----|-----|
| J. P. Morgan Investment Mgmt Inc. | Custodial Fees | \$ | 462 |
| Aksia LLC | Investment Consulting | | 450 |
| ORG Portfolio Management LLC | Investment Consulting | | 229 |
| Mercer Investment Consulting | Investment Consulting | | 225 |
| Strategic Investment Solutions | Investment Consulting | | 192 |
| RiskMetrics Group | Investment Consulting | | 42 |
| McLagan Partners, Inc. | Investment Consulting | | 2 |

| | | | |
|---------------------------------------|--|--|--------------|
| Total Custodial and Consulting | | | <u>1,602</u> |
|---------------------------------------|--|--|--------------|

Domestic Equity

| | | | |
|----------------------------------|--|--|-------|
| Barclays Global Investors | Equity - Large Cap Core | | 2,742 |
| Artisan | Equity - Mid Cap Value | | 1,214 |
| Times Square Capital Management | Equity - Small Cap Growth | | 1,119 |
| Turner Investment Partners | Equity - Large Cap Growth | | 1,104 |
| T Rowe Price Structured | Equity - Large Cap Core | | 1,092 |
| Numeric Investors, LP | Equity - Small Cap Value | | 1,089 |
| Wells Capital Management | Equity - Mid Cap Growth | | 1,072 |
| Leading Edge Investment Advisors | Equity - Large Cap Value | | 387 |
| Sands Capital Management | Equity - Large Cap Growth | | 258 |
| RhumbLine Investment Advisers | Equity - Large Cap Core and Large Cap Core | | 187 |
| State Street Global Advisors | Equity - Small and Large Cap Value | | 142 |
| Russell Implementation Services | Equity - Large Cap Core | | 4 |

| | | | |
|------------------------------|--|--|---------------|
| Total Domestic Equity | | | <u>10,410</u> |
|------------------------------|--|--|---------------|

International Equity

| | | | |
|--|-------------------------------|--|-------|
| Barclays Global Investors | Equity - International Core | | 2,143 |
| Baillie Gifford and Company | Equity - International Growth | | 2,068 |
| Mondrian Investment Partners Limited | Equity - International Value | | 1,288 |
| Schroder Investment Management North America, Inc. | | | 881 |

| | | | |
|-----------------------------------|--|--|--------------|
| Total International Equity | | | <u>6,380</u> |
|-----------------------------------|--|--|--------------|

Global Equity

| | | | |
|---------------------------------|------------------------|--|-------|
| Invesco | Equity - Global Core | | 1,371 |
| Brandes Investment Partners | Equity - Global Value | | 1,266 |
| Capital Guardian Trust Company | Equity - Global Growth | | 970 |
| Russell Implementation Services | Equity - Global Core | | 14 |

| | | | |
|----------------------------|--|--|--------------|
| Total Global Equity | | | <u>3,621</u> |
|----------------------------|--|--|--------------|

Fixed Income

| | | | |
|---------------------------------------|-----------------------------------|--|-------|
| Goldman Sachs | Fixed Income - Core Opportunistic | | 2,135 |
| Pacific Investment Management Company | Fixed Income - Core Opportunistic | | 1,225 |
| BlackRock Financial Management, Inc. | Fixed Income - Core Active | | 973 |
| Loomis Sayles | Fixed Income - Core Opportunistic | | 909 |

Public Employees' Retirement Fund



Other Supplementary Information: Investment Expenses (continued) – Year Ended June 30, 2009

| | | |
|---|-----------------------------------|--------------|
| Reams Asset Management Co. | Fixed Income - Core Active | 464 |
| Taplin, Canida & Habacht | Fixed Income - Core Active | 407 |
| Hughes Capital Management, Inc. | Fixed Income - Core Active | 221 |
| Russell Implementation Services | Fixed Income | 191 |
| Northern Trust Company | Fixed Income - TIPS Index | 170 |
| Northern Trust Company | Fixed Income - Core Opportunistic | 26 |
| Allegiant | Fixed Income - Core Active | 14 |
| Barclays Global Investors | Fixed Income - Core | 10 |
| Seix Investment Advisors | Fixed Income - Core Active | (21) |
| Western Assets Management Co. | Fixed Income - Core Active | (49) |
| Total Fixed Income | | 6,675 |
| Alternative Investments | | |
| Blackstone | Absolute Return | 1,504 |
| PAAMCO | Absolute Return | 1,184 |
| Cerberus Institutional Partners, Series Four | Private Equity | 1,109 |
| Walton Street Fund VI | Real Estate | 1,109 |
| MBK Partners Fund II, LP | Private Equity | 1,107 |
| Crestview Partners II | Private Equity | 936 |
| Lindsay Goldberg & Bassemer II, LP | Private Equity | 936 |
| Blackstone Real Estate Partners VI, LP | Real Estate | 900 |
| Indiana Investment Fund, LP | Private Equity | 894 |
| Lion Capital Fund II, LP | Private Equity | 867 |
| Terra Firma Capital Partners III, LP | Private Equity | 845 |
| Wayzata Opportunities Fund II, L.P. | Private Equity | 802 |
| Warburg Pincus X, LP | Private Equity | 750 |
| Greenpark International Investors III, LP | Private Equity | 749 |
| Natural Gas Partners IX, LP | Private Equity | 749 |
| Actis Emerging Markets 3, LP | Private Equity | 738 |
| Energy Capital Partners I, LP | Private Equity | 724 |
| WLR Recovery Fund IV, LP | Private Equity | 704 |
| Herkules Private Equity III | Private Equity | 703 |
| New Mountain Partners III, LP | Private Equity | 699 |
| CVC European Equity Partners V, LP | Private Equity | 658 |
| Lindsay Goldberg III, LP | Private Equity | 624 |
| EnCap Energy Capital Fund VII, LP | Private Equity | 622 |
| Advent International GPE VI, LP | Private Equity | 610 |
| OCM Asia Principal Opportunities FundLP | Private Equity | 598 |
| Silver Lake Partners III, LP | Private Equity | 593 |
| Horsley Bridge IX, LP | Private Equity | 531 |
| OCM Opportunities Fund VII, LP | Private Equity | 517 |
| PACVEN Walden International Venture Fund VI, LP | Private Equity | 506 |
| Lexington Capital Partners VI-B, LP | Private Equity | 491 |
| Lehman Crossroads Fund XVIII- Venture Capital, LP | Private Equity | 475 |
| Horsley Bridge International IV, LP | Private Equity | 456 |
| Ares Capital Opportunities Fund III, LP | Private Equity | 455 |

2009 Comprehensive Annual Financial Report

Other Supplementary Information:

Investment Expenses (continued)– Year Ended June 30, 2009

| | | |
|--|-----------------|-------------------------|
| Tower Brook | Private Equity | 455 |
| Falcon Strategic Partners III | Private Equity | 439 |
| Technology Partners Fund VIII, LP | Private Equity | 428 |
| Court Square Capital Partners II, LP | Private Equity | 426 |
| Merit Mezzanine Fund IV, LP | Private Equity | 425 |
| EnCap Energy Infrastructure Fund | Private Equity | 396 |
| Brentwood Associates Fund IV, LP | Private Equity | 389 |
| Arch Venture Fund VII, LP | Private Equity | 387 |
| Avenue Special Situations Fund V, L.P. | Private Equity | 375 |
| Loomis Salyes Bank Loan | Absolute Return | 374 |
| OCM Opportunities Fund VI, LP | Private Equity | 363 |
| Dorchester | Absolute Return | 352 |
| Mill Road Capital I, LP | Private Equity | 336 |
| Lehman Brothers VCAF | Private Equity | 333 |
| Indiana - Gresham Investment Management | Commodities | 323 |
| Vista Equity Partners III, LP | Private Equity | 322 |
| Invesco | Real Estate | 290 |
| House Investments - Real Estate Opportunity Fund III, L.P. | Real Estate | 278 |
| Bridgewater | Absolute Return | 260 |
| Hellman & Friedman Capital Partners VI, LP | Private Equity | 246 |
| York Special Opportunities Fund, LP | Private Equity | 229 |
| Lindsay Goldberg & Bassemer I, LP | Private Equity | 215 |
| Credit Suisse VCAF | Private Equity | 197 |
| Arch Venture Fund VI, LP | Private Equity | 195 |
| Paulson Advanatage | Absolute Return | 193 |
| E.I.I. Realty Securities, Inc. | Real Estate | 182 |
| House Investments - Real Estate Opportunities Fund IV, LP | Real Estate | 172 |
| Goldman Sachs Asset Management LP | Commodities | 161 |
| Caspian Corporate Loan | Absolute Return | 117 |
| A.M. Pappas Life Science Ventures IV | Private Equity | 94 |
| GSO Capital Opportunities Fund, LP | Private Equity | 93 |
| Viking Global | Absolute Return | 65 |
| Scale Venture Partners III, LP | Private Equity | 64 |
| Crestview Partners II Secondary | Private Equity | 57 |
| Indiana Future Fund I, LP | Private Equity | 56 |
| Horsley Bridge Growth VIII, LP | Private Equity | 41 |
| Prima Mortgage Investment Trust | Real Estate | 17 |
| House Investments - Real Estate Opportunities Fund III-A, LP | Real Estate | 5 |
| Colony Credit Opportunity Fund, LP | Real Estate | (142) |
| Total Alternative Investments | | <u>34,353</u> |
| Short Term Investments | | |
| J. P. Morgan Investment Mgmt Inc. | Sweep fees | 730 |
| Total Investment Expenses | | <u><u>\$ 63,771</u></u> |

Public Employees' Retirement Fund



Other Supplementary Information: Contractual and Professional Services Expenses Year Ended June 30, 2009

(dollars in thousands)

| Vendor Name | Fee | Nature of Services |
|--|------------------|---|
| Indiana Office of Technology | \$ 6,133 | IT System Development and Network Support |
| Affiliated Computer Services, Inc. | 709 | Record Keeper Fees |
| MMY Consulting, Inc. | 636 | Project Management and Data Clean-up |
| Clifton Gunderson, LLP | 566 | Processing and Reconciling Services |
| Ernst & Young | 387 | Accounting and Process Documentation Services |
| Robert Half | 238 | Project Management and Data Clean-up |
| Ice Miller Legal & Business Advisors | 189 | Legal Services |
| Foster Pepper, LLC | 181 | Legal Services |
| McCready and Keene, Inc. | 134 | Actuarial Services |
| Baker & Daniels | 114 | Legal Services |
| Ryan Consulting Group | 113 | Report Development and Processing |
| Kirkpatrick & Lockhart Preston Gates Ellis, LLP | 110 | Legal Services |
| Kreig Devault, LLP | 93 | Legal Services |
| Teachers' Retirement Fund | 69 | IT Shared Services |
| AIRvan Consulting LLC | 60 | Market Research Services |
| The Registry, Inc. | 38 | Project Management and Data Clean-up |
| CEM Benchmarking Inc. | 35 | Benchmarking Services |
| Omkar Markand, M.D. | 34 | Medical Consulting - Police & Fire Fund |
| Barada Associates, Inc. | 25 | Background Checks |
| WorkSmart | 21 | Project Management and Data Clean-up |
| The Anderson Group Consulting, LLC | 20 | Data Entry Services |
| LexisNexis | 20 | Address Search Services |
| Accurint | 16 | Search Engine Fees |
| Stephenson Morow & Semler | 14 | Legal Services |
| Other Contractual and Professional Services | 67 | Other Services |
| Total Contractual and Professional Services Expense | \$ 10,022 | |

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Investment Section

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- 84 Schedule of Commission Fees
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Public Employees' Retirement Fund



Report on Investment Activity

MERCER

Investment Consulting

10 South Wacker Drive, Suite 1700
Chicago, IL 60606-7500
312 902 7147 Fax 312 902 7640
douglas.krystio@mercer.com
www.mercerIC.com

August 28, 2009

Board of Trustees

State of Indiana Public Employees' Retirement Fund

143 West Market Street

Indianapolis, IN 46204

Dear Trustees:

Mercer is pleased to present the State of Indiana Consolidated Retirement Investment Fund (CRIF) results for the fiscal year ended June 30, 2009.

As of June 30, 2009, the CRIF had a market value of \$11.8 billion, a decline of \$3.1 billion since June 30, 2008. The decrease in assets was due to negative investment performance over the one-year period, particularly in the equity markets. During the previous twelve months:

- The US economy witnessed a credit crunch, financial crisis and deep recession. GDP growth was negative in all four quarters and many well-known financial institutions, including Lehman Brothers, Merrill Lynch and Wachovia failed or were bought by stronger firms. As global demand weakened, commodity prices fell substantially before rebounding in the second quarter of 2009. Housing prices continued their fall before showing signs of stabilization in the second quarter of 2009. Both equity and credit markets experienced turmoil during the period; however, like commodity and home prices, they showed signs of life in the second quarter as the markets anticipated the economy emerging from recession. In response to the headwinds facing the economy, the Federal Reserve slashed interest rates from 2.00% to a range of 0.00 – 0.25% and foresee relatively low rates for an extended period of time.
- The U.S. equity markets experienced severe declines over the trailing one-year period. The S&P 500 Index, an index of domestic large capitalization stocks, declined 26.2% while smaller capitalization stocks, as measured by the Russell 2000 Index, fell 25.0%. Growth outperformed value in both the large and small cap spaces. The consumer staples (-13.1%) and health care (-13.6%) were the best performing sectors on a relative basis in the S&P 500 Index while the energy (-42.7%) and financials (-40.7%) sectors significantly lagged the greater market.
- Developed international equity markets trailed their domestic counterparts during the period, returning -31.0% in U.S. dollar terms, as measured by the MSCI EAFE (Europe, Australasia, and Far East) Index. Hong Kong (-15.4%)

2009 Comprehensive Annual Financial Report

Report on Investment Activity (continued)

and Spain (-22.6%) were among the top performing developed markets while Ireland (-66.4%) and Austria (-58.5%) underperformed. Emerging markets continued to outperform the developed markets, dropping 27.8% in U.S. dollar terms over the same time period, as measured by the MSCI Emerging Markets Index. Columbia (+3.5%) and the Philippines (+2.3%) lead all emerging markets as Russia (-61.1%) and Poland (-51.6%) lagged.

- The investment grade fixed income market performed well over the trailing one-year period, returning 6.0% as measured by the Barclays Capital Aggregate Bond Index. Longer-term bonds (+5.4%) performed roughly in line with intermediate-term issues (+5.3%). High yield bonds significantly lagged investment grade issues over the same period, returning -2.4%, as measured by the Barclays Capital High Yield Bond Index. The mortgage sector, as measured by the Barclays Capital Mortgage-Backed Securities Index, returned 9.4%, while Treasuries, as measured by the Barclays Capital Treasury Index, returned 6.5%.

Within this environment, the CRIF declined 20.6% (gross of fees) during the one-year period ended June 30, 2009, lagging the -20.1% Target Reference Index return and the -19.1% Dynamic Index return. Three-year (-4.6%) and five-year (+1.1%) performance lagged the benchmarks. Underperformance can partially be attributed to underperformance in the domestic equity, global equity and fixed income segments of the Fund. Conversely, the alternative investments segment outperformed its benchmark despite posting negative absolute returns.

The CRIF's domestic equity managers collectively depreciated 27.2% (gross of fees) during the trailing year, lagging the Russell 3000 Index return of -26.6%. The Fund's international equity segment returned -30.3% (gross of fees) for the trailing twelve months, outpacing the MSCI ACWI Ex-US Index by 0.6%. This segment also exceeded its benchmark over the trailing three- and five-year periods. The global equity portion declined 29.6% (gross of fees), lagging the MSCI ACWI Index by 0.3%. This portion also lagged its benchmark over the three- and five-year periods.

The fixed income portion of the Fund, excluding Treasury Inflation Protection Securities (TIPS), returned 3.3% (gross of fees) over the trailing one-year period, falling short of the blended Barclays Capital Aggregate Bond Index / Barclays Capital US Universal Index return of 5.5%. The Fund's TIPS manager declined 1.7% (gross of fees) over the same one-year period, trailing the Barclays Capital US TIPS Index by 0.6%. The combined fixed income portfolio lagged the blended index over the three- and five-year periods.

While it was a challenging period for the Fund and the capital markets in general, Mercer has confidence in the Fund's structure and managers as the markets return to normalcy.

Sincerely,



Douglas J. Kryscio, CFA
Principal

Public Employees' Retirement Fund



Outline of Investment Policies

The PERF Board of Trustees serves as the ultimate fiduciary of PERF. The PERF Board of Trustees is comprised of six members. Five members are appointed by the governor of Indiana and the sixth is the director of the state's budget agency or his/her designee. One must be a member of the PERF plan with at least 10 years of creditable service. No more than three of the trustees may be of the same political affiliation. The PERF Board of Trustees appoints the executive director of PERF subject to the approval of the governor.

The PERF Board of Trustees operates under the prudent investor standard in overseeing investment activities, acting "with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims."

Prior to May 1997, PERF was prohibited from investing in equities. At that time, the PERF Board of Trustees authorized re-balancing the portfolio by investing in diversified equity asset classes. As stated in the *Notes to the Financial Statements*, the Consolidated Retirement Investment Fund (CRIF) includes all investments and transactions of the pension trust funds. The other employee benefit trust and investment trust funds administered by PERF are excluded from the CRIF. A breakdown of each pension trust fund's share of the CRIF and the asset allocation of the total portfolio is provided in this section.

The investment policy statement (PERF's IPS) and corresponding addenda cover all assets under the PERF Board of Trustees' control. The purpose of the Investment Policy is to:

- Set forth appropriate and prudent investment policies in consideration of the needs of PERF legal requirements applicable to PERF and to direct investment of the Fund's assets.
- Establish criteria against which the investment managers are to be measured.
- Communicate the investment policies, objectives, guidelines and performance criteria of the PERF Board of Trustees to the staff, investment managers, consultants and all other interested parties.
- Serve as a review document to guide the ongoing oversight of the investments of PERF.
- Demonstrate that the PERF Board of Trustees is fulfilling its fiduciary responsibilities in the management of the investments of PERF solely in the interests of members and their beneficiaries.

Maintenance of adequate funding to provide for the payments of the plans' actuarially determined liabilities over time at a reasonable cost to the members, the employers, and the taxpayers of the state is the primary consideration. In order to determine the appropriate asset allocation and diversification of PERF to meet the objectives described above, the PERF Board of Trustees conducts asset and liability modeling studies as necessary. In addition, the asset allocation is reviewed by the Board of Trustees periodically, but no less frequently than every three years.

The investment portfolio includes long-term commitments to the following asset classes: domestic equity, domestic fixed income, global equity, international equity, Treasury Inflation Protected Securities (TIPS) and alternative investments.

The PERF Board of Trustees employs professional investment managers selected through a due diligence search process. This process incorporates the state of Indiana's statutory requirements supported by staff and consultant coordination and analysis. It is the PERF Board of Trustees' intent that the selection process be open to all qualified organizations wishing to participate.

2009 Comprehensive Annual Financial Report

Outline of Investment Policies (continued)

Investment managers are required to comply with stated investment guidelines detailed in PERF's IPS. Investment manager performance is measured against applicable benchmarks as well as a comparable peer group of investment managers.

The Guaranteed Fund provides a guarantee of the value of an individual's contributions plus any interest credited. As set by the PERF Board of Trustees, the actual investments of the Guaranteed Fund are the same as the general PERF portfolio. The PERF Board of Trustees annually establishes the interest crediting rate for the Guaranteed Fund based on a uniform methodology. The interest crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section on page 81.

Public Employees' Retirement Fund



Investment Highlights

Investment Summary

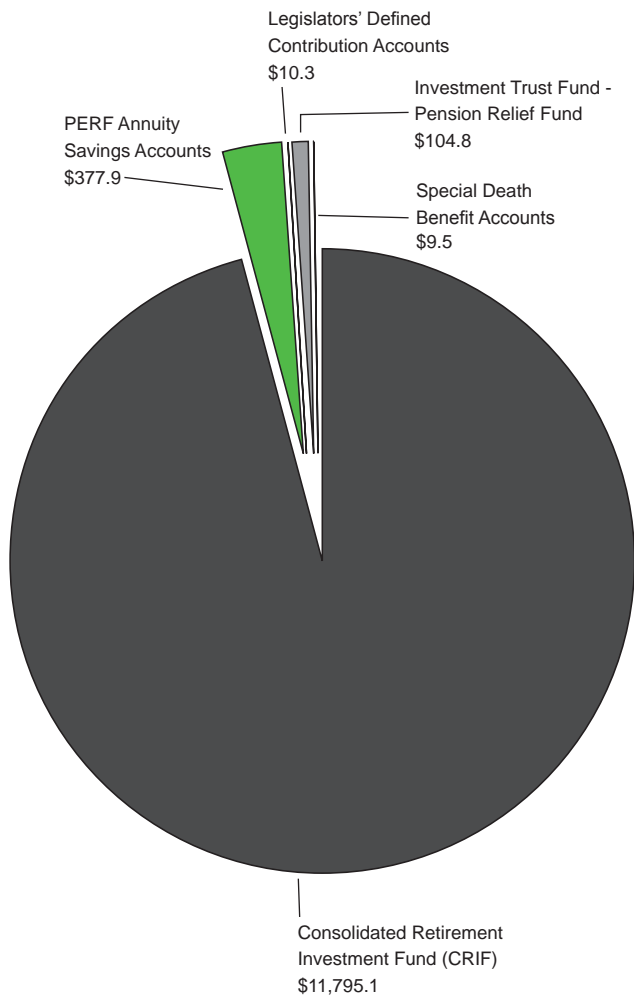
June 30, 2009
(dollars in millions)

| | |
|---|---------------------------|
| Consolidated Retirement Investment Fund (CRIF) | \$ 11,795.1 |
| PERF Annuity Savings Accounts ¹ | 377.9 |
| Legislators' Defined Contribution Accounts ² | 10.3 |
| Investment Trust Fund - Pension Relief Fund | 104.8 |
| Special Death Benefit Accounts | 9.5 |
| Total Investments, Cash and Cash Equivalents³ | <u>\$ 12,297.6</u> |

¹Balances directed outside the Guaranteed Fund.

²Balances directed outside the Legislators' CRIF Option.

³Includes investment income receivable, from investment sales and investment purchase payable.



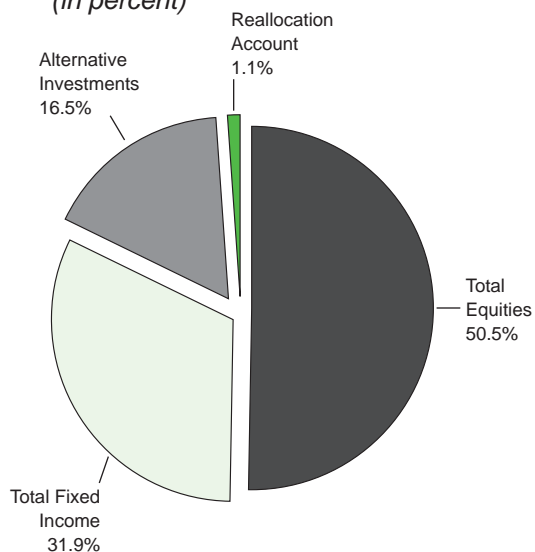
2009 Comprehensive Annual Financial Report

Investment Highlights (continued)

Consolidated Retirement Investment Fund (CRIF) Asset Allocation Summary

June 30, 2009

(in percent)

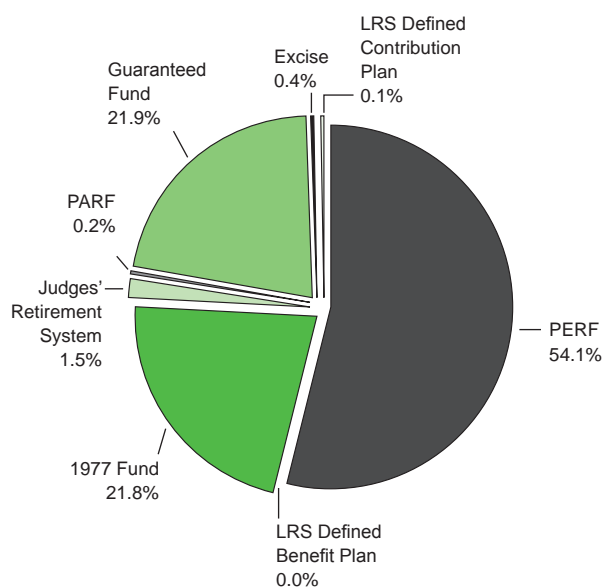


| | June 30, 2009 | June 30, 2008 |
|-----------------------------------|---------------|---------------|
| Total Equities | 50.5% | 67.3% |
| Total Fixed Income | 31.9 | 24.6 |
| Alternative Investments | 16.5 | 7.3 |
| Reallocation Account ¹ | 1.1 | 0.8 |
| Total Fund | 100% | 100% |

¹ The Reallocation Account consists of residual cash within the fund.

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2009



| | Assets (in millions) | Percent of Consolidated Fund |
|--|-------------------------|------------------------------------|
| Public Employees' Retirement Fund (PERF) | \$ 6,384.6 | 54.1% |
| PERF (Guaranteed Fund) | 2,578.6 | 21.9% |
| Judges' Retirement System | 177.1 | 1.5% |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 51.3 | 0.4% |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2,571.6 | 21.8% |
| Prosecuting Attorneys' Retirement Fund | 19.7 | 0.2% |
| Legislators' Retirement System - Defined Benefit Plan | 3.4 | 0.0% |
| Legislators' Retirement System - Defined Contribution Plan | 8.8 | 0.1% |
| Total Consolidated Fund | \$ 11,795.1 | 100% |

Public Employees' Retirement Fund



Investment Highlights (continued)

Comparative Investment Results for Periods Ended June 30, 2009 (percent return)⁵

| | 1 yr ⁴ | 3 yr ⁴ | 5 yr ⁴ |
|--|-------------------|-------------------|-------------------|
| Total CRIF¹ Fund | (20.6) % | (4.6) % | 1.1 % |
| vs. Mercer Public Funds Universe median ² | (18.1) | (2.9) | 2.4 |
| Target Reference Index ³ | (20.1) | (3.2) | 2.0 |
| Total CRIF Domestic Equity | (27.2) | (9.7) | (2.5) |
| vs. Mercer Equity Universe median | (26.2) | (7.6) | (0.5) |
| Russell 3000 Index | (26.6) | (8.3) | (1.8) |
| S&P 500 Index | (26.2) | (8.2) | (2.2) |
| Total CRIF Global Equity | (29.6) | (9.0) | 0.0 |
| vs. Mercer Global Equity Universe median | (29.5) | (6.4) | 2.2 |
| MSCI ACWI Free Index | (29.3) | (7.0) | 1.1 |
| Total CRIF International Equity | (30.3) | (3.9) | 6.5 |
| vs. Mercer International Equity Universe median | (30.8) | (6.4) | 4.0 |
| ACWI Ex-US Index | (30.9) | (5.8) | 4.5 |
| MSCI EAFE Index | (31.0) | (7.5) | 2.8 |
| Total CRIF Fixed Income | 2.1 | 5.4 | 4.7 |
| vs. Mercer Core Investment Grade Universe median | 6.3 | 6.5 | 5.2 |
| Barclay's Capital Aggregate Index | 6.0 | 6.4 | 5.0 |

Ten-Year Total CRIF Investment Rates of Return (dollars in millions)

| | Market Value | Actuarial Basis | Rate of Return ² | Actuarial Assumed Rate |
|------|--------------|------------------|-----------------------------|------------------------|
| 2000 | \$ 9,315.1 | 8.5 % | 6.7 % | 7.25 % |
| 2001 | 9,883.0 | 5.8 | (2.5) | 7.25 |
| 2002 | 9,627.8 | 3.1 | (4.5) | 7.25 |
| 2003 | 9,704.1 | 4.2 | 4.7 | 7.25 |
| 2004 | 11,338.2 | 6.3 | 16.3 | 7.25 |
| 2005 | 12,435.3 | 7.0 | 9.8 | 7.25 |
| 2006 | 13,694.9 | 7.9 | 10.7 | 7.25 |
| 2007 | 16,114.3 | 10.4 | 18.2 | 7.25 |
| 2008 | 14,851.0 | 5.3 | (7.6) | 7.25 |
| 2009 | 11,795.1 | N/A ¹ | (20.6) | 7.25 |

¹N/A denotes not available.

²Based on performance calculations made by the fund's custodian, JP Morgan.

¹CRIF = Consolidated Retirement Investment Fund.

²Universe of Public Funds.

³Composed of passive indices for each asset class held at the target allocation.

⁴Gross of Fees.

⁵Based on performance calculations made by the fund's custodian, JP Morgan. The 1 yr, 3 yr and 5 yr are time-weighted rates of return for the year ended June 30, 2009.

Investment Summary June 30, 2009 (dollars in millions)

| | Beginning Account Balance | Ending Account Balance | Percentage of Total Fair Value |
|---------------------------|---------------------------|------------------------|--------------------------------|
| Domestic Equity | \$ 5,838.7 | \$ 3,183.3 | 27.0 % |
| Global Equity | 1,454.0 | 991.7 | 8.4 |
| International Equity | 2,707.2 | 1,782.3 | 15.1 |
| Total Equity | 9,999.9 | 5,957.3 | 50.5 % |
| Alternative Investments | 1,085.9 | 1,941.7 | 16.5 |
| Fixed Income ¹ | 3,765.2 | 3,896.1 | 33.0 |
| Total CRIF | \$ 14,851.0 | \$ 11,795.1 | 100.0 % |

¹Includes Reallocation Account for cash flow and allocation purposes.

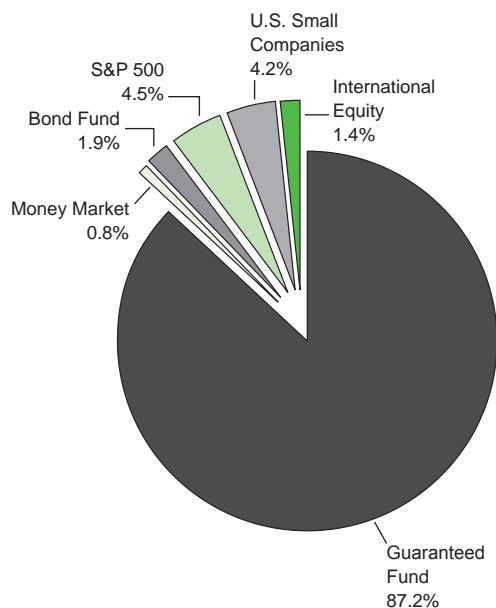
2009 Comprehensive Annual Financial Report

Investment Highlights (continued)

PERF Annuity Savings Account Investment Highlights by Dollar Amount

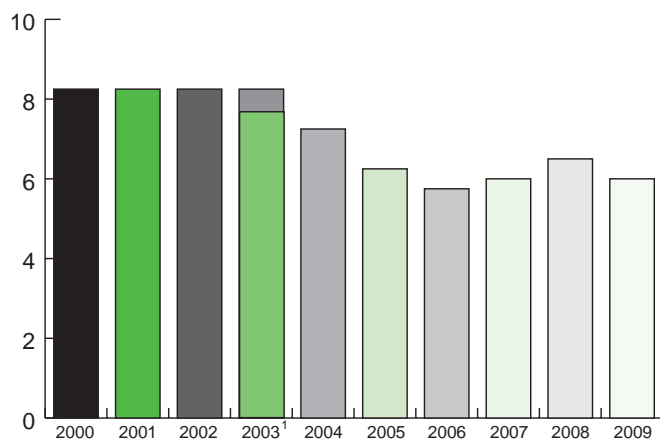
June 30, 2009

(dollars in millions)



| Investment Option | Assets | Percent of Self-Directed Investments |
|---------------------------------|-------------------|--------------------------------------|
| Guaranteed Fund | \$ 2,578.6 | 87.2 % |
| Money Market Fund | 22.2 | 0.8 |
| Bond Fund | 56.0 | 1.9 |
| S&P 500 Stock Index Fund | 132.7 | 4.5 |
| U.S. Small Companies Stock Fund | 124.6 | 4.2 |
| International Equity Index Fund | 42.5 | 1.4 |
| Total Assets | \$ 2,956.6 | 100 % |

PERF Guaranteed Fund Interest Crediting Rates for Past 10 Years Ended June 30



¹For the fiscal year ended June 30, 2003, the interest crediting rate of the Guaranteed Fund is credited based on an annual rate of 8.25% for the first quarter and 7.75% for the remaining three quarters.

Public Employees' Retirement Fund



Investment Highlights (continued)

Self-Directed Investment Options PERF Annuity Savings Account Annualized Rate of Return by Investment Option²

For Period Ended June 30, 2009

| Investment Option | 1 yr ¹ | 3 yr ¹ | 5 yr ¹ | Since Inception |
|---------------------------------|-------------------|-------------------|-------------------|-----------------|
| Money Market Fund | 1.5 % | 3.8 % | 3.6 % | 4.8 % |
| Bond Fund | 5.1 | 6.5 | 5.1 | 7.6 |
| S&P 500 Stock Index Fund | (24.7) | (7.6) | (1.8) | 1.0 |
| U.S. Small Companies Stock Fund | (27.4) | (14.0) | (3.0) | 8.9 |
| International Equity Index Fund | (31.4) | (7.8) | 2.5 | 4.6 |

¹Gross of Fees.

²Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2009.

Self-Directed Investment Options Legislators' Defined Contribution Plan Annualized Rate of Return by Investment Option³

For Period Ended June 30, 2009

| Investment Option | 1 yr ¹ | 3 yr ¹ | 5 yr ¹ | Since Inception |
|--|-------------------|-------------------|-------------------|-----------------|
| CRIF | (20.6) % | (4.6) % | 1.1 % | 6.4 % |
| Money Market Fund | 1.4 | 3.7 | 3.6 | 3.0 |
| Bond Fund ² | 5.0 | 6.4 | N/A | 4.4 |
| S&P 500 Stock Index Fund ² | (25.6) | (8.2) | N/A | (2.3) |
| International Equity Index Fund ² | (30.8) | (8.1) | N/A | 2.7 |
| Royce Small Cap Stock Fund ² | (23.8) | (5.9) | N/A | 1.6 |

¹Gross of Fees.

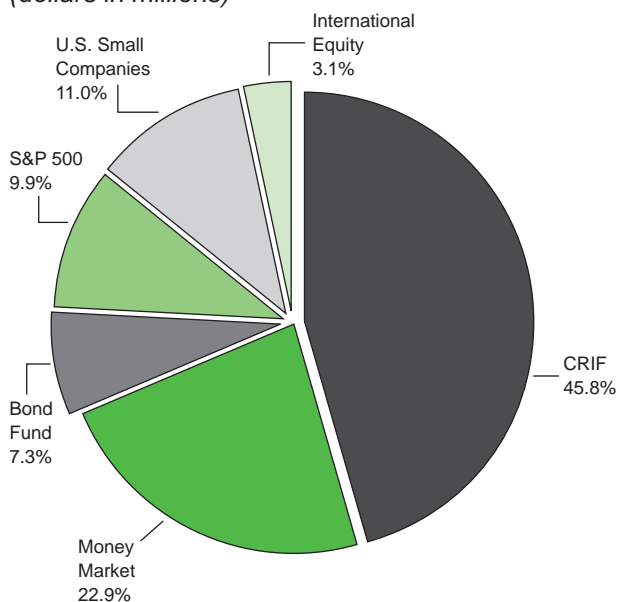
²Made available to plan participants on September 1, 2004.

³Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2009.

Legislators' Retirement Defined Contribution Plan Investment Highlights by Dollar Amount

June 30, 2009

(dollars in millions)



| Investment Options | Assets | Percent of Self-Directed Investments |
|---------------------------------|----------------|--------------------------------------|
| CRIF | \$ 8.8 | 45.8 % |
| Money Market Fund | 4.4 | 22.9 |
| Bond Fund | 1.4 | 7.3 |
| S&P 500 Stock Index Fund | 1.9 | 9.9 |
| U.S. Small Companies Stock Fund | 2.1 | 11.0 |
| International Equity Index Fund | 0.6 | 3.1 |
| Total Assets | \$ 19.2 | 100 % |

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List of Largest Assets Held

Largest Equity Holdings¹

(dollars in thousands)

| Description | Shares | Market Value |
|-----------------------------|-----------|--------------|
| Exxon Mobil Corp | 1,180,109 | \$ 82,501 |
| Microsoft Corp | 2,277,540 | 54,137 |
| Johnson & Johnson | 694,742 | 39,461 |
| AT&T Inc. | 1,579,008 | 39,223 |
| Procter & Gamble Co. | 735,961 | 37,608 |
| Chevron Corp | 513,151 | 33,996 |
| International Bus Mach Corp | 324,041 | 33,836 |
| Apple Inc. | 230,840 | 32,879 |
| General Electric Co. | 2,588,088 | 30,595 |
| Wells Fargo & Co. | 1,226,125 | 29,746 |
| JPMorgan Chase & Co. | 866,723 | 29,564 |
| Pfizer Inc. | 1,922,500 | 28,838 |
| Intel Corp | 1,695,282 | 28,057 |
| Canon Inc. | 833,600 | 27,714 |
| Total S.A. | 508,231 | 27,431 |

Largest Bond Holdings¹

(dollars in thousands)

| Description | Maturity Date | Coupon Rate | Par Value | Market Value |
|----------------------------|---------------|-------------|-----------|--------------|
| US Treasury Inflation Bond | 1/15/2025 | 2.375 | \$ 46,795 | \$ 54,980 |
| US Treasury Inflation Note | 7/15/2012 | 3.000 | 40,710 | 51,807 |
| US Treasury Inflation Bond | 4/15/2029 | 3.875 | 30,025 | 49,728 |
| US Treasury Inflation Note | 1/15/2014 | 2.000 | 37,780 | 44,990 |
| US Treasury Inflation Bond | 4/15/2028 | 3.625 | 27,000 | 43,586 |
| US Treasury Inflation Note | 7/15/2013 | 1.875 | 36,220 | 43,487 |
| US Treasury Inflation Note | 7/15/2014 | 2.000 | 33,850 | 39,538 |
| US Treasury Inflation Note | 4/15/2011 | 2.375 | 35,065 | 38,975 |
| US Treasury Inflation Note | 1/15/2015 | 1.625 | 33,995 | 38,065 |
| US Treasury Inflation Note | 1/15/2016 | 2.000 | 33,155 | 36,478 |
| US Treasury Inflation Note | 7/15/2015 | 1.875 | 31,250 | 34,925 |
| US Treasury Inflation Note | 7/15/2016 | 2.500 | 30,935 | 34,658 |
| US Treasury Inflation Note | 1/15/2017 | 2.375 | 29,000 | 32,327 |
| US Treasury Inflation Note | 1/15/2019 | 2.125 | 30,970 | 32,057 |
| US Treasury Inflation Bond | 1/15/2026 | 2.000 | 29,390 | 31,201 |

¹A complete list of portfolio holdings is available upon request.

Public Employees' Retirement Fund



Schedule of Commission Fees

Schedule of Commission Fees Top 10 Brokers' Total Commission Fees *(dollars in thousands)*

| Broker | Commission Fee |
|---|-----------------------|
| Deutsche Bank | \$ 688 |
| Citigroup | 516 |
| Morgan Stanley & Co, Inc. | 473 |
| JP Morgan Securities Inc. | 448 |
| Credit Suisse First Boston | 412 |
| Barclays Capital | 381 |
| Merrill Lynch | 376 |
| Goldman Sachs & Co | 354 |
| UBS AG | 246 |
| Liquidnet Inc. | 236 |
| Total of Top Ten Commission Fees | 4,130 |
| Other Brokers | 2,760 |
| Total | \$ 6,890 |

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Investment Professionals

CUSTODIAN

JP Morgan Chase
1 Chase Manhattan Plaza, 19th Floor
New York, NY 10005

CONSULTANTS

Aksia
599 Lexington Avenue, 46th Floor
New York, NY 10022

Mercer Investment Consulting, Inc.
10 South Wacker Drive, Suite 1700
Chicago, IL 60606-7500

ORG Real Property
15305 SW Sequoia Parkway, Suite 195
Portland, OR 97224

Plexus Group – Terminated 3/1/08
11150 Olympic Blvd, Suite 1000
Los Angeles, CA 90064

Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

CRIF

DOMESTIC EQUITY

Artisan Partners Limited Partnership
5 Concourse Parkway NE, Suite 2120
Atlanta, GA 30328

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Leading Edge Investment Advisors, LLC
601 California Street, Suite 1250
San Francisco, CA 94108

Numeric Investors, LLC
470 Atlantic Avenue, 6th Floor
Boston, MA 02210

Rhumblin Advisors
30 Rowes Wharf, Suite 350
Boston, MA 02110

Sands Capital Management, LLC –
Terminated 2/17/09

1101 Wilson Blvd., Suite 2300
Arlington, VA 22209

State Street Global Advisors
State Street Financial Center
One Lincoln Street, 33rd Floor
Boston, MA 02111

Times Square Capital Management, LLC
1177 Avenue of Americas, 39th Floor
New York, NY 10036-9998

T. Rowe Price
100 East Pratt Street
Baltimore, MD 21202-1009

Turner Investment Partners, Inc. –
Terminated 2/17/09
1205 Westlakes Drive, Suite 100
Berwyn, PA 19312

Wells Capital Management
900 East 96th Street, Suite 310
Indianapolis, IN 46240

GLOBAL EQUITY

Brandes Investment Partners, LP
11988 El Camino Real, Suite 500
PO Box 919048
San Diego, CA 92191-9048

Capital Guardian Trust Company –
Terminated 2/10/09
630 Fifth Avenue, 36th Floor
New York, NY 10111

Invesco
1360 Peachtree St., NE, Suite 100
One Midtown Plaza
Atlanta, GA 30309

INTERNATIONAL EQUITY

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Baillie Gifford & Company
Calton Square
1 Greenside Row

Edinburgh EH1 3AN
Scotland, United Kingdom

Mondrian Investment Partners, Inc.
Two Commerce Square
2001 Market Street, Suite 3810
Philadelphia, PA 19103-7039

Schroders
875 Third Avenue
New York, NY 10022-6225

FIXED INCOME

BlackRock Financial Management, Inc.
40 E. 52nd St., 6th Floor
New York, NY 10022

Goldman Sachs Asset Management, L.P.
32 Old Slip, 32nd Floor
New York, NY 10005

Public Employees' Retirement Fund



Investment Professionals (continued)

FIXED INCOME, cont.

Hughes Capital Management, Inc.
916 Prince Street, 3rd Floor
Alexandria, VA 22314

Loomis, Sayles & Company, L.P.
One Financial Center
Boston, MA 02111

Northern Trust Global Investments
50 South LaSalle Street
M4 Quant Management
Chicago, IL 60675

Pacific Investment Management Company
840 Newport Center Drive, Suite 100
Newport Beach, CA 92660

Reams Asset Management Co., LLC
227 Washington Street, PO Box 727
Columbus, IN 47201-0727

Taplin, Canida & Habacht
1001 Brickell Bay Drive, Suite 2100
Miami, FL 33131

REAL ASSETS

The Blackstone Group
345 Park Avenue
New York, NY 10154

Colony Capital, LLC
1999 Avenue of the Starts, Suite 1200
Los Angeles, CA 90067

European Investors Inc.
717 Fifth Avenue, 10th Floor
New York, NY 10022

Goldman Sachs Asset Management, L.P.
32 Old Slip, 32nd Floor
New York, NY 10005

Gresham Investment Management LLC
67 Irving Place, 12th Floor
New York, NY 10003

House Investments
10401 North Meridian Street, Suite 275
Indianapolis, IN 46290-1090

Invesco Ltd.
One Midtown Plaza
1360 Peachtree Street, NE
Atlanta, GA 30309

Mesa West
11755 Wilshire Blvd., Suite 1670
Los Angeles, CA 90025

Prima Capital Advisors, LLC
2 Overhill Road, Suite 340
Scarsdale, NY 10583

Walton Street Capital
900 North Michigan Avenue, Suite 1900
Chicago, IL 60611

ABSOLUTE RETURN

Bridgewater Associates, Inc.
One Glendinning Place
Westport, CT 06880

Caspian Capital Advisors, LLC
500 Mamaroneck Avenue, Suite 101
Harrison, NY 10528

Dorchester Capital Advisors, LLC
11111 Santa Monica Blvd., Suite 1250
Los Angeles, CA 90025

Loomis Sayles & Company, L.P.
One Financial Center
Boston, MA 02111

Pacific Alternative Asset Mgt. Co.
(PAAMCO)
19540 Jamboree Road, Suite 400
Irving, CA 92612

Paulson and Co. Inc.
1251 Avenue of the Americas, 50th Floor
New York, NY 10020

The Blackstone Group
345 Park Avenue
New York, NY 10154

Viking Global Investors
280 Park Avenue
New York, NY 10017

PRIVATE EQUITY

Actis
2 More London Riverside
London SE1 2JT
United Kingdom

Advent International
111 Buckingham Palace Road
London SW1W 0SR
United Kingdom

Arch Venture Partners
8725 West Higgins Road, Suite 290
Chicago, IL 60631

2009 Comprehensive Annual Financial Report

Investment Professionals (continued)

PRIVATE EQUITY, cont.

| | | |
|---|---|--|
| Ares Management, LLC 1999 Avenue of the Stars, 19th Floor Los Angeles, CA 90067 | Encap Investments 1100 Louisiana Street, Suite 1100 Houston, TX 77002 | Lindsay, Goldberg 630 Fifth Avenue, 30th Floor New York, NY 10111 |
| Avenue Capital Partners 535 Madison Avenue, 15th Floor New York, NY 10022 | Energy Capital Partners 51 John F. Kennedy Parkway, Suite 200 Short Hills, NJ 07078 | Lion Capital, LLP 21 Grosvenor Place London SW1X 7HF United Kingdom |
| Brentwood Associates 11150 Santa Monica Blvd., Suite 1200 Los Angeles, CA 90025 | Falcon Investment Advisors 21 Custom House Street, 10th Floor Boston, MA 02110 | MBK Partners 4th Floor, Aksaka Intercity, 1-11-44 Aksaka, Minato-ku Tokyo, Japan 107-0052 |
| Cerberus Institutional Partners 299 Park Avenue New York, NY 10171 | Greenpark Capital 2-5 Old Bond Street London, W1S 4PD United Kingdom | Merit Capital Partners 303 West Madison Avenue, Suite 2100 Chicago, IL 60606 |
| Clarity China Partners Capital Mansion, Suite #2101 6 Xin Yuan Nan Lu Chaoyang District, Beijing, China 100004 | GSO Capital Partners 280 Park Avenue New York, NY 10017 | Mill Road Capital 2 Soundview Drive, Suite 300 Greenwich, Ct 06830 |
| Court Square Capital Partners Park Avenue Plaza 55 E 52nd St., 34th Floor New York, NY 10055 | Hellman & Friedman Investors One Maritime Plaza, 12th Floor San Francisco, CA 94111 | Natural Gas Partners 125 E. John Carpenter Freeway, Suite 600 Irving, TX 75062 |
| Credit Suisse 11 Madison Avenue, 16th Floor New York, NY 10010 | Herkules Capital Strandveien 50 P.O. Box 34 1324 Lysaker Norway | Neuberger Investment Management 190 South LaSalle Street, 26th Floor Chicago, IL 60603 |
| Crestview Capital 667 Madison Avenue, 10th Floor New York, NY 10021 | Horsley Bridge Partners 505 Montgomery Street San Francisco, CA 94111 | New Mountain Capital One Market Street, Spear Tower, Suite 1735 San Francisco, CA 94105 |
| CVC Capital Partners 111 Strand London WC2R 0AG United Kingdom | Lexington Partners 660 Madison Avenue New York, NY 10021 | Oak Investment Partners One Gorham Island Westport, CT 06880 |

Public Employees' Retirement Fund



Investment Professionals (continued)

PRIVATE EQUITY, cont.

Oaktree Capital Management
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071

PACVEN Walden Ventures
750 Battery Street, 7th Floor
San Francisco, Ca 94111

Pappas Ventures
2520 Meridian Parkway, Suite 400
Durham, NC 27713

Scale Venture Partners
950 Tower Lane, Suite 700
Foster City, Ca 94404

Silver Lake Partners
2775 Sand Hill Road, Suite 100
Menlo Park, CA 94025

Technology Partners
550 University Avenue
Palo Alto, CA 94301

Terra Firma Capital Partners
2 More London Riverside
London SE1 2AP
United Kingdom

TowerBrook Investors
430 Park Avenue
New York, NY 10022

Triton Investment Advisors, LLC
18672 Florida Street, Suite 202B
Huntington Beach, California 92648

Vista Equity Partners
150 California Street, 19th Floor
San Francisco, CA 94111

Warburg Pincus
466 Lexington Avenue
New York, NY 10017-3147

Wayzata Investment Partners
701 East Lake Street, Suite 300
Wayzata, MN 55391

White Deer Energy Management LLC
700 Louisiana Street, Suite 4770
Houston, Texas 77002

WL Ross & Company
1166 Avenue of the Americas, 27th Floor
New York, NY 10036

York Capital Management
767 Fifth Avenue, 17th Floor
New York, NY 10153

DEFINED CONTRIBUTION PLANS

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Dimensional Fund Advisors, Inc.
1299 Ocean Avenue
Santa Monica, CA 90401

Northern Trust Global Investments
50 South LaSalle Street
M4 Quant Management
Chicago, IL 60675

Royce & Associates, LLC
1414 Avenues of the Americas, Suite 900
New York, NY 10019

JP Morgan Chase
3 Metro Tech Center, Fl. 5
Brooklyn, NY 11245

PENSION RELIEF FUND

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

SPECIAL DEATH FUNDS

Allegiant Asset Management Company
101 S. 5th Street
National City Tower – Loc. #T03F
Louisville, KY

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Actuarial Section

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Public Employees' Retirement Fund



Actuary's Certification Letter



McCready and Keene, Inc.

7941 Castleway Drive

PO Box 50460

Indianapolis, Indiana 46250-0460

July 31, 2009

Via E-Mail Only

Indiana Public Employees' Retirement Fund
Board of Trustees
143 West Market Street, Suite 500
Indianapolis, IN 46204

Dear Members of the Board:

Certification of Actuarial Valuations

The actuarial data presented in this report describes the current actuarial condition of the defined benefit pension plans ("Plans") administered by the Indiana Public Employees' Retirement Fund ("PERF"). Valuations are prepared annually as of July 1 for all Plans except the 1977 Police Officers' and Firefighters' Pension and Disability Fund which is annually as of January 1.

Under PERF statutes, employer contribution rates are certified annually for each Plan by the Board of Trustees. These rates are determined actuarially, based on the Board's funding policy. Contribution rates for the PERF Plan as determined by a given actuarial valuation become effective eighteen months after the valuation date (12 months for state employees). For example, the rates determined by the July 1, 2008 actuarial valuation were used by the Board when certifying the employer contribution rates for the year beginning January 1, 2010 (or for the year beginning July 1, 2009 for state employees). If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Funding Objectives and Funding Policy

In setting contribution rates, the Board's principal objectives have been:

- to set rates so that the unfunded actuarial accrued liability ("UAAL") will be amortized over a fixed period.
- to set rates so that they remain relatively level over time.

Funding Objectives and Funding Policy, continued

To accomplish this, the Board's funding policy requires that the employer contribution rate be equal to the sum of the employer normal cost rate (which pays the current year's cost) and an amortization rate which results in the amortization of the UAAL in equal installments.

The Board has historically adopted smoothing rules to the political subdivisions of PERF (except for State Employees) in the determination of the employer contribution rates to reduce the variability of these rates.

Beginning with 2007, the smoothing rules were extended to the determination of the employer contribution rates for PERF State employees and for the State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan, the 1977 Police Officers' and Firefighters Pension and Disability fund, and the Prosecuting Attorneys Retirement Fund.

For 2008 an additional smoothing rule was adopted which stated that any employer contribution amount or rate developed based on the 2008 valuation could not be less than the employer contribution amount or rate based on the 2007 valuation. This smoothing rule was

2009 Comprehensive Annual Financial Report

Actuary's Certification Letter

adopted in anticipation of the recent economic downturn much of which happened after the 2008 actuarial valuation dates. This new smoothing rule will be reconsidered in future years.

No membership growth is anticipated in setting the contribution rate. This is consistent with GASB #25, which prohibits anticipating membership growth in determining the minimum Annual Required Contribution ("ARC").

Under this policy, the objectives of amortizing the UAAL and maintaining relatively level contribution rates over time are achieved.

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans remained relatively level from the preceding year due primarily to net actual experience close to the experience anticipated by the actuarial assumptions.

Benefit Provisions

The benefit provisions reflected in this report are those which were in effect on each Plan's valuation date. Both the Judges' Retirement System and the Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan reflect changes in benefit provisions from the 2007 valuations.

Assumptions and Methods

Actuarial assumptions and methods used in the valuation are set by the Board, based upon the recommendations of the actuary. The actuary reviews actual plan experience before making these recommendations. The last such review of actuarial assumptions was carried out in connection with the July 1, 2006 actuarial valuation for the PERF Plan and the January 1, 2003 actuarial valuation for the 1977 Municipal Police and Fire pension plan.

Data

Member data for retired, active and inactive members was supplied as of each Plan's valuation date by Indiana Office of Technology, a data vendor for PERF. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data. Asset information for each Plan was supplied by PERF and Indiana Office of Technology.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by PERF as of each Plan's 2008 valuation date.

We prepared the data contained within the exhibits in the "Actuarial Section" which include Summary of Actuarial Assumptions and Methods, the Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities, the Solvency Tests, the Schedules of Active Member Valuation Data, and the Schedules of Retirees and Beneficiaries. In addition, we prepared the data for the Schedules of Funding Progress and Schedules of Employer Contributions in the "Financial Section." We have reviewed all of these exhibits for accuracy.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of Indiana state law and, where applicable, the Internal Revenue Code, Employee Retirement Income Security Act (ERISA), and the Statements of the Governmental Accounting Standards Board. We are each independent Enrolled Actuaries and Members of the American Academy of Actuaries and experienced in performing valuations for large public retirement systems.

If you have any questions or require additional information, please don't hesitate to contact us.

Sincerely,



Douglas Todd
A.S.A., M.A.A.A., E.A.
Senior Actuary

Richard E. Lenar
F.S.A., M.A.A.A., E.A.
Chief Actuary

Public Employees' Retirement Fund



Summary of Actuarial Assumptions and Methods as of July 1, 2008

- Note 1:** Prior to July 1, 2003, the COLA assumption was assumed to be 2 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2003, the time period for the actuarial assumption for COLA was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. This change was applied to the Indiana Public Employees' Retirement Fund (PERF Plan), the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan.
- Note 2:** Effective July 1, 2004, the COLA assumption was assumed to be 0.5 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2005, the COLA assumption was assumed to be 1 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2006, the COLA assumption was assumed to be 1.5 percent for the remaining lifetime of the benefit recipient. These changes were applied to the PERF Plan, the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan. The PERF Plan plans to maintain the COLA assumption at 1.5 percent for the remaining lifetime of the benefit recipient.
- Note 3:** All systems are using the 1994 U.S. UP-94 (sex distinct) for post-retirement.
- Note 4:** Actuarial funding method for all systems is Entry Age Normal Cost, except for the Accrued Benefit (Unit Credit) funding method that is used for the Judges' Retirement System and the Legislators' Defined Benefit Plan. Actuarial experience gains and losses are amortized on a level dollar basis for all systems. The amortization period is closed for all systems except the 1977 Police Officers' and Firefighters' Pension and Disability Fund which has an open amortization period.
- Note 5:** Actuarial asset valuation method phases in the difference between expected investment return and actual investment return over a 4-year period for all systems, except the Judges' Retirement System.

Public Employees' Retirement Fund July 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | | Retirement Rates | | Disability Rates | | | Termination Rates | | |
|-------------------|----------------------|--|------|--|------|--|-----------|-------------|---|-----------|-------------|
| | | Age | Rate | Age | Rate | Age | Male Rate | Female Rate | Age | Male Rate | Female Rate |
| 7.25% | 1.5% | Based on PERF Exp. 2000-2005 Sample Rates: | | Based on PERF Exp. 2000-2005 Sample Rates: | | Based on PERF Exp. 2000-2005 Sample Rates: | | | Based on PERF Exp. 2000-2005 Ultimate Sample Rates: | | |
| | | 25 | 4% | 60 | 13% | 45 | 0.11% | 0.09% | 25 | 2% | 2% |
| | | 35 | 4 | 62 | 29 | 50 | 0.20 | 0.16 | 30 | 2 | 2 |
| | | 45 | 4 | 65 | 43 | 55 | 0.35 | 0.28 | 35 | 2 | 2 |
| | | 60 | 4 | 70 | 39 | 60 | 0.62 | 0.49 | 45 | 2 | 2 |

2009 Comprehensive Annual Financial Report

Summary of Actuarial Assumptions and Methods as of July 1, 2008

Judges' Retirement System

July 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | Retirement Rates | | Disability Rates | | Termination Rates | |
|-------------------|--|--------------|---|-----------------|---------------------------|-----------------|---|-----------------|
| 7.25% | 4% for 1977 System 4% for 1985 System Beginning January 1, 2010 | 4% | Based on Experience 2000-2005 Sample Rates: | | 1964 OASDI, Sample Rates: | | Based on Experience 2000-2005 Sample Rates: | |
| | | | Age | Male and Female | Age | Male and Female | Age | Male and Female |
| | | | 62 | 25% | 40 | 0.22% | 30 | 4% |
| | | | 64 | 10 | 50 | 0.61 | 40 | 4 |
| | | | 65 | 25 | 60 | 1.63 | 50 | 4 |
| 75 | 100 | 64 | 2.32 | 55 | 4 | | | |

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan

July 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | Retirement Rates | | Disability Rates | | Termination Rates | |
|-------------------|----------------------|--------------|---|-----------------|----------------------------------|-------|---------------------------|-----------------|
| 7.25% | 1.5% | 4.5% | Based on Experience of current retirees Sample Rates: | | 150% of 1964 OASDI Sample Rates: | | Sarason T-1 Sample Rates: | |
| | | | Age | Male and Female | Age | Rate | Age | Male and Female |
| | | | 50 | 3% | 40 | 0.33% | 30 | 3.7% |
| | | | 55 ¹ | 2 ¹ | 50 | 0.91 | 40 | 1.1 |
| | | | 60 ¹ | 20 ¹ | 60 | 2.44 | 50 | 0.0 |
| 65 ¹ | 100 ¹ | 64 | 3.48 | 55 | 0.0 | | | |

¹Effective July 1, 2008, the mandatory retirement age was changed from 60 years to 65 years.

1977 Police Officers' and Firefighters' Pension and Disability Fund

January 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | Retirement Rates | | Disability Rates | | Termination Rates (State) | |
|-------------------|----------------------|--------------|---|-----------------|----------------------------------|-----------------|---------------------------|-----------------|
| 7.25% | 2.75% | 4% | Based on Actuarial Exp. Study 1998-2002 Sample Rates: | | 150% of 1964 OASDI Sample Rates: | | Sarason T-1 Sample Rates: | |
| | | | Age | Male and Female | Age | Male and Female | Age | Male and Female |
| | | | 50-51 | 10% | 40 | 0.33% | 30 | 3.7% |
| | | | 52-64 | 20 | 50 | 0.91 | 40 | 1.1 |
| | | | 65-69 | 50 | 60 | 2.44 | 50 | 0.0 |
| 70+ | 100 | 64 | 3.48 | 55 | 0.0 | | | |

Public Employees' Retirement Fund



Summary of Actuarial Assumptions and Methods as of July 1, 2008

Prosecuting Attorneys' Retirement Fund

July 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | Retirement Rates | Disability Rates | Termination Rate | | |
|-------------------|----------------------|--------------|--|--|------------------|--------------|-------------|
| 7.25% | None | 4% | Later of (a) age 65, or (b) 8 years service | Based on PERF Exp. 2000-2005 Sample Rates: | | 10% per year | |
| | | | | Age | Male Rate | | Female Rate |
| | | | | 45 | 0.11% | | 0.09% |
| | | | | 50 | 0.20 | | 0.16 |
| | | | | 55 | 0.35 | | 0.28 |
| 60 | 0.62 | 0.49 | | | | | |

Legislators' Defined Benefit Plan

July 1, 2008 Actuarial Valuation

| Investment Return | Post-Retirement COLA | Salary Scale | Retirement Rates | Disability Rates | Termination Rates (State) | | | |
|-------------------|----------------------|--------------|--------------------------------------|------------------|------------------------------------|-----------------|------------------------------|-----------------|
| 7.25% | 1.5% | 3% | Based on Experience Sample Rates: | | 75% of 1964 OASDI Sample Rates: | | Sarason T-2 Sample Rates: | |
| | | | Age | Male and Female | Age | Male and Female | Age | Male and Female |
| | | | 55 | 10% | 40 | 0.17% | 30 | 5.1% |
| | | | 58-61 | 2 | 50 | 0.45 | 40 | 3.5 |
| | | | 62-64 | 5 | 60 | 1.22 | 50 | 0.4 |
| 65 | 50 | 64 | 1.74 | 55 | 0.0 | | | |

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Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities

(dollars in thousands)

| System | July 1, 2007 UAAL ² | Amortized Payments, Prior Year | Interest for Year | Liability (Gain) / Loss | Asset (Gain) / Loss | Change in Benefit Provisions or Assumptions | July 1, 2008 UAAL ² |
|---|-----------------------------------|--------------------------------------|----------------------|----------------------------|------------------------|--|-----------------------------------|
| Public Employees' Retirement Fund | \$ 218,864 | \$ (17,041) | \$ 14,632 | \$ (128,899) | \$ 235,549 | \$ 0 | \$ 323,105 |
| Judges' Retirement System | 72,248 | (5,622) | 4,831 | (5,234) | (2,168) | 39,813 | 103,868 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 17,037 | (1,326) | 1,139 | (616) | (541) | (3,891) | 11,802 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund ¹ | (210,987) | 16,253 | (14,118) | (79,253) | (104,080) | 0 | (392,185) |
| Prosecuting Attorneys' Retirement Fund | 8,237 | (641) | 551 | 3,794 | (222) | 0 | 11,719 |
| Legislators' Defined Benefit Plan | 134 | (14) | 8 | (182) | (27) | 0 | (81) |

¹ Beginning date of January 1, 2007 rather than July 1, 2007, and ending date of January 1, 2008 rather than July 1, 2008.

² UAAL = Unfunded Actuarial Accrued Liability.

Public Employees' Retirement Fund



Solvency Test

| | | Actuarial Accrued Liabilities | | | |
|---|---------------------|--------------------------------|-------------------------------|---|--|
| <i>(dollars in thousands)</i> | | (1) | (2) | (3) | (4) |
| System | As of July 1 | Active Member Contributions | Retirees and Beneficiaries | Active Member (Employer Financed Portion) | Total Actuarial Accrued Liabilities |
| Public Employees' Retirement Fund | 2003 ¹ | \$ 1,971,864 | \$ 2,764,974 | \$ 4,297,735 | \$ 9,034,573 |
| | 2004 ¹ | 2,211,326 | 2,927,884 | 4,705,143 | 9,844,353 |
| | 2005 ¹ | 2,382,280 | 3,301,265 | 5,174,777 | 10,858,322 |
| | 2006 ¹ | 2,515,984 | 3,648,764 | 5,286,181 | 11,450,929 |
| | 2007 ¹ | 2,707,176 | 4,007,389 | 5,725,233 | 12,439,798 |
| | 2008 ¹ | 2,694,331 | 4,227,366 | 6,181,524 | 13,103,221 |
| Judges' Retirement System | 2003 ¹ | \$ 12,595 | \$ 111,781 | \$ 82,470 | \$ 206,846 |
| | 2004 | 18,415 | 105,922 | 85,655 | 209,992 |
| | 2005 | 19,515 | 137,631 | 115,709 | 272,855 |
| | 2006 ^{1,2} | 20,861 | 134,272 | 117,865 | 272,998 |
| | 2007 | 21,276 | 143,645 | 119,074 | 283,995 |
| | 2008 | 22,243 | 155,177 | 161,329 | 338,749 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2003 ¹ | \$ 3,103 | \$ 17,630 | \$ 31,274 | \$ 52,007 |
| | 2004 ¹ | 3,613 | 17,788 | 28,608 | 50,009 |
| | 2005 ¹ | 3,488 | 18,907 | 37,569 | 59,964 |
| | 2006 ^{1,2} | 3,644 | 20,870 | 40,251 | 64,765 |
| | 2007 ² | 3,527 | 24,606 | 46,318 | 74,451 |
| | 2008 ^{1,2} | 4,314 | 28,902 | 43,961 | 77,177 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund <i>(As of January 1 instead of July 1)</i> | 2003 ¹ | \$ 307,929 | \$ 457,766 | \$ 1,001,150 | \$ 1,766,845 |
| | 2004 | 344,775 | 452,755 | 1,077,988 | 1,875,518 |
| | 2005 | 362,908 | 436,606 | 1,264,657 | 2,064,171 |
| | 2006 | 403,643 | 503,498 | 1,507,912 | 2,415,053 |
| | 2007 | 455,476 | 546,628 | 1,647,421 | 2,649,525 |
| | 2008 ¹ | 498,662 | 655,827 | 1,734,806 | 2,889,295 |
| Prosecuting Attorneys' Retirement Fund | 2003 ¹ | \$ 9,489 | \$ 2,084 | \$ 4,113 | \$ 15,686 |
| | 2004 | 12,237 | 2,419 | 7,932 | 22,588 |
| | 2005 | 13,132 | 2,303 | 10,309 | 25,744 |
| | 2006 ¹ | 14,893 | 2,252 | 12,039 | 29,184 |
| | 2007 | 16,014 | 3,192 | 12,846 | 32,052 |
| | 2008 ¹ | 17,428 | 5,173 | 15,468 | 38,069 |
| Legislators' Defined Benefit Plan | 2003 ¹ | \$ 0 | \$ 2,278 | \$ 2,670 | \$ 4,948 |
| | 2004 ¹ | 0 | 2,128 | 2,728 | 4,856 |
| | 2005 ¹ | 0 | 2,121 | 2,878 | 4,999 |
| | 2006 ¹ | 0 | 2,270 | 2,962 | 5,232 |
| | 2007 | 0 | 2,432 | 2,737 | 5,169 |
| | 2008 | 0 | 2,258 | 2,781 | 5,039 |

¹ Actuarial assumptions and/or methods revised

² Improvement in benefit provisions

2009 Comprehensive Annual Financial Report

Solvency Test (continued)

(dollars in thousands)

| System | Actuarial Value of Assets | Portion of Actuarial Accrued Liabilities Covered by Assets | | | |
|---|------------------------------|--|--------|--------|--------|
| | | (1) | (2) | (3) | (4) |
| Public Employees' Retirement Fund | \$ 9,293,952 | 100% | 100% | 100% | 102.9% |
| | 9,853,976 | 100% | 100% | 100% | 100.1% |
| | 10,471,937 | 100% | 100% | 92.5% | 96.4% |
| | 11,177,971 | 100% | 100% | 94.8% | 97.6% |
| | 12,220,934 | 100% | 100% | 96.2% | 98.2% |
| | 12,780,116 | 100% | 100% | 94.8% | 97.5% |
| Judges' Retirement System | \$ 126,152 | 100% | 100% | 2.2% | 61.0% |
| | 135,798 | 100% | 100% | 13.4% | 64.7% |
| | 151,003 | 100% | 95.5% | 0.0% | 55.3% |
| | 178,276 | 100% | 100% | 19.6% | 65.3% |
| | 211,747 | 100% | 100% | 39.3% | 74.6% |
| | 234,881 | 100% | 100% | 35.6% | 69.3% |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | \$ 37,286 | 100% | 100% | 52.9% | 71.7% |
| 38,772 | 100% | 100% | 60.7% | 77.5% | |
| 41,663 | 100% | 100% | 51.3% | 69.5% | |
| 48,496 | 100% | 100% | 59.6% | 74.9% | |
| 57,414 | 100% | 100% | 63.2% | 77.1% | |
| 65,375 | 100% | 100% | 73.2% | 84.7% | |
| 1977 Police Officers' and Firefighters' Pension & Disability Fund | \$ 1,660,445 | 100% | 100% | 89.4% | 94.0% |
| 1,797,124 | 100% | 100% | 92.7% | 95.8% | |
| 1,976,905 | 100% | 100% | 93.1% | 95.8% | |
| 2,347,986 | 100% | 100% | 95.6% | 97.2% | |
| 2,860,512 | 100% | 100% | 100.0% | 108.0% | |
| 3,281,480 | 100% | 100% | 100.0% | 113.6% | |
| Prosecuting Attorneys' Retirement Fund | \$ 12,758 | 100% | 100% | 28.8% | 81.3% |
| | 14,655 | 100% | 100% | 0.0% | 64.9% |
| | 16,876 | 100% | 100% | 14.0% | 65.6% |
| | 20,053 | 100% | 100% | 24.2% | 68.7% |
| | 23,815 | 100% | 100% | 35.9% | 74.3% |
| | 26,350 | 100% | 100% | 24.2% | 69.2% |
| Legislators' Defined Benefit Plan | \$ 4,200 | N/A | 100% | 72.0% | 84.9% |
| | 4,206 | N/A | 100% | 76.2% | 86.6% |
| | 4,339 | N/A | 100% | 77.0% | 86.8% |
| | 4,721 | N/A | 100% | 82.8% | 90.2% |
| | 5,035 | N/A | 100% | 95.1% | 97.4% |
| | 5,120 | N/A | 100% | 100.0% | 101.6% |

Public Employees' Retirement Fund



Schedules of Active Member Valuation Data

(dollars in thousands – except average)

| System | As of July 1 | Active Members | Active Members | | | |
|---|--------------|----------------|---------------------------|-------------|------------------|--|
| | | | Annual Payroll | Average Pay | Percent Increase | |
| Public Employees' Retirement Fund | 2003 | 143,082 | \$ 4,038,680 ² | \$ 28,226 | 5.0% | |
| | 2004 | 142,913 | 4,214,390 ² | 29,489 | 4.5 | |
| | 2005 | 141,428 | 4,318,450 | 30,535 | 3.5 | |
| | 2006 | 140,563 | 4,322,180 | 30,749 | 4.3 | |
| | 2007 | 138,863 | 4,385,676 | 31,583 | 2.7 | |
| | 2008 | 140,146 | 4,600,354 | 32,825 | 3.9 | |
| Judges' Retirement System | 2003 | 278 | \$ 25,400 | \$ 91,367 | (0.2)% | |
| | 2004 | 275 | 25,693 | 93,431 | 2.3 | |
| | 2005 | 282 | 32,231 | 114,293 | 22.3 | |
| | 2006 | 274 | 34,065 | 124,323 | 8.8 | |
| | 2007 | 258 | 29,712 | 115,163 | (7.4) | |
| | 2008 | 267 | 33,729 | 126,327 | 9.7 | |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2003 | 254 | \$ 11,944 | \$ 47,024 | (5.6)% | |
| | 2004 | 251 | 10,209 | 40,675 | (13.5) | |
| | 2005 | 262 | 13,223 | 50,469 | 24.1 | |
| | 2006 | 310 | 14,892 | 48,039 | (4.8) | |
| | 2007 | 344 | 17,715 | 51,497 | 7.2 | |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2003 | 10,737 | \$ 432,954 | \$ 40,324 | 3.6% | |
| | 2004 | 11,238 | 469,750 | 41,800 | 3.7 | |
| | 2005 | 11,424 | 493,707 | 43,217 | 3.4 | |
| | 2006 | 11,728 | 522,227 | 44,528 | 3.0 | |
| | 2007 | 12,056 | 557,644 | 46,254 | 3.9 | |
| Prosecuting Attorneys' Retirement Fund | 2003 | 218 | \$ 13,159 | \$ 60,360 | (14.3)% | |
| | 2004 | 214 | 15,149 | 70,790 | 17.3 | |
| | 2005 | 220 | 16,659 | 75,724 | 7.0 | |
| | 2006 | 218 | 19,225 | 88,188 | 16.5 | |
| | 2007 | 206 | 18,092 | 87,825 | (0.4) | |
| | 2008 | 209 | 20,617 | 98,646 | 12.3 | |
| Legislators' Defined Benefit Plan¹ | 2003 | 55 | N/A | N/A | N/A | |
| | 2004 | 50 | N/A | N/A | N/A | |
| | 2005 | 48 | N/A | N/A | N/A | |
| | 2006 | 46 | N/A | N/A | N/A | |
| | 2007 | 43 | N/A | N/A | N/A | |
| | 2008 | 34 | N/A | N/A | N/A | |

¹ Benefits are not based on annual payroll.

² Prior year totals have been restated.

2009 Comprehensive Annual Financial Report

Schedules of Retirants and Beneficiaries

(dollars in thousands – except average)

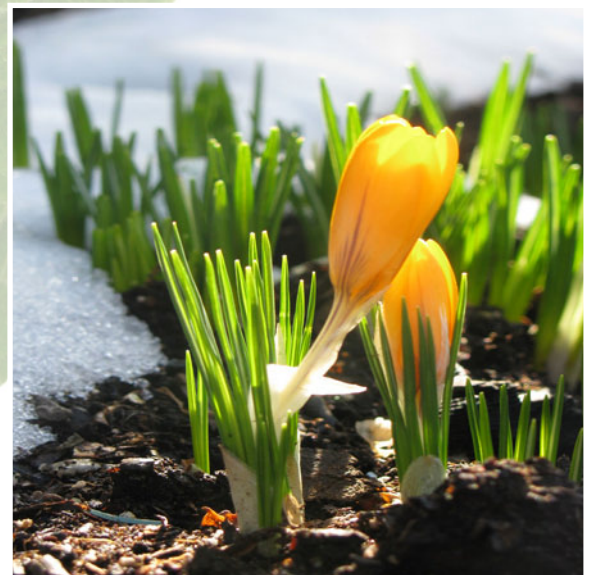
| | Year Begin July 1 | Added to Rolls | | Removed From Rolls | | Rolls - End of Year | | % Increase in Annual Allowances | Average Annual Allowances ¹ |
|---|-------------------------|----------------|-----------------------------------|--------------------|-----------------------------------|---------------------|-----------------------------------|---------------------------------------|--|
| | | No. | Annual Allowances ¹ | No. | Annual Allowances ¹ | No. | Annual Allowances ¹ | | |
| Public Employees' Retirement Fund | 2002 | 3,978 | \$ 31,424 | 2,114 | \$ 9,216 | 52,956 | \$ 289,667 | 10.1% | \$ 5,470 |
| | 2003 | 3,975 | 34,244 | 2,577 | 12,511 | 54,354 | 325,711 | 12.4 | 5,992 |
| | 2004 | 4,499 | 35,845 | 1,732 | 8,358 | 57,121 | 354,285 | 8.8 | 6,202 |
| | 2005 | 3,403 | 29,572 | 2,241 | 14,440 | 58,283 | 377,611 | 6.6 | 6,479 |
| | 2006 | 4,633 | 42,653 | 2,584 | 15,229 | 60,332 | 412,745 | 9.3 | 6,841 |
| | 2007 | 5,376 | 43,915 | 3,284 | 18,022 | 62,424 | 436,749 | 5.8 | 6,996 |
| Judges' Retirement System | 2002 | 28 | \$ 1,386 | 5 | \$ 166 | 258 | \$ 9,915 | 23.5% | \$ 38,430 |
| | 2003 | 8 | 313 | 4 | 208 | 262 | 9,854 | (0.6) | 37,609 |
| | 2004 | 13 | 667 | 11 | 374 | 264 | 12,272 | 24.5 | 46,485 |
| | 2005 | 12 | 868 | 7 | 474 | 269 | 12,983 | 5.8 | 48,266 |
| | 2006 | 18 | 976 | 8 | 409 | 279 | 13,899 | 7.1 | 49,819 |
| | 2007 | 23 | 1,257 | 26 | 991 | 276 | 14,754 | 6.1 | 53,455 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2002 | 5 | \$ 108 | 5 | \$ 54 | 128 | \$ 1,673 | 3.3% | \$ 13,067 |
| | 2003 | 4 | 116 | 4 | 58 | 128 | 1,738 | 3.9 | 13,580 |
| | 2004 | 4 | 114 | 4 | 65 | 128 | 1,787 | 2.8 | 13,962 |
| | 2005 | 5 | 127 | 1 | 26 | 132 | 1,888 | 5.6 | 14,304 |
| | 2006 | 13 | 359 | 5 | 74 | 140 | 2,176 | 15.2 | 15,539 |
| | 2007 | 9 | 302 | 12 | 119 | 137 | 2,518 | 15.8 | 18,382 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund (As of January 1 instead of July 1) | 2002 | 90 | \$ 1,558 | 50 | \$ 767 | 1906 | \$ 34,088 | 7.9% | \$ 17,885 |
| | 2003 | 65 | 1,320 | 65 | 1,215 | 1,906 | 34,258 | 0.5 | 17,974 |
| | 2004 | 14 | 255 | 22 | 387 | 1,898 | 33,706 | (1.5) | 17,759 |
| | 2005 | 257 | 5,493 | 28 | 554 | 2,127 | 38,648 | 14.7 | 18,170 |
| | 2006 | 172 | 3,860 | 34 | 592 | 2,265 | 41,973 | 8.6 | 18,531 |
| | 2007 | 333 | 8,101 | 50 | 886 | 2,548 | 49,537 | 18.0 | 19,442 |
| Prosecuting Attorneys' Retirement Fund | 2002 | 1 | \$ 31 | 2 | \$ 21 | 17 | \$ 226 | 4.3% | \$ 13,266 |
| | 2003 | 2 | 38 | 1 | 7 | 18 | 257 | 13.8 | 14,259 |
| | 2004 | 0 | 0 | 0 | 0 | 18 | 249 | (3.0) | 13,831 |
| | 2005 | 0 | 0 | 0 | 0 | 18 | 249 | 0.1 | 13,850 |
| | 2006 | 4 | 121 | 2 | 32 | 20 | 338 | 35.6 | 16,905 |
| | 2007 | 7 | 207 | 1 | 14 | 26 | 522 | 54.3 | 20,068 |
| Legislators' Defined Benefit Plan | 2002 | 9 | \$ 31 | 4 | \$ 14 | 39 | \$ 246 | 5.9% | \$ 6,301 |
| | 2003 | 0 | 0 | 0 | 0 | 39 | 246 | 0.0 | 6,303 |
| | 2004 | 0 | 0 | 0 | 0 | 39 | 244 | (0.5) | 6,268 |
| | 2005 | 2 | 12 | 2 | 9 | 39 | 260 | 6.2 | 6,658 |
| | 2006 | 6 | 31 | 0 | 0 | 45 | 283 | 9.1 | 6,298 |
| | 2007 | 1 | 0 | 2 | 10 | 44 | 274 | (3.4) | 6,223 |

¹ For PERF only, this includes employee annuities.

2009 Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

Statistical Section

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| 106 Schedule of Additions by Source | 118 Schedule of Average Death Benefit Payments |
| 108 Schedule of Deductions by Type | 119 Schedule of Changes in Net Assets |
| 110 Schedule of Benefit Deductions by Type | 120 Schedule of Participating Employers |
| 112 Schedule of Benefit Recipients by Type of Benefit Option | |



2009 Comprehensive Annual Financial Report

Summary of Statistical Section

T

his part of the *PERF Comprehensive Annual Financial Report* contains details for understanding what the financial statements, note disclosures and required supplementary information say about each of the Fund's overall financial health.

Contents

Financial Trends

The following schedules contain trend information to help the reader understand how the financial performance of each fund has changed over time:

- Schedule of Additions by Source
- Schedule of Deductions by Type
- Schedule of Benefit Deductions by Type
- Schedule of Changes in Net Assets

Demographic and Economic Information

The following schedules contain benefit and member data regarding the environment within the financial activities of each fund:

- Schedule of Benefit Recipients by Type of Benefit Option
- Schedule of Average Benefit Payments
- Schedule of Average Death Benefit Payments
- Schedule of Participating Employers

Sources: Unless otherwise noted, the information in these schedules is obtained from the comprehensive annual financial reports for the relevant years.

Public Employees' Retirement Fund

Schedule of Additions by Source Year Ended June 30

(dollars in thousands)

| | Year | Member Contributions | Employer Contributions | Employer Contributions as a Percent of Covered Payroll | Net Investment Income (Loss) | Transfers from Systems | Other Additions | Total Additions |
|---|------|----------------------|------------------------|--|------------------------------|------------------------|-----------------|-----------------|
| Public Employees' Retirement Fund | 2000 | \$ 111,484 | \$ 215,559 | 6.2% | \$ 535,004 | \$ 1,036 | \$ 238 | \$ 863,321 |
| | 2001 | 113,969 | 198,744 | 5.5 | (260,788) | 2,057 | 348 | 54,330 |
| | 2002 | 119,377 | 208,020 | 5.2 | (389,286) | 1,251 | 446 | (60,192) |
| | 2003 | 128,828 | 213,370 | 5.1 | 340,970 | - | 2,272 | 685,440 |
| | 2004 | 135,963 | 234,918 | 5.2 | 1,351,210 | 2,364 | 18 | 1,724,473 |
| | 2005 | 136,009 | 206,323 | 4.6 | 896,408 | 2,982 | 560 | 1,242,282 |
| | 2006 | 145,753 | 230,357 | 4.7 | 1,093,658 | 1,495 | 46 | 1,471,309 |
| | 2007 | 147,740 | 260,150 | 6.0 | 2,024,539 | 2,658 | 183 | 2,435,270 |
| | 2008 | 155,728 | 303,877 | 7.0 | (1,079,918) | 6,355 | 288 | (613,670) |
| | 2009 | 160,034 | 323,151 | 7.0 | (2,517,955) | 3,115 | 32 | (2,031,623) |
| Judges' Retirement System | 2000 | \$ 1,631 | \$ 11,775 | 38.7% | \$ 6,591 | \$ - | \$ - | \$ 19,997 |
| | 2001 | 1,604 | 12,279 | 41.3 | (3,366) | - | 10 | 10,527 |
| | 2002 | 1,515 | 12,543 | 41.8 | (5,198) | - | - | 8,860 |
| | 2003 | 1,558 | 13,276 | 42.6 | 6,238 | - | - | 21,072 |
| | 2004 | 1,560 | 12,965 | 49.9 | 20,780 | - | 1 | 35,306 |
| | 2005 | 1,569 | 13,540 | 51.8 | 14,815 | - | - | 29,924 |
| | 2006 | 1,839 | 13,537 | 44.2 | 18,291 | 18 | - | 33,685 |
| | 2007 | 1,925 | 14,662 | 43.0 | 35,419 | - | - | 52,006 |
| | 2008 | 2,062 | 15,920 | 53.6 | (19,133) | 64 | - | (1,087) |
| | 2009 | 2,196 | 20,861 | 61.8 | (48,194) | 151 | - | (24,986) |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2000 | \$ 68 | \$ 1,937 | 17.1% | \$ 2,270 | \$ - | \$ - | \$ 4,275 |
| | 2001 | 70 | 2,026 | 16.2 | (1,117) | - | - | 979 |
| | 2002 | 69 | 1,904 | 15.2 | (1,687) | - | - | 286 |
| | 2003 | 68 | 1,951 | 15.7 | 1,627 | - | - | 3,646 |
| | 2004 | 74 | 2,120 | 15.9 | 5,971 | - | - | 8,165 |
| | 2005 | 68 | 2,164 | 16.8 | 4,093 | - | - | 6,325 |
| | 2006 | 96 | 2,498 | 18.9 | 4,907 | - | 10 | 7,511 |
| | 2007 | 129 | 3,359 | 22.6 | 9,508 | - | - | 12,996 |
| | 2008 | 981 | 4,854 | 27.4 | (5,156) | - | - | 679 |
| | 2009 | 1,025 | 5,294 | 24.8 | (12,951) | 5 | - | (6,627) |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2000 | \$ 21,145 | \$ 73,535 | 21.0% | \$ 91,028 | \$ 13 | \$ 37 | \$ 185,758 |
| | 2001 | 25,229 | 82,643 | 21.0 | (45,778) | - | 37 | 62,131 |
| | 2002 | 23,840 | 85,062 | 21.0 | (70,509) | - | - | 38,393 |
| | 2003 | 30,350 | 94,920 | 21.0 | 79,234 | - | - | 204,504 |
| | 2004 | 28,029 | 98,489 | 21.0 | 278,248 | - | 141 | 404,907 |
| | 2005 | 32,622 | 117,678 | 21.0 | 201,043 | - | 132 | 351,475 |
| | 2006 | 32,231 | 104,247 | 21.0 | 246,767 | - | 78 | 383,323 |
| | 2007 | 33,898 | 118,816 | 21.0 | 490,857 | - | 76 | 643,647 |
| | 2008 | 36,787 | 129,553 | 21.0 | (265,745) | - | 57 | (99,348) |
| | 2009 | 38,520 | 130,002 | 21.0 | (662,681) | 131 | 115 | (493,913) |
| Prosecuting Attorneys' Retirement Fund | 2000 | \$ 830 | \$ 275 | 2.0% | \$ 625 | \$ - | \$ - | \$ 1,730 |
| | 2001 | 843 | 275 | 2.0 | (322) | - | - | 796 |
| | 2002 | 803 | 436 | 3.3 | (524) | - | - | 715 |
| | 2003 | 836 | 446 | 3.2 | 614 | - | - | 1,896 |
| | 2004 | 900 | 933 | 6.2 | 2,147 | - | - | 3,980 |
| | 2005 | 856 | 961 | 6.7 | 1,597 | - | - | 3,414 |
| | 2006 | 1,089 | 170 | 0.9 | 1,988 | - | - | 3,247 |
| | 2007 | 1,133 | 190 | 1.0 | 3,948 | - | - | 5,271 |
| | 2008 | 1,208 | 170 | 0.9 | (2,108) | - | - | (730) |
| | 2009 | 1,274 | 170 | 0.8 | (5,254) | - | - | (3,810) |

2009 Comprehensive Annual Financial Report

Schedule of Additions by Source Year Ended June 30 (continued)

(dollars in thousands)

| | Year | Member Contributions | Employer Contributions | Employer Contributions as a Percent of Covered Payroll | Net Investment Income (Loss) | Transfers from Systems | Other Additions | Total Additions |
|--|------|----------------------|------------------------|--|------------------------------|------------------------|-----------------|-----------------|
| Legislators' Retirement System -- Defined Benefit Plan | 2000 | \$ - | \$ 170 | -% | \$ 296 | \$ - | \$ - | \$ 466 |
| | 2001 | - | 170 | - | (157) | - | - | 13 |
| | 2002 | - | 187 | - | (233) | - | 13 | (33) |
| | 2003 | - | 187 | - | 157 | - | - | 344 |
| | 2004 | - | 206 | - | 646 | - | - | 852 |
| | 2005 | - | 206 | - | 393 | - | - | 599 |
| | 2006 | - | 100 | - | 439 | - | - | 539 |
| | 2007 | - | 100 | - | 799 | - | - | 899 |
| | 2008 | - | 100 | - | (523) | - | - | (423) |
| | 2009 | - | 100 | - | (1,037) | - | 15 | (922) |
| Legislators' Retirement System -- Defined Contribution Plan | 2000 | \$ 906 | \$ - | -% | \$ 654 | \$ - | \$ - | \$ 1,560 |
| | 2001 | 954 | - | - | (393) | - | - | 561 |
| | 2002 | 1,092 | - | - | (446) | - | - | 646 |
| | 2003 | 1,226 | - | - | 519 | - | - | 1,745 |
| | 2004 | 1,329 | - | - | 1,974 | - | 36 | 3,339 |
| | 2005 | 1,387 | - | - | 1,240 | - | 27 | 2,654 |
| | 2006 | 1,414 | - | - | 2,041 | - | 33 | 3,488 |
| | 2007 | 1,468 | - | - | 3,639 | 429 | 32 | 5,568 |
| | 2008 | 1,366 | - | - | (1,741) | - | 60 | (315) |
| | 2009 | 1,342 | - | - | (4,495) | - | 4 | (3,149) |
| State Employees' Death Benefit Fund | 2000 | \$ - | \$ 356 | 0.1% | \$ 242 | \$ - | \$ - | \$ 598 |
| | 2001 | - | - | - | 552 | - | (1,091) | (539) |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | - | - | - | 490 | - | - | 490 |
| | 2004 | - | - | - | 16 | - | - | 16 |
| | 2005 | - | - | - | 261 | - | - | 261 |
| | 2006 | - | - | - | (13) | - | - | (13) |
| | 2007 | - | - | - | 293 | - | - | 293 |
| | 2008 | - | - | - | 460 | - | - | 460 |
| | 2009 | - | - | - | 374 | - | - | 374 |
| Public Safety Officers' Special Death Benefit Fund | 2000 | \$ - | \$ - | -% | \$ 153 | \$ - | \$ 71 | \$ 224 |
| | 2001 | - | - | - | 292 | - | 30 | 322 |
| | 2002 | - | - | - | - | - | - | - |
| | 2003 | - | - | - | 251 | - | 11 | 262 |
| | 2004 | - | - | - | (4) | - | 22 | 18 |
| | 2005 | - | - | - | 97 | - | 19 | 116 |
| | 2006 | - | - | - | (5) | - | 307 | 302 |
| | 2007 | - | - | - | 98 | - | 485 | 583 |
| | 2008 | - | - | - | 162 | - | 517 | 679 |
| | 2009 | - | - | - | 147 | - | 539 | 686 |
| Pension Relief Fund | 2000 | \$ - | \$ - | -% | \$ 21,659 | \$ - | \$ 68,991 | \$ 90,650 |
| | 2001 | - | - | - | 18,687 | - | 68,134 | 86,821 |
| | 2002 | - | - | - | 5,144 | - | 95,762 | 100,906 |
| | 2003 | - | - | - | 35,519 | - | 67,351 | 102,870 |
| | 2004 | - | - | - | 21,740 | - | 61,695 | 83,435 |
| | 2005 | - | - | - | 19,991 | - | 61,834 | 81,825 |
| | 2006 | - | - | - | 6,945 | - | 63,051 | 69,996 |
| | 2007 | - | - | - | 28,826 | - | 63,993 | 92,819 |
| | 2008 | - | - | - | 2,205 | - | 61,521 | 63,726 |
| | 2009 | - | - | - | (4,784) | - | 109,533 | 104,749 |

Public Employees' Retirement Fund

Schedule of Deductions by Type Year Ended June 30

(dollars in thousands)

| | Year | Benefit Payments | Distributions | Transfers to Systems | Administrative | Total Deductions |
|---|------|------------------|---------------|----------------------|----------------|------------------|
| Public Employees' Retirement Fund | 2000 | \$ 270,819 | \$ 33,943 | \$ 1,768 | \$ 5,991 | \$ 312,521 |
| | 2001 | 283,055 | 28,884 | 2,415 | 8,451 | 322,805 |
| | 2002 | 297,293 | 29,104 | 1,254 | 14,567 | 342,218 |
| | 2003 | 322,754 | 29,637 | 3,847 | 9,247 | 365,485 |
| | 2004 | 361,454 | 32,906 | 2,781 | 13,418 | 410,559 |
| | 2005 | 375,843 | 35,009 | 3,973 | 15,605 | 430,430 |
| | 2006 | 418,567 | 65,804 | 5,110 | 14,273 | 503,754 |
| | 2007 | 466,009 | 48,334 | 6,795 | 17,943 | 539,081 |
| | 2008 | 501,637 | 45,610 | 6,844 | 21,183 | 575,274 |
| | 2009 | 536,783 | 36,099 | 5,132 | 21,497 | 599,511 |
| Judges' Retirement System | 2000 | \$ 7,721 | \$ 21 | \$ - | \$ 156 | \$ 7,898 |
| | 2001 | 8,201 | 59 | - | 199 | 8,459 |
| | 2002 | 8,355 | 2 | - | 250 | 8,607 |
| | 2003 | 8,611 | 46 | - | 110 | 8,767 |
| | 2004 | 9,041 | 45 | - | 197 | 9,283 |
| | 2005 | 9,487 | 119 | - | 134 | 9,740 |
| | 2006 | 11,215 | 6 | - | 149 | 11,370 |
| | 2007 | 11,664 | 72 | - | 194 | 11,930 |
| | 2008 | 12,579 | 50 | - | 244 | 12,873 |
| | 2009 | 14,649 | 55 | - | 308 | 15,012 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2000 | \$ 1,253 | \$ 4 | \$ - | \$ 143 | \$ 1,400 |
| | 2001 | 1,420 | 1 | - | 151 | 1,572 |
| | 2002 | 1,571 | - | - | 239 | 1,810 |
| | 2003 | 1,711 | 40 | - | 40 | 1,791 |
| | 2004 | 1,821 | - | - | 63 | 1,884 |
| | 2005 | 1,919 | 15 | - | 40 | 1,974 |
| | 2006 | 2,102 | - | 12 | 47 | 2,161 |
| | 2007 | 2,373 | 3 | - | 64 | 2,440 |
| | 2008 | 2,681 | 11 | - | 83 | 2,775 |
| | 2009 | 2,915 | 36 | - | 94 | 3,045 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2000 | \$ 26,083 | \$ 1,972 | \$ - | \$ 580 | \$ 28,635 |
| | 2001 | 28,463 | 1,574 | - | 656 | 30,693 |
| | 2002 | 30,547 | 2,091 | - | 1,409 | 34,047 |
| | 2003 | 32,073 | 2,321 | - | 1,510 | 35,904 |
| | 2004 | 34,717 | 2,465 | - | 2,405 | 39,587 |
| | 2005 | 37,134 | 2,475 | - | 1,777 | 41,386 |
| | 2006 | 41,825 | 2,642 | - | 2,153 | 46,620 |
| | 2007 | 45,989 | 3,293 | - | 2,559 | 51,841 |
| | 2008 | 56,082 | 3,186 | 3 | 3,156 | 62,427 |
| | 2009 | 55,866 | 3,172 | 5 | 3,766 | 62,809 |
| Prosecuting Attorneys' Retirement Fund | 2000 | \$ 216 | \$ 54 | \$ - | \$ 69 | \$ 339 |
| | 2001 | 224 | 32 | - | 76 | 332 |
| | 2002 | 267 | 49 | - | 125 | 441 |
| | 2003 | 254 | 172 | - | 21 | 447 |
| | 2004 | 357 | - | - | 25 | 382 |
| | 2005 | 423 | 148 | - | 15 | 586 |
| | 2006 | 531 | 35 | - | 17 | 583 |
| | 2007 | 633 | 71 | - | 23 | 727 |
| | 2008 | 806 | 4 | - | 36 | 846 |
| | 2009 | 1,007 | 55 | - | 45 | 1,107 |

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Schedule of Deductions by Type Year Ended June 30 (continued)

(dollars in thousands)

| | Year | Benefit Payments | Distributions | Transfers to Systems | Administrative | Total Deductions |
|--|------|---------------------|---------------|-------------------------|----------------|---------------------|
| Legislators' Retirement System -- Defined Benefit Plan | 2000 | \$ 211 | \$ - | \$ - | \$ 76 | \$ 287 |
| | 2001 | 223 | - | - | 107 | 330 |
| | 2002 | 231 | - | - | 133 | 364 |
| | 2003 | 328 | - | - | 23 | 351 |
| | 2004 | 263 | - | - | 24 | 287 |
| | 2005 | 283 | - | - | 23 | 306 |
| | 2006 | 306 | - | - | 65 | 371 |
| | 2007 | 333 | - | 133 | 56 | 522 |
| | 2008 | 345 | - | - | 56 | 401 |
| | 2009 | 363 | - | - | 21 | 384 |
| Legislators' Retirement System -- Defined Contribution Plan | 2000 | \$ - | \$ 306 | \$ - | \$ - | \$ 306 |
| | 2001 | - | 378 | - | - | 378 |
| | 2002 | - | 149 | - | - | 149 |
| | 2003 | - | 343 | - | - | 343 |
| | 2004 | - | 103 | - | - | 103 |
| | 2005 | - | 886 | - | - | 886 |
| | 2006 | - | 686 | - | - | 686 |
| | 2007 | - | 708 | - | - | 708 |
| | 2008 | - | 1,116 | - | - | 1,116 |
| | 2009 | - | 1,325 | - | 46 | 1,371 |
| State Employees' Death Benefit Fund | 2000 | \$ - | \$ - | \$ - | \$ 63 | \$ 63 |
| | 2001 | 100 | - | - | 73 | 173 |
| | 2002 | - | - | - | - | - |
| | 2003 | 200 | - | - | 3 | 203 |
| | 2004 | 50 | - | - | 6 | 56 |
| | 2005 | 100 | - | - | 4 | 104 |
| | 2006 | 50 | - | - | 4 | 54 |
| | 2007 | - | - | - | 4 | 4 |
| | 2008 | - | - | - | 6 | 6 |
| | 2009 | 50 | - | - | 9 | 59 |
| Public Safety Officers' Special Death Benefit Fund | 2000 | \$ 900 | \$ - | \$ - | \$ 63 | \$ 963 |
| | 2001 | 450 | - | - | 73 | 523 |
| | 2002 | - | - | - | - | - |
| | 2003 | 150 | - | - | 2 | 152 |
| | 2004 | 600 | - | - | 3 | 603 |
| | 2005 | 300 | - | - | 1 | 301 |
| | 2006 | 150 | - | - | 1 | 151 |
| | 2007 | 150 | - | - | 1 | 151 |
| | 2008 | 450 | - | - | 2 | 452 |
| | 2009 | 300 | - | - | 3 | 303 |
| Pension Relief Fund | 2000 | \$ 150 | \$ 76,162 | \$ - | \$ 252 | \$ 76,564 |
| | 2001 | 825 | 79,735 | - | 292 | 80,852 |
| | 2002 | 450 | 196,579 | - | 444 | 197,473 |
| | 2003 | 150 | 101,281 | - | 307 | 101,738 |
| | 2004 | 300 | 109,467 | - | 421 | 110,188 |
| | 2005 | 450 | 119,319 | - | 246 | 120,015 |
| | 2006 | - | 128,147 | - | 228 | 128,375 |
| | 2007 | 150 | 142,994 | - | 183 | 143,327 |
| | 2008 | 450 | 137,370 | - | 197 | 138,017 |
| | 2009 | 150 | 171,299 | - | 275 | 171,724 |

Public Employees' Retirement Fund

Schedule of Benefit Deductions by Type Year Ended June 30

(dollars in thousands)

| | Year | Pension Benefits | Disability Benefits | Death and Funeral Benefits | Total Benefits |
|---|------|------------------|---------------------|----------------------------|----------------|
| Public Employees' Retirement Fund | 2000 | \$ 258,075 | \$ 12,744 | \$ - | \$ 270,819 |
| | 2001 | 269,415 | 13,640 | - | 283,055 |
| | 2002 | 282,294 | 14,999 | - | 297,293 |
| | 2003 | 305,908 | 16,843 | - | 322,751 |
| | 2004 | 346,878 | 14,576 | - | 361,454 |
| | 2005 | 350,810 | 25,032 | 1 | 375,843 |
| | 2006 | 391,173 | 27,394 | - | 418,567 |
| | 2007 | 433,463 | 32,546 | - | 466,009 |
| | 2008 | 467,994 | 33,643 | - | 501,637 |
| | 2009 | 500,214 | 36,569 | - | 536,783 |
| Judges' Retirement System | 2000 | \$ 7,513 | \$ 208 | \$ - | \$ 7,721 |
| | 2001 | 7,974 | 227 | - | 8,201 |
| | 2002 | 8,176 | 179 | - | 8,355 |
| | 2003 | 8,491 | 120 | - | 8,611 |
| | 2004 | 9,004 | 37 | - | 9,041 |
| | 2005 | 9,393 | 94 | - | 9,487 |
| | 2006 | 11,102 | 113 | - | 11,215 |
| | 2007 | 11,554 | 110 | - | 11,664 |
| | 2008 | 12,514 | 65 | - | 12,579 |
| | 2009 | 14,595 | 54 | - | 14,649 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2000 | \$ 1,211 | \$ 42 | \$ - | \$ 1,253 |
| | 2001 | 1,377 | 43 | - | 1,420 |
| | 2002 | 1,523 | 48 | - | 1,571 |
| | 2003 | 1,644 | 67 | - | 1,711 |
| | 2004 | 1,795 | 26 | - | 1,821 |
| | 2005 | 1,850 | 69 | - | 1,919 |
| | 2006 | 2,039 | 63 | - | 2,102 |
| | 2007 | 2,309 | 64 | - | 2,373 |
| | 2008 | 2,616 | 65 | - | 2,681 |
| | 2009 | 2,855 | 60 | - | 2,915 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | 2000 | \$ 18,995 | \$ 6,993 | \$ 96 | \$ 26,084 |
| | 2001 | 20,583 | 7,724 | 156 | 28,463 |
| | 2002 | 22,089 | 8,359 | 99 | 30,547 |
| | 2003 | 23,002 | 8,765 | 306 | 32,073 |
| | 2004 | 30,538 | 4,121 | 58 | 34,717 |
| | 2005 | 26,967 | 10,158 | 9 | 37,134 |
| | 2006 | 30,427 | 11,389 | 9 | 41,825 |
| | 2007 | 33,661 | 12,256 | 72 | 45,989 |
| | 2008 | 42,790 | 13,184 | 108 | 56,082 |
| | 2009 | 41,019 | 14,541 | 306 | 55,866 |
| Prosecuting Attorneys' Retirement Fund | 2000 | \$ 216 | \$ - | \$ - | \$ 216 |
| | 2001 | 224 | - | - | 224 |
| | 2002 | 267 | - | - | 267 |
| | 2003 | 254 | - | - | 254 |
| | 2004 | 347 | 10 | - | 357 |

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Schedule of Benefit Deductions by Type Year Ended June 30 (continued)

(dollars in thousands)

| | Year | Pension Benefits | Disability Benefits | Death and Funeral Benefits | Total Benefits |
|---|------|------------------|---------------------|----------------------------|----------------|
| Prosecuting Attorneys' Retirement Fund | 2005 | \$ 403 | \$ 20 | \$ - | \$ 423 |
| | 2006 | 512 | 19 | - | 531 |
| | 2007 | 614 | 19 | - | 633 |
| | 2008 | 787 | 19 | - | 806 |
| | 2009 | 988 | 19 | - | 1,007 |
| Legislators' Retirement System -- Defined Benefit Plan | 2000 | \$ 211 | \$ - | \$ - | \$ 211 |
| | 2001 | 223 | - | - | 223 |
| | 2002 | 231 | - | - | 231 |
| | 2003 | 322 | 6 | - | 328 |
| | 2004 | 261 | 2 | - | 263 |
| | 2005 | 280 | 3 | - | 283 |
| | 2006 | 303 | 3 | - | 306 |
| | 2007 | 330 | 3 | - | 333 |
| | 2008 | 342 | 3 | - | 345 |
| | 2009 | 360 | 3 | - | 363 |
| State Employees' Death Benefit Fund | 2000 | \$ - | \$ - | \$ - | \$ - |
| | 2001 | - | - | 100 | 100 |
| | 2002 | - | - | - | - |
| | 2003 | - | - | 200 | 200 |
| | 2004 | - | - | 50 | 50 |
| | 2005 | - | - | 100 | 100 |
| | 2006 | - | - | 50 | 50 |
| | 2007 | - | - | - | - |
| | 2008 | - | - | - | - |
| | 2009 | - | - | 50 | 50 |
| Public Safety Officers' Special Death Benefit Fund | 2000 | \$ - | \$ - | \$ 900 | \$ 900 |
| | 2001 | - | - | 450 | 450 |
| | 2002 | - | - | - | - |
| | 2003 | - | - | 150 | 150 |
| | 2004 | - | - | 600 | 600 |
| | 2005 | - | - | 300 | 300 |
| | 2006 | - | - | 150 | 150 |
| | 2007 | - | - | 150 | 150 |
| | 2008 | - | - | 450 | 450 |
| | 2009 | - | - | 300 | 300 |
| Pension Relief Fund | 2000 | \$ - | \$ - | \$ 150 | \$ 150 |
| | 2001 | - | - | 825 | 825 |
| | 2002 | - | - | 450 | 450 |
| | 2003 | - | - | 150 | 150 |
| | 2004 | - | - | 300 | 300 |
| | 2005 | - | - | 450 | 450 |
| | 2006 | - | - | - | - |
| | 2007 | - | - | 150 | 150 |
| | 2008 | - | - | 450 | 450 |
| | 2009 | - | - | 150 | 150 |

Public Employees' Retirement Fund

Schedule of Benefit Recipients by Type of Benefit Option Year Ended June 30, 2009

| Number of Benefit Recipients by Benefit Option | | | | | | | | | | | |
|---|---|------------------------------|---------------|---------------|--------------|--------------|------------|--------------|--------------|--------------|---------------|
| | Amount of Monthly Benefit (amounts in dollars) | Number of Benefit Recipients | | | | | | | | | Total |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| Public Employees' Retirement Fund | \$1-500 | 13,624 | 7,046 | 10,474 | 1,165 | 2,058 | 289 | 1,084 | 1,200 | - | 36,940 |
| | 501-1,000 | 6,274 | 4,514 | 4,894 | 877 | 1,566 | 151 | 873 | 434 | - | 19,583 |
| | 1,001-1,500 | 1,757 | 1,661 | 1,737 | 401 | 649 | 41 | 322 | 101 | - | 6,669 |
| | 1,501-2,000 | 503 | 577 | 597 | 173 | 243 | 23 | 114 | 17 | - | 2,247 |
| | 2,001-3,000 | 235 | 324 | 298 | 116 | 143 | 18 | 97 | 11 | - | 1,242 |
| | over 3,000 | 31 | 53 | 46 | 18 | 28 | 2 | 19 | 2 | - | 199 |
| | Total | 22,424 | 14,175 | 18,046 | 2,750 | 4,687 | 524 | 2,509 | 1,765 | - | 66,880 |
| Judges' Retirement System | \$1-1,000 | - | - | - | - | 19 | - | - | - | - | 19 |
| | 1,001-2,000 | - | - | - | - | 52 | - | - | - | - | 52 |
| | 2,001-3,000 | - | - | - | - | 37 | - | - | - | - | 37 |
| | 3,001-4,000 | - | - | - | - | 20 | - | - | - | - | 20 |
| | 4,001-5,000 | - | - | - | - | 7 | - | - | - | - | 7 |
| | over 5,000 | - | - | - | - | 165 | - | - | - | - | 165 |
| | Total | - | - | - | - | 300 | - | - | - | - | 300 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | \$1-500 | - | - | - | - | 25 | - | - | - | - | 25 |
| | 501-1,000 | - | - | - | - | 34 | - | - | - | - | 34 |
| | 1,001-1,500 | - | - | - | - | 22 | - | - | - | - | 22 |
| | 1,501-2,000 | - | - | - | - | 17 | - | - | - | - | 17 |
| | 2,001-3,000 | - | - | - | - | 54 | - | - | - | - | 54 |
| | over 3,000 | - | - | - | - | 7 | - | - | - | - | 7 |
| | Total | - | - | - | - | 159 | - | - | - | - | 159 |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund | \$1-500 | - | - | - | - | - | - | - | - | 128 | 128 |
| | 501-1,000 | - | - | - | - | - | - | - | - | 235 | 235 |
| | 1,001-1,500 | - | - | - | - | - | - | - | - | 673 | 673 |
| | 1,501-2,000 | - | - | - | - | - | - | - | - | 854 | 854 |
| | 2,001-3,000 | - | - | - | - | - | - | - | - | 858 | 858 |
| | over 3,000 | - | - | - | - | - | - | - | - | 39 | 39 |
| | Total | - | - | - | - | - | - | - | - | 2,787 | 2,787 |
| Prosecuting Attorneys' Retirement Fund | \$1-500 | - | - | - | - | 6 | - | - | - | - | 6 |
| | 501-1,000 | - | - | - | - | 7 | - | - | - | - | 7 |
| | 1,001-1,500 | - | - | - | - | 11 | - | - | - | - | 11 |
| | 1,501-2,000 | - | - | - | - | 2 | - | - | - | - | 2 |
| | 2,001-3,000 | - | - | - | - | 5 | - | - | - | - | 5 |
| | over 3,000 | - | - | - | - | 8 | - | - | - | - | 8 |
| | Total | - | - | - | - | 39 | - | - | - | - | 39 |
| Legislators' Retirement System -- Defined Benefit Plan | \$1-500 | - | - | - | - | 30 | - | - | - | - | 30 |
| | 501-1,000 | - | - | - | - | 13 | - | - | - | - | 13 |
| | 1,001-1,500 | - | - | - | - | 9 | - | - | - | - | 9 |
| | 1,501-2,000 | - | - | - | - | 1 | - | - | - | - | 1 |
| | 2,001-3,000 | - | - | - | - | - | - | - | - | - | 0 |
| | over 3,000 | - | - | - | - | - | - | - | - | - | 0 |
| | Total | - | - | - | - | 53 | - | - | - | - | 53 |

1-Monthly benefit for life. If retiree receives benefits for at least five years prior to their death, there is no benefit payable to a designated beneficiary. If retiree dies prior to receiving benefits for five years, the beneficiary will receive the remainder of those five years of monthly benefits or the present value of those remaining payments in a lump sum.

2-Monthly benefit for retiree's life. Upon retiree's death, no benefit payable to beneficiary.

3-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives the same monthly benefit for life.

4-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives two-thirds of the monthly benefit for life.

5-Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives one-half of the monthly benefit for life.

6-Monthly benefit for retiree between the ages 50 and 62 who elects to integrate social security with the PERF benefit. At age 62, PERF benefit is reduced or terminated depending on the estimated monthly benefit from social security at age 62.

7-Monthly benefit for retiree's life. If retiree dies prior to receiving benefit for five years, beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five years, or the present value of those pension payments in a lump sum. Beneficiary also receives a single payment of any residual balance remaining in retiree's Annuity Savings Account, if not already depleted.

8-Denotes members who are receiving a survivor benefit from this particular fund.

9-Monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of monthly benefit for life and each surviving child receives 20 percent of monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30

(amounts in dollars)

| | Year | | Years of Service | | | | | |
|--|---------------------------------|---------------------------------|------------------|-----------|-----------|-----------|-----------|-----------|
| | | | 5-9 ³ | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| Public Employees' Retirement Fund¹ | 2000 | Average Monthly Defined Benefit | \$ 104 | \$ 204 | \$ 330 | \$ 399 | \$ 516 | \$ 882 |
| | | Average Monthly Annuity | \$ 32 | \$ 88 | \$ 131 | \$ 147 | \$ 187 | \$ 310 |
| | | Average Final Average Salary | \$ 18,862 | \$ 20,092 | \$ 23,691 | \$ 22,024 | \$ 21,930 | \$ 28,912 |
| | | Number of Benefit Recipients | 20 | 279 | 222 | 305 | 204 | 188 |
| 2001 | Average Monthly Defined Benefit | \$ 100 | \$ 219 | \$ 330 | \$ 413 | \$ 605 | \$ 964 | |
| | Average Monthly Annuity | \$ 40 | \$ 92 | \$ 131 | \$ 161 | \$ 223 | \$ 355 | |
| | Average Final Average Salary | \$ 16,582 | \$ 20,783 | \$ 23,691 | \$ 22,597 | \$ 26,717 | \$ 31,823 | |
| | Number of Benefit Recipients | 11 | 220 | 222 | 210 | 157 | 154 | |
| 2002 | Average Monthly Defined Benefit | \$ 134 | \$ 192 | \$ 302 | \$ 388 | \$ 505 | \$ 867 | |
| | Average Monthly Annuity | \$ 40 | \$ 84 | \$ 134 | \$ 159 | \$ 210 | \$ 364 | |
| | Average Final Average Salary | \$ 19,717 | \$ 20,278 | \$ 23,903 | \$ 22,435 | \$ 24,229 | \$ 31,447 | |
| | Number of Benefit Recipients | 31 | 262 | 280 | 218 | 149 | 123 | |
| 2003 | Average Monthly Defined Benefit | \$ 136 | \$ 248 | \$ 341 | \$ 453 | \$ 612 | \$ 994 | |
| | Average Monthly Annuity | \$ 30 | \$ 76 | \$ 112 | \$ 138 | \$ 188 | \$ 268 | |
| | Average Final Average Salary | \$ 18,492 | \$ 20,986 | \$ 23,385 | \$ 24,026 | \$ 26,228 | \$ 31,972 | |
| | Number of Benefit Recipients | 75 | 380 | 427 | 328 | 209 | 260 | |
| 2004 | Average Monthly Defined Benefit | \$ 151 | \$ 249 | \$ 340 | \$ 491 | \$ 650 | \$ 1,127 | |
| | Average Monthly Annuity | \$ 48 | \$ 93 | \$ 124 | \$ 177 | \$ 234 | \$ 398 | |
| | Average Final Average Salary | \$ 17,976 | \$ 18,941 | \$ 21,873 | \$ 25,337 | \$ 26,288 | \$ 33,592 | |
| | Number of Benefit Recipients | 61 | 423 | 500 | 383 | 346 | 564 | |
| 2005 | Average Monthly Defined Benefit | \$ 134 | \$ 257 | \$ 378 | \$ 494 | \$ 658 | \$ 1,027 | |
| | Average Monthly Annuity | \$ 39 | \$ 106 | \$ 149 | \$ 189 | \$ 261 | \$ 382 | |
| | Average Final Average Salary | \$ 17,570 | \$ 22,404 | \$ 24,371 | \$ 25,748 | \$ 27,534 | \$ 32,644 | |
| | Number of Benefit Recipients | 55 | 333 | 429 | 346 | 306 | 373 | |
| 2006 | Average Monthly Defined Benefit | \$ 124 | \$ 253 | \$ 392 | \$ 559 | \$ 689 | \$ 1,008 | |
| | Average Monthly Annuity | \$ 39 | \$ 109 | \$ 156 | \$ 226 | \$ 275 | \$ 424 | |
| | Average Final Average Salary | \$ 18,213 | \$ 21,193 | \$ 26,040 | \$ 27,899 | \$ 28,258 | \$ 33,756 | |
| | Number of Benefit Recipients | 49 | 401 | 569 | 370 | 355 | 429 | |
| 2007 | Average Monthly Defined Benefit | \$ 167 | \$ 262 | \$ 401 | \$ 533 | \$ 708 | \$ 1,053 | |
| | Average Monthly Annuity | \$ 69 | \$ 116 | \$ 160 | \$ 233 | \$ 294 | \$ 464 | |
| | Average Final Average Salary | \$ 21,898 | \$ 23,477 | \$ 26,348 | \$ 27,749 | \$ 29,535 | \$ 35,162 | |
| | Number of Benefit Recipients | 84 | 457 | 616 | 446 | 365 | 442 | |
| 2008 | Average Monthly Defined Benefit | \$ 170 | \$ 267 | \$ 394 | \$ 563 | \$ 731 | \$ 1,095 | |
| | Average Monthly Annuity | \$ 58 | \$ 117 | \$ 162 | \$ 260 | \$ 303 | \$ 477 | |
| | Average Final Average Salary | \$ 21,233 | \$ 21,731 | \$ 25,681 | \$ 29,038 | \$ 29,485 | \$ 36,157 | |
| | Number of Benefit Recipients | 50 | 492 | 665 | 497 | 399 | 452 | |
| 2009 | Average Monthly Defined Benefit | \$ 210 | \$ 287 | \$ 409 | \$ 544 | \$ 737 | \$ 1,148 | |
| | Average Monthly Annuity | \$ 77 | \$ 112 | \$ 172 | \$ 230 | \$ 300 | \$ 492 | |
| | Average Final Average Salary | \$ 23,910 | \$ 24,131 | \$ 27,058 | \$ 29,322 | \$ 31,213 | \$ 37,909 | |
| | Number of Benefit Recipients | 77 | 479 | 578 | 538 | 366 | 493 | |
| Public Employees' Retirement Fund² | 2000 | Average Monthly Defined Benefit | \$ 126 | \$ 218 | \$ 218 | \$ 437 | \$ 594 | \$ 953 |
| | | Average Total ASA Distribution | \$ 5,498 | \$ 10,462 | \$ 10,462 | \$ 21,203 | \$ 29,080 | \$ 42,117 |
| | | Average Final Average Salary | \$ 19,054 | \$ 20,891 | \$ 20,891 | \$ 24,580 | \$ 26,260 | \$ 31,576 |
| | | Number of Benefit Recipients | 37 | 272 | 272 | 338 | 246 | 238 |
| 2001 | Average Monthly Defined Benefit | \$ 110 | \$ 217 | \$ 217 | \$ 446 | \$ 597 | \$ 1,035 | |
| | Average Total ASA Distribution | \$ 4,817 | \$ 11,161 | \$ 11,161 | \$ 22,947 | \$ 29,191 | \$ 44,352 | |
| | Average Final Average Salary | \$ 19,810 | \$ 19,869 | \$ 19,869 | \$ 24,866 | \$ 26,046 | \$ 33,862 | |
| | Number of Benefit Recipients | 11 | 207 | 207 | 289 | 231 | 243 | |
| 2002 | Average Monthly Defined Benefit | \$ 113 | \$ 191 | \$ 294 | \$ 402 | \$ 530 | \$ 840 | |
| | Average Total ASA Distribution | \$ 4,527 | \$ 10,411 | \$ 14,847 | \$ 19,289 | \$ 24,338 | \$ 39,530 | |
| | Average Final Average Salary | \$ 17,721 | \$ 20,627 | \$ 24,415 | \$ 26,292 | \$ 26,995 | \$ 33,773 | |
| | Number of Benefit Recipients | 38 | 233 | 355 | 361 | 255 | 290 | |
| 2003 | Average Monthly Defined Benefit | \$ 148 | \$ 252 | \$ 348 | \$ 507 | \$ 672 | \$ 1,039 | |
| | Average Total ASA Distribution | \$ 6,584 | \$ 11,109 | \$ 16,212 | \$ 20,446 | \$ 24,393 | \$ 35,515 | |
| | Average Final Average Salary | \$ 21,488 | \$ 22,491 | \$ 25,601 | \$ 27,491 | \$ 29,760 | \$ 33,529 | |
| | Number of Benefit Recipients | 68 | 271 | 386 | 356 | 302 | 428 | |

Public Employees' Retirement Fund

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

| | | Years of Service | | | | | | |
|--|---------------------------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Year | | 5-9 ³ | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| Public Employees' Retirement Fund² | 2004 | Average Monthly Defined Benefit | \$ 123 | \$ 259 | \$ 354 | \$ 504 | \$ 639 | \$ 1,199 |
| | | Average Total ASA Distribution | \$ 5,394 | \$ 9,350 | \$ 12,848 | \$ 14,247 | \$ 15,566 | \$ 21,413 |
| | | Average Final Average Salary | \$ 18,490 | \$ 20,472 | \$ 25,592 | \$ 26,941 | \$ 28,301 | \$ 35,511 |
| | | Number of Benefit Recipients | 57 | 211 | 324 | 295 | 229 | 421 |
| | 2005 | Average Monthly Defined Benefit | \$ 145 | \$ 251 | \$ 407 | \$ 573 | \$ 830 | \$ 1,239 |
| | | Average Total ASA Distribution | \$ 6,376 | \$ 10,788 | \$ 16,423 | \$ 18,158 | \$ 22,763 | \$ 29,051 |
| | | Average Final Average Salary | \$ 21,333 | \$ 22,108 | \$ 27,920 | \$ 28,587 | \$ 31,503 | \$ 35,383 |
| | | Number of Benefit Recipients | 66 | 270 | 394 | 251 | 232 | 275 |
| | 2006 | Average Monthly Defined Benefit | \$ 248 | \$ 297 | \$ 474 | \$ 729 | \$ 955 | \$ 1,499 |
| | | Average Total ASA Distribution | \$ 7,158 | \$ 11,961 | \$ 18,694 | \$ 22,715 | \$ 28,879 | \$ 44,937 |
| | | Average Final Average Salary | \$ 23,026 | \$ 23,492 | \$ 28,518 | \$ 31,459 | \$ 30,514 | \$ 37,335 |
| | | Number of Benefit Recipients | 50 | 223 | 420 | 256 | 241 | 354 |
| 2007 | Average Monthly Defined Benefit | \$ 193 | \$ 318 | \$ 438 | \$ 621 | \$ 884 | \$ 1,312 | |
| | Average Total ASA Distribution | \$ 4,495 | \$ 7,929 | \$ 12,538 | \$ 15,469 | \$ 21,939 | \$ 29,065 | |
| | Average Final Average Salary | \$ 21,564 | \$ 24,300 | \$ 29,078 | \$ 30,182 | \$ 32,080 | \$ 36,101 | |
| | Number of Benefit Recipients | 100 | 455 | 744 | 521 | 502 | 696 | |
| 2008 | Average Monthly Defined Benefit | \$ 146 | \$ 261 | \$ 417 | \$ 597 | \$ 828 | \$ 1,223 | |
| | Average Total ASA Distribution | \$ 4,917 | \$ 8,256 | \$ 13,578 | \$ 16,522 | \$ 20,341 | \$ 30,627 | |
| | Average Final Average Salary | \$ 22,575 | \$ 24,488 | \$ 29,851 | \$ 30,348 | \$ 32,508 | \$ 37,323 | |
| | Number of Benefit Recipients | 70 | 459 | 798 | 613 | 512 | 696 | |
| 2009 | Average Monthly Defined Benefit | \$ 276 | \$ 430 | \$ 601 | \$ 849 | \$ 1,144 | \$ 1,871 | |
| | Average Total ASA Distribution | \$ 6,108 | \$ 6,088 | \$ 7,579 | \$ 9,567 | \$ 10,635 | \$ 17,322 | |
| | Average Final Average Salary | \$ 24,842 | \$ 25,491 | \$ 30,472 | \$ 32,721 | \$ 33,909 | \$ 39,535 | |
| | Number of Benefit Recipients | 87 | 466 | 879 | 707 | 568 | 841 | |

¹Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA as a supplement in addition to their monthly pension benefit.

²Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA balance as a total distribution at the time of retirement.

³Members with less than 10 years of service are receiving a disability benefit from PERF.

| | | | | | | | | |
|----------------------------------|---------------------------------|---------------------------------|------------|-----------|-----------|-----------|------------|-----------|
| Judges' Retirement System | 2000 | Average Monthly Defined Benefit | \$ 2,081 | \$ 3,722 | \$ 4,275 | \$ 4,500 | \$ 5,250 | \$ 4,500 |
| | | Average Final Average Salary | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 30,000 | \$ 90,000 |
| | | Number of Benefit Recipients | 1 | – | 1 | 1 | 4 | 1 |
| | 2001 | Average Monthly Defined Benefit | \$ – | \$ 2,910 | \$ 4,200 | \$ 4,500 | \$ 4,500 | \$ 4,500 |
| | | Average Final Average Salary | \$ – | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 |
| | | Number of Benefit Recipients | – | 2 | 1 | 6 | 6 | 1 |
| | 2002 | Average Monthly Defined Benefit | \$ 1,783 | \$ 1,972 | \$ 3,947 | \$ – | \$ 4,402 | \$ 4,301 |
| | | Average Final Average Salary | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ – | \$ 90,000 | \$ 90,000 |
| | | Number of Benefit Recipients | 1 | 3 | 1 | – | 1 | 1 |
| | 2003 | Average Monthly Defined Benefit | \$ 1,469 | \$ 2,485 | \$ 4,146 | \$ 4,356 | \$ 4,500 | \$ 4,500 |
| | | Average Final Average Salary | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 |
| | | Number of Benefit Recipients | 2 | 5 | 3 | 2 | 6 | 1 |
| 2004 | Average Monthly Defined Benefit | \$ 1,800 | \$ 3,615 | \$ 3,832 | \$ 3,648 | \$ 4,500 | \$ – | |
| | Average Final Average Salary | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 60,000 | \$ 90,000 | \$ – | |
| | Number of Benefit Recipients | 1 | 1 | 1 | 3 | 1 | – | |
| 2005 | Average Monthly Defined Benefit | \$ 1,840 | \$ 2,237 | \$ 2,024 | \$ 4,599 | \$ 4,599 | \$ 4,599 | |
| | Average Final Average Salary | \$ 91,976 | \$ 30,659 | \$ – | \$ 91,976 | \$ 90,000 | \$ 91,976 | |
| | Number of Benefit Recipients | 1 | 3 | 1 | 2 | 1 | 1 | |
| 2006 | Average Monthly Defined Benefit | \$ – | \$ 4,470 | \$ 3,869 | \$ 4,709 | \$ – | \$ 2,826 | |
| | Average Final Average Salary | \$ – | \$ 105,348 | \$ 67,674 | \$ 75,438 | \$ – | \$ 113,022 | |
| | Number of Benefit Recipients | – | 3 | 3 | 3 | – | 1 | |
| 2007 | Average Monthly Defined Benefit | \$ 1,838 | \$ 4,722 | \$ 3,983 | \$ 4,074 | \$ 5,061 | \$ – | |
| | Average Final Average Salary | \$ 93,641 | \$ 115,282 | \$ 57,641 | \$ 64,113 | \$ 91,774 | \$ – | |
| | Number of Benefit Recipients | 2 | 2 | 4 | 5 | 5 | – | |

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

| | | Years of Service | | | | | | |
|---|---------------------------------|---------------------------------|-----------|------------|-----------|-----------|------------|------------|
| Year | | 5-9 ³ | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| Judges' Retirement System | 2008 | Average Monthly Defined Benefit | \$ 1,156 | \$ 3,767 | \$ 4,672 | \$ 2,975 | \$ 6,085 | \$ 6,559 |
| | | Average Final Average Salary | \$ - | \$ 66,353 | \$ 71,236 | \$ 59,947 | \$ 121,692 | \$ 130,130 |
| | | Number of Benefit Recipients | 1 | 5 | 2 | 2 | 1 | 2 |
| | 2009 | Average Monthly Defined Benefit | \$ 3,010 | \$ 5,410 | \$ 5,516 | \$ 6,838 | \$ 6,282 | \$ 5,890 |
| | | Average Final Average Salary | \$125,647 | \$ 105,935 | \$119,525 | \$ 99,727 | \$ 125,647 | \$ 125,647 |
| | | Number of Benefit Recipients | 1 | 12 | 11 | 5 | 7 | 8 |
| State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | 2000 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 974 | \$ 1,857 | \$ 2,141 |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 40,194 | \$ 42,053 | \$ 43,786 |
| | | Number of Benefit Recipients | - | - | - | 2 | 1 | 2 |
| | 2001 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 1,378 | \$ 2,237 | \$ 2,133 |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 38,168 | \$ 49,728 | \$ 43,351 |
| | | Number of Benefit Recipients | - | - | - | 1 | 3 | 3 |
| 2002 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 1,011 | \$ 1,838 | \$ 2,173 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 44,215 | \$ 45,652 | \$ 46,295 | |
| | Number of Benefit Recipients | - | - | - | 1 | 3 | 3 | |
| 2003 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 1,011 | \$ 1,847 | \$ 2,130 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 44,215 | \$ 48,242 | \$ 45,251 | |
| | Number of Benefit Recipients | - | - | - | 1 | 2 | 2 | |
| 2004 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,946 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 41,945 | |
| | Number of Benefit Recipients | - | - | - | - | - | 4 | |
| 2005 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 696 | \$ 607 | \$ 1,785 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 28,106 | \$ - | \$ 31,300 | |
| | Number of Benefit Recipients | - | - | - | 1 | 1 | 3 | |
| 2006 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ - | \$ 1,208 | \$ 2,304 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ - | \$ 35,234 | \$ 49,386 | |
| | Number of Benefit Recipients | - | - | - | - | 3 | 4 | |
| 2007 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 1,346 | \$ 1,969 | \$ 2,558 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 47,642 | \$ 46,466 | \$ 55,388 | |
| | Number of Benefit Recipients | - | - | - | 2 | 4 | 7 | |
| 2008 | Average Monthly Defined Benefit | \$ - | \$ - | \$ 398 | \$ - | \$ 1,887 | \$ 2,394 | |
| | Average Final Average Salary | \$ - | \$ - | \$ 20,048 | \$ - | \$ 39,481 | \$ 48,780 | |
| | Number of Benefit Recipients | - | - | 1 | - | 5 | 9 | |
| 2009 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 1,058 | \$ 1,979 | \$ 2,166 | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 24,100 | \$ 45,375 | \$ 51,871 | |
| | Number of Benefit Recipients | - | - | - | 2 | 5 | 3 | |

²Members may choose to take the distribution of their Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASA account balance as a total distribution at the time of retirement.

³Members in the Public Employees' Retirement Fund with less than 10 years of service, and members in the Judges' Retirement System with less than eight years of service, are receiving a disability benefit.

| | | | | | | | | |
|--|-------------|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1977 Police Officers' and Firefighters' Pension and Disability Fund⁴ | 2000 | Average Monthly Defined Benefit | \$ 1,320 | \$ 1,510 | \$ 1,343 | \$ 1,276 | \$ 1,563 | \$ 2,433 |
| | | Average Final Average Salary | \$ 31,658 | \$ 36,247 | \$ 32,240 | \$ 29,436 | \$ 29,853 | \$ 41,718 |
| | | Number of Benefit Recipients | 7 | 15 | 7 | 104 | 18 | 2 |
| | 2001 | Average Monthly Defined Benefit | \$ 1,441 | \$ 1,478 | \$ 4,200 | \$ 1,490 | \$ 1,915 | \$ 1,800 |
| | | Average Final Average Salary | \$ 36,718 | \$ 35,489 | \$ 90,000 | \$ 35,774 | \$ 35,318 | \$ 30,000 |
| | | Number of Benefit Recipients | 9 | 9 | 1 | 15 | 5 | 1 |
| | 2002 | Average Monthly Defined Benefit | \$ 1,219 | \$ 1,552 | \$ 1,348 | \$ 1,432 | \$ 2,352 | \$ 1,798 |
| | | Average Final Average Salary | \$ 32,183 | \$ 39,458 | \$ 30,446 | \$ 29,444 | \$ 42,774 | \$ 23,000 |
| | | Number of Benefit Recipients | 2 | 5 | 4 | 50 | 1 | 1 |
| | 2003 | Average Monthly Defined Benefit | \$ 1,087 | \$ 1,411 | \$ 885 | \$ 1,430 | \$ 1,392 | \$ 819 |
| | | Average Final Average Salary | \$ 37,992 | \$ 38,508 | \$ 38,468 | \$ 37,056 | \$ 39,998 | \$ 28,055 |
| | | Number of Benefit Recipients | 17 | 10 | 21 | 58 | 10 | 3 |

Public Employees' Retirement Fund

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

| | | Years of Service | | | | | | |
|--|---------------------------------|---------------------------------|-----------|------------|------------|------------|-----------|-----------|
| Year | | 5-9 ³ | 10-14 | 15-19 | 20-24 | 25-29 | 30+ | |
| 1977 Police Officers' and Firefighters' Pension and Disability Fund⁴ | 2004 | Average Monthly Defined Benefit | \$ 1,121 | \$ 1,167 | \$ 1,452 | \$ 1,566 | \$ 1,814 | \$ 1,248 |
| | | Average Final Average Salary | \$ 36,790 | \$ 29,968 | \$ 34,631 | \$ 33,285 | \$ 32,382 | \$ - |
| | | Number of Benefit Recipients | 10 | 13 | 14 | 65 | 18 | 7 |
| | 2005 | Average Monthly Defined Benefit | \$ 1,651 | \$ 1,426 | \$ 1,477 | \$ 1,594 | \$ 1,964 | \$ 1,551 |
| | | Average Final Average Salary | \$ 36,733 | \$ 38,434 | \$ 34,659 | \$ 34,158 | \$ 34,757 | \$ 9,864 |
| | | Number of Benefit Recipients | 9 | 10 | 13 | 46 | 28 | 9 |
| | 2006 | Average Monthly Defined Benefit | \$ 1,895 | \$ 1,496 | \$ 1,580 | \$ 1,646 | \$ 2,056 | \$ 1,300 |
| | | Average Final Average Salary | \$ 34,798 | \$ 37,887 | \$ 37,238 | \$ 34,180 | \$ 37,036 | \$ 4,491 |
| | | Number of Benefit Recipients | 5 | 9 | 18 | 67 | 49 | 10 |
| | 2007 | Average Monthly Defined Benefit | \$ 1,495 | \$ 1,767 | \$ 1,524 | \$ 1,712 | \$ 2,145 | \$ 1,140 |
| | | Average Final Average Salary | \$ 44,548 | \$ 44,413 | \$ 33,760 | \$ 36,526 | \$ 38,134 | \$ - |
| | | Number of Benefit Recipients | 8 | 6 | 13 | 82 | 58 | 2 |
| | 2008 | Average Monthly Defined Benefit | \$ 1,332 | \$ 1,310 | \$ 1,434 | \$ 1,805 | \$ 2,251 | \$ 2,131 |
| | | Average Final Average Salary | \$ 36,089 | \$ 43,705 | \$ 33,028 | \$ 38,350 | \$ 40,654 | \$ 26,818 |
| | | Number of Benefit Recipients | 9 | 12 | 12 | 107 | 125 | 10 |
| | 2009 | Average Monthly Defined Benefit | \$ 1,906 | \$ 1,763 | \$ 1,755 | \$ 1,749 | \$ 2,375 | \$ 2,261 |
| | | Average Final Average Salary | \$ 45,753 | \$ 41,007 | \$ 39,988 | \$ 39,766 | \$ 43,964 | \$ 28,487 |
| | | Number of Benefit Recipients | 6 | 9 | 9 | 85 | 63 | 10 |
| Prosecuting Attorneys' Retirement Fund | 2000 | Average Monthly Defined Benefit | \$ - | \$ 1,012 | \$ 802 | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ 40,500 | \$ 58,544 | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | 1 | 1 | - | - | - |
| | 2001 | Average Monthly Defined Benefit | \$ - | \$ - | \$ 462 | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ - | \$ 32,008 | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | - | 1 | - | - | - |
| | 2002 | Average Monthly Defined Benefit | \$ - | \$ 882 | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ 40,500 | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | 1 | - | - | - | - |
| | 2003 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 2,552 | \$ 1,321 | \$ - |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 90,000 | \$ 54,006 | \$ - |
| | | Number of Benefit Recipients | - | - | - | 1 | 3 | - |
| | 2004 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | - | - | - | - | - |
| | 2005 | Average Monthly Defined Benefit | \$ - | \$ 429 | \$ 444 | \$ 940 | \$ - | \$ 1,290 |
| | | Average Final Average Salary | \$ - | \$ 40,558 | \$ 32,009 | \$ 35,280 | \$ - | \$ 92,461 |
| | | Number of Benefit Recipients | - | 1 | 1 | 1 | - | 1 |
| 2006 | Average Monthly Defined Benefit | \$ - | \$ 1,674 | \$ 1,012 | \$ 2,916 | \$ 1,028 | \$ - | |
| | Average Final Average Salary | \$ - | \$ 47,333 | \$ 38,369 | \$ 43,568 | \$ 90,000 | \$ - | |
| | Number of Benefit Recipients | - | 3 | 1 | 1 | 1 | - | |
| 2007 | Average Monthly Defined Benefit | \$ - | \$ 2,133 | \$ 3,328 | \$ 3,485 | \$ 3,730 | \$ - | |
| | Average Final Average Salary | \$ - | \$ 69,461 | \$ 114,071 | \$ 114,071 | \$ 115,282 | \$ - | |
| | Number of Benefit Recipients | - | 1 | 1 | 1 | 1 | - | |
| 2008 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ 2,793 | \$ 3,730 | \$ - | |
| | Average Final Average Salary | \$ - | \$ - | \$ - | \$ 81,122 | \$ 115,282 | \$ - | |
| | Number of Benefit Recipients | - | - | - | 3 | 1 | - | |
| 2009 | Average Monthly Defined Benefit | \$ 832 | \$ 2,836 | \$ 3,119 | \$ 2,710 | \$ - | \$ - | |
| | Average Final Average Salary | \$ 61,820 | \$ 78,737 | \$ 86,840 | \$ 94,235 | \$ - | \$ - | |
| | Number of Benefit Recipients | 2 | 3 | 2 | 1 | - | - | |

³Members in the 1977 Fund with less than 20 years of service are receiving a disability benefit.

⁴Members with less than 20 years of service are receiving a disability benefit from the fund. After January 1, 1990 there are two disability programs under this fund. The original program is available only to members initially hired before January 1, 1990 and who elected not to be covered by the new program. The new program is applicable to members hired after December 31, 1989. Members deemed qualified under the original program are entitled to a benefit equal to at least that of a member with 20 years of service at age 52 and may be subject to annual medical review. The new program has three "classes" of impairment with varied entitlements based on the covered impairment.

2009 Comprehensive Annual Financial Report

Schedule of Average Benefit Payments Year Ended June 30 (continued)

(amounts in dollars)

| | | Years of Service | | | | | |
|---|-------------|---------------------------------|-----------|-----------|-----------|-----------|------|
| Year | | 5-9 ³ | 10-14 | 15-19 | 20-24 | 25-29 | 30+ |
| Legislators' Retirement System -- Defined Benefit Plan⁵ | 2000 | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | - | - | - | - |
| 2001 | | Average Monthly Defined Benefit | \$ - | \$ 490 | \$ 680 | \$ 840 | \$ - |
| | | Average Final Average Salary | \$ - | \$ 18,275 | \$ 11,600 | \$ 39,521 | \$ - |
| | | Number of Benefit Recipients | - | 1 | 1 | 1 | - |
| 2002 | | Average Monthly Defined Benefit | \$ - | \$ 447 | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ 11,600 | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | 1 | - | - | - |
| 2003 | | Average Monthly Defined Benefit | \$ 249 | \$ 480 | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ 31,980 | \$ 37,675 | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | 3 | 1 | - | - | - |
| 2004 | | Average Monthly Defined Benefit | \$ 230 | \$ 338 | \$ 640 | \$ - | \$ - |
| | | Average Final Average Salary | \$ 13,167 | \$ 8,505 | \$ 30,813 | \$ - | \$ - |
| | | Number of Benefit Recipients | 2 | 2 | 2 | - | - |
| 2005 | | Average Monthly Defined Benefit | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | - | - | - | - | - |
| 2006 | | Average Monthly Defined Benefit | \$ 270 | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ 27,890 | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | 1 | - | - | - | - |
| 2007 | | Average Monthly Defined Benefit | \$ 1,495 | \$ 338 | \$ 760 | \$ 920 | \$ - |
| | | Average Final Average Salary | \$ 44,548 | \$ 25,036 | \$ 35,354 | \$ 33,554 | \$ - |
| | | Number of Benefit Recipients | 8 | 3 | 1 | 1 | - |
| 2008 | | Average Monthly Defined Benefit | \$ 309 | \$ 274 | \$ 551 | \$ - | \$ - |
| | | Average Final Average Salary | \$ 26,119 | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | 2 | 1 | 1 | - | - |
| 2009 | | Average Monthly Defined Benefit | \$ 284 | \$ - | \$ - | \$ - | \$ - |
| | | Average Final Average Salary | \$ 27,584 | \$ - | \$ - | \$ - | \$ - |
| | | Number of Benefit Recipients | 2 | - | - | - | - |

³Members in the Legislators' Retirement System with less than 15 years of service are receiving a disability benefit.

⁵Benefit calculations for this fund are based on years of service, not final average salary.

Public Employees' Retirement Fund

Schedule of Average Death Benefit Payments Year Ended June 30

(amounts in dollars)

| | | State Employees' Death Benefit Fund ¹ | Public Safety Officers' Special Death Benefit Fund ² | Pension Relief Fund ³ |
|-------------|------------------------------|---|--|-------------------------------------|
| 2000 | Average Death Benefit | \$ – | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | \$ – | N/A | N/A |
| | Number of Benefit Recipients | – | 6 | 1 |
| 2001 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | N/A | N/A | N/A |
| | Number of Benefit Recipients | 2 | 3 | 5 |
| 2002 | Average Death Benefit | \$ – | \$ – | \$ 150,000 |
| | Average Final Average Salary | \$ – | \$ – | N/A |
| | Number of Benefit Recipients | – | – | 3 |
| 2003 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | N/A | N/A | N/A |
| | Number of Benefit Recipients | 4 | 1 | 1 |
| 2004 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | N/A | N/A | N/A |
| | Number of Benefit Recipients | 1 | 4 | 2 |
| 2005 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | N/A | N/A | N/A |
| | Number of Benefit Recipients | 2 | 2 | 3 |
| 2006 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ – |
| | Average Final Average Salary | N/A | N/A | \$ – |
| | Number of Benefit Recipients | 1 | 1 | – |
| 2007 | Average Death Benefit | \$ – | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | \$ – | N/A | N/A |
| | Number of Benefit Recipients | – | 1 | 1 |
| 2008 | Average Death Benefit | \$ – | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | \$ – | N/A | N/A |
| | Number of Benefit Recipients | – | 3 | 3 |
| 2009 | Average Death Benefit | \$ 50,000 | \$ 150,000 | \$ 150,000 |
| | Average Final Average Salary | N/A | N/A | N/A |
| | Number of Benefit Recipients | 1 | 2 | 1 |

¹Death benefit of \$50,000 paid to the surviving spouse or child(ren) of a state employee who dies in the line of duty as defined in statute.

²Lump sum death benefit of \$150,000 paid to the surviving spouse or child(ren) of a public safety officer who dies in the line of duty as defined in statute. If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

³Lump sum line of duty death benefit of \$150,000 paid to the surviving spouse or child(ren) of a member of the 1977 Fund who dies in the line of duty as defined in statute. If there is no surviving spouse or child(ren), benefit is paid to the parent(s).

2009 Comprehensive Annual Financial Report

Schedule of Changes in Net Assets Year Ended June 30

(dollars in thousands)

| | Public Employees' Retirement Fund | 1977 Police Officers' and Firefighters' Pension and Disability Fund | Judges' Retirement System | State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan | Prosecuting Attorneys' Retirement Fund | Legislators' Retirement System – Defined Contribution Plan | Legislators' Retirement System – Defined Benefit Plan | Employees' Death Benefit Fund | Public Safety Officers' Special Death Benefit Fund | Pension Relief Fund | Total |
|-------------|--|---|---------------------------------|---|---|---|--|--|--|---------------------------|--------------------|
| 2000 | \$ 550,799 | \$ 157,123 | \$ 12,098 | \$ 2,875 | \$ 1,391 | \$ 1,254 | \$ 179 | \$ 535 | \$ (739) | \$ 14,086 | \$ 739,601 |
| 2001 | (268,479) | 31,438 | 2,068 | (593) | 464 | 183 | (317) | (712) | (201) | 5,969 | (230,180) |
| 2002 | (402,410) | 4,359 | 253 | (1,524) | 274 | 497 | (410) | - | - | (96,567) | (495,528) |
| 2003 | 319,958 | 168,600 | 12,305 | 1,855 | 1,449 | 1,455 | (7) | 287 | 110 | 1,132 | 507,144 |
| 2004 | 1,313,914 | 365,320 | 26,023 | 6,281 | 3,598 | 3,236 | 565 | (40) | (585) | (26,753) | 1,691,559 |
| 2005 | 811,769 | 310,089 | 20,183 | 4,350 | 2,829 | 1,767 | 292 | 157 | (185) | (38,190) | 1,113,061 |
| 2006 | 967,555 | 336,703 | 22,315 | 5,350 | 2,664 | 2,802 | 168 | (67) | 151 | (58,379) | 1,279,262 |
| 2007 | 1,896,188 | 591,806 | 40,076 | 10,556 | 4,544 | 4,960 | 377 | 289 | 432 | (50,508) | 2,498,720 |
| 2008 | (1,188,944) | (161,775) | (13,960) | (2,096) | (1,576) | (1,431) | (824) | 454 | 227 | (74,291) | (1,444,216) |
| 2009 | (2,631,134) | (556,722) | (39,998) | (9,672) | (4,917) | (4,520) | (1,306) | 315 | 383 | (66,975) | (3,314,546) |

Public Employees' Retirement Fund

Schedule of Participating Employers¹ Year Ended June 30

PE = Public Employees' Retirement Fund; JU = 1977 and 1985 Judges' Retirement System; EC = State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan; 77 = 1977 Police Officers' and Firefighters' Pension and Disability Fund; PA = Prosecuting Attorneys' Retirement Fund; LE = Legislators' Retirement System

| Employer's Name | Fund Name |
|---|--------------------|
| State Employers | |
| State of Indiana | PE, JU, EC, PA, LE |
| Ball State University | PE |
| Bureau of Motor Vehicles Commission | PE |
| Indiana Board for Depositories | PE |
| Indiana Bond Bank | PE |
| Indiana Economic Development Corporation | PE |
| Indiana Finance Authority | PE |
| Indiana Homeland Security Foundation | PE |
| Indiana Housing and Community Development Authority | PE |
| Indiana Ports Commission | PE |
| Indiana Public Employees Retirement Fund | PE |
| Indiana Stadium And Convention Building Authority | PE |
| Indiana State Fair Commission | PE |
| Indiana State University | PE |
| Indiana University | PE |
| Ivy Tech Community College | PE |
| Little Calumet River Basin Development Commission | PE |
| Purdue University | PE |
| State Student Assistance Commission | PE |
| University of Southern Indiana | PE |
| Vincennes University | PE |
| White River State Park Development Commission | PE |
| Counties | |
| Adams County | PE |
| Allen County | PE |
| Bartholomew County | PE |
| Blackford County | PE |
| Boone County | PE |
| Brown County | PE |
| Carroll County | PE |
| Cass County | PE |
| Clark County | PE |
| Clay County | PE |
| Clinton County | PE |
| Crawford County | PE |
| Daviess County | PE |
| Dekalb County | PE |
| Dearborn County | PE |
| Decatur County | PE |

¹The number of employees and percentage of employees covered for each employer is available upon request.

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|------------------------|------------------|
| Counties | |
| Delaware County | PE |
| Dubois County | PE |
| Elkhart County | PE |
| Fayette County | PE |
| Floyd County | PE |
| Franklin County | PE |
| Fulton County | PE |
| Gibson County | PE |
| Grant County | PE |
| Greene County | PE |
| Hamilton County | PE |
| Hancock County | PE |
| Harrison County | PE |
| Hendricks County | PE |
| Henry County | PE |
| Howard County | PE |
| Huntington County | PE |
| Jackson County | PE |
| Jasper County | PE |
| Jay County | PE |
| Jefferson County | PE |
| Johnson County | PE |
| Knox County | PE |
| Kosciusko County | PE |
| Lagrange County | PE |
| Laporte County | PE |
| Lake County | PE |
| Lawrence County | PE |
| Madison County | PE |
| Marion County | PE |
| Marshall County | PE |
| Martin County | PE |
| Miami County | PE |
| Monroe County | PE |
| Morgan County | PE |
| Newton County | PE |
| Noble County | PE |
| Orange County | PE |
| Owen County | PE |
| Parke County | PE |
| Perry County | PE |
| Pike County | PE |
| Porter County | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|-------------------------|------------------|
| Counties | |
| Posey County | PE |
| Pulaski County | PE |
| Putnam County | PE |
| Randolph County | PE |
| Ripley County | PE |
| Rush County | PE |
| St Joseph County | PE |
| Scott County | PE |
| Shelby County | PE |
| Spencer County | PE |
| Starke County | PE |
| Steuben County | PE |
| Tippecanoe County | PE |
| Union County | PE |
| Vanderburgh County | PE |
| Vermillion County | PE |
| Vigo County | PE |
| Wabash County | PE |
| Warren County | PE |
| Warrick County | PE |
| Washington County | PE |
| Wayne County | PE |
| Wells County | PE |
| White County | PE |
| Whitley County | PE |
| Cities and Towns | |
| City of Alexandria | PE, 77 |
| City of Anderson | PE, 77 |
| City of Angola | PE, 77 |
| City of Attica | PE, 77 |
| City of Auburn | PE, 77 |
| City of Aurora | PE, 77 |
| City of Batesville | PE, 77 |
| City of Bedford | PE, 77 |
| City of Beech Grove | PE, 77 |
| City of Berne | PE, 77 |
| City of Bicknell | 77 |
| City of Bloomington | PE, 77 |
| City of Bluffton | PE, 77 |
| City of Boonville | PE, 77 |
| City of Brazil | 77 |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|-------------------------|------------------|
| Cities and Towns | |
| City of Butler | PE, 77 |
| City of Cannelton | 77 |
| City of Carmel | PE, 77 |
| City of Charlestown | PE, 77 |
| City of Clinton | PE, 77 |
| City of Columbia City | PE, 77 |
| City of Columbus | PE, 77 |
| City of Connersville | PE, 77 |
| City of Covington | 77 |
| City of Crawfordsville | PE, 77 |
| City of Crown Point | PE, 77 |
| City of Decatur | PE, 77 |
| City of Delphi | PE, 77 |
| City of Dunkirk | PE, 77 |
| City of East Chicago | PE, 77 |
| City of Elkhart | PE, 77 |
| City of Elwood | PE, 77 |
| City of Evansville | PE, 77 |
| City of Fort Wayne | PE, 77 |
| City of Frankfort | PE, 77 |
| City of Franklin | PE, 77 |
| City of Garrett | PE, 77 |
| City of Gary | PE, 77 |
| City of Gas City | PE, 77 |
| City of Goshen | PE, 77 |
| City of Greencastle | PE, 77 |
| City of Greenfield | PE, 77 |
| City of Greensburg | PE, 77 |
| City of Greenwood | PE, 77 |
| City of Hammond | PE, 77 |
| City of Hartford City | PE, 77 |
| City of Hobart | PE, 77 |
| City of Huntingburg | PE, 77 |
| City of Huntington | PE, 77 |
| City of Indianapolis | PE, 77 |
| City of Jasonville | PE, 77 |
| City of Jasper | PE, 77 |
| City of Jeffersonville | PE, 77 |
| City of Kendallville | PE, 77 |
| City of Knox | PE, 77 |
| City of Kokomo | PE, 77 |
| City of Lafayette | PE, 77 |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|-------------------------|-----------|
| Cities and Towns | |
| City of Lake Station | PE, 77 |
| City of Laporte | PE, 77 |
| City of Lawrence | PE, 77 |
| City of Lawrenceburg | PE, 77 |
| City of Lebanon | PE, 77 |
| City of Ligonier | PE, 77 |
| City of Linton | PE, 77 |
| City of Logansport | PE, 77 |
| City of Loogootee | PE, 77 |
| City of Madison | PE, 77 |
| City of Marion | PE, 77 |
| City of Martinsville | PE, 77 |
| City of Michigan City | PE, 77 |
| City of Mishawaka | PE, 77 |
| City of Mitchell | PE, 77 |
| City of Monticello | PE, 77 |
| City of Montpelier | PE, 77 |
| City of Mount Vernon | 77 |
| City of Muncie | PE, 77 |
| City of Nappanee | PE, 77 |
| City of New Albany | PE, 77 |
| City of New Castle | PE, 77 |
| City of New Haven | PE, 77 |
| City of Noblesville | PE, 77 |
| City of North Vernon | PE, 77 |
| City of Oakland City | PE, 77 |
| City of Peru | PE, 77 |
| City of Petersburg | PE, 77 |
| City of Plymouth | PE, 77 |
| City of Portage | PE, 77 |
| City of Portland | PE, 77 |
| City of Princeton | PE, 77 |
| City of Rensselaer | PE, 77 |
| City of Richmond | PE, 77 |
| City of Rising Sun | PE, 77 |
| City of Rochester | PE, 77 |
| City of Rockport | PE |
| City of Rushville | PE, 77 |
| City of Salem | PE, 77 |
| City of Scottsburg | PE, 77 |
| City of Seymour | PE, 77 |
| City of Shelbyville | PE, 77 |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|-------------------------|-----------|
| Cities and Towns | |
| City of South Bend | PE, 77 |
| City of Southport | PE |
| City of Sullivan | 77 |
| City of Tell City | PE, 77 |
| City of Terre Haute | PE, 77 |
| City of Tipton | 77 |
| City of Union City | PE, 77 |
| City of Valparaiso | PE, 77 |
| City of Vincennes | PE, 77 |
| City of Wabash | PE, 77 |
| City of Warsaw | PE, 77 |
| City of Washington | PE, 77 |
| City of West Lafayette | PE, 77 |
| City of Westfield | PE, 77 |
| City of Whiting | PE, 77 |
| City of Winchester | PE, 77 |
| City of Windfall | PE |
| Town of Advance | PE |
| Town of Akron | PE |
| Town of Albany | PE |
| Town of Albion | PE |
| Town of Andrews | PE |
| Town of Arcadia | PE |
| Town of Argos | PE, 77 |
| Town of Ashley | PE |
| Town of Atlanta | PE |
| Town of Austin | PE, 77 |
| Town of Avilla | PE |
| Town of Avon | 77 |
| Town of Bainbridge | PE |
| Town of Bargersville | 77 |
| Town of Battle Ground | PE |
| Town of Birdseye | PE |
| Town of Bloomfield | PE |
| Town of Boswell | PE |
| Town of Bourbon | PE |
| Town of Bremen | PE, 77 |
| Town of Bristol | PE |
| Town of Brook | PE |
| Town of Brookston | PE |
| Town of Brookville | PE |
| Town of Brownsburg | PE, 77 |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Cities and Towns | |
| Town of Bunker Hill | PE |
| Town of Burlington | PE |
| Town of Burns Harbor | PE |
| Town of Cambridge City-Western Wayne Regional District | PE |
| Town of Campbellsburg | PE |
| Town of Carbon | PE |
| Town of Carlisle | PE |
| Town of Cedar Lake | PE, 77 |
| Town of Centerville | PE |
| Town of Chandler | PE |
| Town of Chesterfield | PE |
| Town of Chesterton | PE, 77 |
| Town of Chrisney | PE |
| Town of Cicero | PE, 77 |
| Town of Clarks Hill | PE |
| Town of Clarksville | PE, 77 |
| Town of Clear Lake | PE |
| Town of Cloverdale | PE |
| Town of Colfax | PE |
| Town of Converse | PE |
| Town of Corydon | PE |
| Town of Crothersville | PE |
| Town of Culver | PE |
| Town of Cumberland | PE |
| Town of Cynthiana | PE |
| Town of Daleville | PE |
| Town of Danville | PE |
| Town of Darlington | PE |
| Town of Dayton | PE |
| Town of Dillsboro | PE |
| Town of Dublin | PE |
| Town of Dugger | PE |
| Town of Dyer | PE, 77 |
| Town of Eaton | PE |
| Town of Edgewood | PE |
| Town of Edinburgh | PE |
| Town of Ellettsville | PE |
| Town of Fairmount | PE |
| Town of Farmland | PE |
| Town of Fishers | PE, 77 |
| Town of Flora | PE |
| Town of Fort Branch | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---------------------------|------------------|
| Cities and Towns | |
| Town of Fortville | PE |
| Town of Frankton | PE |
| Town of Fremont | PE |
| Town of French Lick | PE |
| Town of Gaston | PE |
| Town of Geneva | PE |
| Town of Grabill | PE |
| Town of Grandview | PE |
| Town of Greendale | PE, 77 |
| Town of Greens Fork | PE |
| Town of Greentown | PE |
| Town of Griffith | PE, 77 |
| Town of Hagerstown | PE |
| Town of Hamilton | PE |
| Town of Hamlet | PE |
| Town of Hanover | PE |
| Town of Harmony | PE |
| Town of Hebron | PE |
| Town of Highland | PE, 77 |
| Town of Hometown | PE |
| Town of Jamestown | PE |
| Town of Jonesboro | PE, 77 |
| Town of Kingsford Heights | PE |
| Town of Knightstown | PE |
| Town of Ladoga | PE |
| Town of Lafontaine | PE |
| Town of Lagrange | PE |
| Town of Lagro | PE |
| Town of Lapaz | PE |
| Town of Lapel | PE |
| Town of Lewisville | PE |
| Town of Liberty | PE |
| Town of Long Beach | PE |
| Town of Lowell | PE, 77 |
| Town of Lynn | PE |
| Town of Markle | PE |
| Town of Matthews | PE |
| Town of Mentone | PE |
| Town of Merrillville | PE, 77 |
| Town of Middletown | PE |
| Town of Milan | PE |
| Town of Milford | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--------------------------|-----------|
| Cities and Towns | |
| Town of Millersburg | PE |
| Town of Milton | PE |
| Town of Monon | PE |
| Town of Monroe | PE |
| Town of Monroe City | PE |
| Town of Monroeville | PE |
| Town of Mooresville | PE, 77 |
| Town of Morocco | PE |
| Town of Mount Summit | PE |
| Town of Mulberry | PE |
| Town of Munster | PE, 77 |
| Town of Nashville | PE |
| Town of New Carlisle | PE |
| Town of New Chicago | PE, 77 |
| Town of New Harmony | PE |
| Town of New Palestine | PE |
| Town of New Pekin | PE |
| Town of New Ross | PE |
| Town of New Whiteland | PE |
| Town of Newburgh | PE |
| Town of North Judson | PE |
| Town of North Liberty | PE |
| Town of North Manchester | PE |
| Town of North Webster | PE |
| Town of Oaktown | PE |
| Town of Odon | PE |
| Town of Ogden Dunes | PE |
| Town of Oolitic | PE |
| Town of Orland | PE |
| Town of Orleans | PE |
| Town of Osgood | PE |
| Town of Ossian | PE, 77 |
| Town of Otterbein | PE |
| Town of Paoli | PE |
| Town of Paragon | PE |
| Town of Pendleton | PE |
| Town of Pierceton | PE |
| Town of Pittsboro | PE |
| Town of Plainfield | PE, 77 |
| Town of Porter | PE, 77 |
| Town of Poseyville | PE |
| Town of Prince's Lakes | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|----------------------------|-----------|
| Cities and Towns | |
| Town of Remington | PE |
| Town of Roachdale | PE |
| Town of Rockville | PE |
| Town of Rome City | PE |
| Town of Rossville | PE |
| Town of Royal Center | PE |
| Town of Russiaville | PE |
| Town of Schererville | PE, 77 |
| Town of Sellersburg | PE, 77 |
| Town of Sharpsville | PE |
| Town of Shelburn | PE |
| Town of Shoals | PE |
| Town of South Whitley | PE |
| Town of Speedway | PE, 77 |
| Town of Spencer | PE |
| Town of Spiceland | PE |
| Town of St John | PE, 77 |
| Town of St Leon | PE |
| Town of Tennyson | PE |
| Town of Thorntown | PE |
| Town of Topeka | PE |
| Town of Trafalgar | 77 |
| Town of Trail Creek | PE |
| Town of Van Buren | PE |
| Town of Versailles | PE |
| Town of Walkerton | PE |
| Town of Wanatah | PE |
| Town of Waterloo | PE |
| Town of West Baden Springs | PE |
| Town of West Terre Haute | PE |
| Town of Westport | PE |
| Town of Whiteland | PE |
| Town of Whitestown | 77 |
| Town of Williamsport | PE |
| Town of Winamac | PE |
| Town of Winfield | PE |
| Town of Winona Lake | PE |
| Town of Winslow | PE |
| Town of Wolcott | PE |
| Town of Wolcottville | PE |
| Town of Woodburn | 77 |
| Town of Worthington | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--------------------------------------|-----------|
| Cities and Towns | |
| Town of Yorktown | PE |
| Town of Zionsville | PE, 77 |
| Townships | |
| Aboite Township-Allen County | PE |
| Adams Township-Allen County | PE |
| Adams Township-Hamilton County | PE |
| Adams Township-Parke County | PE |
| Anderson Township-Madison County | PE |
| Bainbridge Township-Dubois County | PE |
| Beaver Township-Newton County | PE |
| Beech Creek Township-Greene County | PE |
| Bloomfield Township-Lagrange County | PE |
| Bloomington Township-Monroe County | PE |
| Bourbon Township-Marshall County | PE |
| Brown Township-Hendricks County | PE |
| Brown Township-Morgan County | PE, 77 |
| Buck Creek Township-Hancock County | PE, 77 |
| Calumet Township-Lake County | PE |
| Cass County-Eel Township | PE |
| Cedar Creek Township-Lake County | PE |
| Center Township-Boone County | PE |
| Center Township-Delaware County | PE |
| Center Township-Grant County | PE |
| Center Township-Hendricks County | PE |
| Center Township-Howard County | PE |
| Center Township-Lake County | PE |
| Center Township-Laporte County | PE |
| Center Township-Marion County | PE |
| Center Township-Marshall County | PE |
| Center Township-Porter County | PE |
| Center Township-Vanderburgh County | PE |
| Centre Township-St Joseph County | PE |
| Charlestown Township-Clark County | PE |
| Chester Township-Wabash County | PE |
| Clay Township-Hamilton County | PE |
| Clay Township-Pike County | PE |
| Clay Township-St Joseph County | PE |
| Clear Creek Township-Monroe County | PE |
| Cleveland Township-Elkhart County | PE |
| Clinton Township-Vermillion County | PE |
| Columbia Township-Whitley County | PE |
| Columbus Township-Bartholomew County | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Townships | |
| Concord Township-Elkhart County | PE |
| Decatur Township-Marion County | PE, 77 |
| Delaware Township-Hamilton County | PE |
| Eel River Township-Hendricks County | PE |
| Etna-Troy Township-Whitley County | PE |
| Fairfield Township-Tippecanoe County | PE |
| Fairmount Township-Grant County | PE |
| Franklin Township-Harrison County | PE |
| Franklin Township-Marion County | PE, 77 |
| Georgetown Township-Floyd County | PE |
| German Township-St Joseph County | PE |
| Grant Township-Newton County | PE |
| Guilford Civil Township-Hendricks County | PE |
| Hanover Township-Lake County | PE |
| Hanover Township-Shelby County | PE |
| Harris Township-St Joseph County | PE |
| Harrison Township-Vigo County | PE |
| Helt Township-Vermillion County | PE |
| Henry Township-Henry County | PE |
| Highland Township-Green County | PE |
| Hobart Township-Lake County | PE |
| Honey Creek Township-Vigo County | PE |
| Huntington Township-Huntington County | PE |
| Jackson Township-Harrison County | PE |
| Jackson Township-Jackson County | PE |
| Jackson Township-Wayne County | PE |
| Jamestown Township-Steuben County | PE |
| Jefferson Township-Grant County | PE |
| Jefferson Township-Greene County | PE |
| Jefferson Township-Pike County | PE |
| Jefferson Township-Whitley County | PE |
| Jeffersonville Township-Clark County | PE |
| Johnson Township-Lagrange County | PE |
| Johnson Township-Lagrange County | PE |
| Knight Township-Vanderburgh County | PE |
| Lafayette Township-Floyd County | PE |
| Lake Township-Kosciusko County | PE |
| Lawrence Township-Marion County | PE, 77 |
| Lost Creek Township-Vigo County | PE |
| Madison Township-Dubois County | PE |
| Madison Township-Jefferson County | PE |
| Madison Township-Pike County | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Townships | |
| Marion Township | PE |
| Maumee Civil Township | PE |
| Michigan Township-Laporte County | PE |
| Middle Township-Hendricks County | PE, 77 |
| Middlebury Township | PE |
| Mount Pleasant Township-Delaware County | PE |
| New Albany Township Trustee | PE |
| Newbury Township-LaGrange County | PE |
| Noble Township-Wabash County | PE |
| Noblesville Township-Hamilton County | PE |
| North Civil Township | PE |
| North Township-Lake County | PE |
| Ohio Township-Warrick County | PE |
| Patoka Township-Gibson County | PE, 77 |
| Penn Civil Township-St Joseph County | PE |
| Perry Clear Creek-Fire Protection District | 77 |
| Perry Township-Allen County | PE |
| Perry Township-Marion County | PE, 77 |
| Perry Township-Martin County | PE |
| Perry Township-Monroe County | PE |
| Perry Township-Vanderburgh County | PE |
| Peru Township-Miami County | PE |
| Pigeon Township-Vanderburgh County | PE |
| Pike Township-Marion County | PE, 77 |
| Pipercreek Township-Madison County | PE |
| Pleasant Township-Johnson County | PE |
| Pleasant Township-Steuben County | PE |
| Pleasant Township-Wabash County | PE |
| Portage Township-Porter County | PE |
| Portage Township-St Joseph County | PE |
| Posey Township-Fayette County | PE |
| Posey Township-Washington County | PE |
| Prairie Township-Kosciusko County | PE |
| Richland Township-Greene County | PE |
| Richland Township-Jay County | PE |
| Richland Township-Monroe County | PE |
| Root Township-Adams County | PE |
| Ross Township-Lake County | PE |
| Seward Township-Kosciusko County | PE |
| Shawswick Township-Lawrence County | PE |
| Spencer Township-Harrison County | PE |
| Springfield Township-Laporte County | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|-----------|
| Townships | |
| St John Township Trustee-Lake County | PE |
| St Joseph Township-Allen County | PE |
| Stafford Township-Greene County | PE |
| Stockton Township-Greene County | PE |
| Sugar Creek Township-Hancock County | 77 |
| Sugar Creek Township-Montgomery County | PE |
| Sugar Creek Township-Vigo County | PE |
| Taylor Township-Greene County | PE |
| Taylor Township-Howard County | PE |
| Thorncreek Township-Whitley County | PE |
| Tippecanoe Township-Kosciusko County | PE |
| Union Township-Adams County | PE |
| Union Township-Marshall County | PE |
| Union Township-Montgomery County | PE |
| Union Township-Whitley County | PE |
| Van Buren Township-Madison County | PE |
| Van Buren Township-Monroe County | PE |
| Vincennes Township-Knox County | PE |
| Warren Township-Marion County | PE |
| Warren Township-St Joseph County | PE |
| Washington Township-Adams County | PE |
| Washington Township-Daviess County | PE |
| Washington Township-Grant County | PE |
| Washington Township-Hamilton County | PE |
| Washington Township-Marion County | PE |
| Washington Township-Morgan County | PE, 77 |
| Washington Township-Pike County | PE |
| Washington Township-Starke County | PE |
| Wayne Township-Marion County | PE, 77 |
| Wayne Township-Wayne County | PE |
| West Creek Township-Lake County | PE |
| West Township-Marshall County | PE |
| Wheatfield Township-Jasper County | PE |
| White River Township-Randolph County | PE |
| White River Township Fire Protection District | PE, 77 |
| Winfield Township-Lake County | PE |
| Wright Township-Greene County | PE |
| School Districts and Education | |
| 21st Century Charter School-Fountain Square, Inc. | PE |
| 21st Century Charter School-Gary, Inc. | PE |
| 21st Century Charter School-Fall Creek | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| School Districts and Education | |
| Adams Central Community Schools | PE |
| Alexandria Community School Corporation | PE |
| Anderson Community School Corporation | PE |
| Area 30 Career Center | PE |
| Argos Community Schools | PE |
| Attica Consolidated School Corporation | PE |
| Avon Community School Corporation | PE |
| Barr-Reeve Community Schools, Inc. | PE |
| Bartholomew Consolidated School Corporation | PE |
| Batesville Community School Corporation | PE |
| Baugo Community Schools | PE |
| Beech Grove City Schools | PE |
| Benton Community School Corporation | PE |
| Bloomfield School District | PE |
| Blue River Career Programs | PE |
| Blue River Special Education Cooperative | PE |
| Blue River Valley Schools | PE |
| Bluffton-Harrison Metropolitan School District | PE |
| Bremen Public Schools | PE |
| Brown County School Corporation | PE |
| Brownsburg Community School Corporation | PE |
| Brownstown Central Community School Corporation | PE |
| Cannelton City Schools | PE |
| Carmel-Clay Schools | PE |
| Carroll Consolidated School Corporation | PE |
| Cass Township Schools-Laporte County | PE |
| Caston School Corporation | PE |
| Center Grove Community School Corporation | PE |
| Centerville-Abington Community Schools | PE |
| Central Indiana Educational Service Center | PE |
| Central Noble Community School Corporation | PE |
| Challenge Foundation Academy Charter School | PE |
| Charles A Beard Memorial School Corporation | PE |
| Charles A Tindley Accelerated High School | PE |
| Christel House Academy | PE |
| Clarksville Community School Corporation | PE |
| Clay Community Schools | PE |
| Clinton Central School Corporation | PE |
| Clinton Prairie School Corporation | PE |
| Cloverdale Community School Corporation | PE |
| Community Montessori School | PE |
| Community School Corporation of Eastern Hancock County | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|------------------|
| School Districts and Education | |
| Concord Community Schools | PE |
| Covered Bridge Special Education District | PE |
| Covington Community Schools | PE |
| Cowan Community School Corporation | PE |
| Crawford County Community School Corporation | PE |
| Crawfordsville Community School Corporation | PE |
| Crothersville Community Schools | PE |
| Crown Point Community School Corporation | PE |
| Culver Community School Corporation | PE |
| Daleville Community Schools | PE |
| Danville Community School Corporation | PE |
| Daviess-Martin Special Education Cooperative | PE |
| Decatur County Community Schools | PE |
| Decatur Discovery Academy, Inc. | PE |
| Dekalb County Central United School District | PE |
| Dekalb County Eastern Community School District | PE |
| Delaware Community School Corporation | PE |
| Delphi Community School Corporation | PE |
| Duneland School Corporation | PE |
| East Allen County Schools | PE |
| East Central Indiana Educational Service Center | PE |
| East Chicago School City | PE |
| East Chicago Lighthouse Charter School | PE |
| East Chicago Urban Enterprise Academy, Inc. | PE |
| East Gibson School Corporation | PE |
| East Noble School Corporation | PE |
| East Porter County School Corporation | PE |
| East Washington School Corporation | PE |
| Eastbrook Community School Corporation | PE |
| Eastern Howard School Corporation | PE |
| Eastern Pulaski Community School Corporation | PE |
| Edinburgh Community School Corporation | PE |
| Elkhart Community Schools | PE |
| Elwood Community School Corporation | PE |
| Evansville-Vanderburgh School Corporation | PE |
| Fairfield Community Schools | PE |
| Fayette County School Corporation | PE |
| Flanner House Elementary | PE |
| Flat Rock-Hawcreek School Corporation | PE |
| Frankfort Community Schools | PE |
| Franklin Community Schools | PE |
| Franklin County Community School Corporation | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|-----------|
| School Districts and Education | |
| Franklin Township Community School Corporation | PE |
| Frankton-Lapel Community Schools | PE |
| Fremont Community Schools | PE |
| Frontier School Corporation | PE |
| Ft Wayne Community Schools | PE |
| Galileo Charter School | PE |
| Garrett-Keyser-Butler Community School District | PE |
| Gary Community School Corporation | PE |
| Gary Lighthouse Charter School | PE |
| Gibson-Pike-Warrick Special Education Cooperative | PE |
| Goshen Community Schools | PE |
| Greater Clark County Schools | PE |
| Greater Jasper Consolidated Schools | PE |
| Greater Randolph Interlocal Cooperative | PE |
| Greencastle Consolidated Schools | PE |
| Greenfield-Central Community School Corporation | PE |
| Greensburg Community Schools | PE |
| Greenwood Community School Corporation | PE |
| Griffith Public Schools | PE |
| Hamilton Community Schools | PE |
| Hamilton Heights School Corporation | PE |
| Hamilton Southeastern Schools | PE |
| Hammond Public Schools | PE |
| Hanover Community School Corporation | PE |
| Heartland Career Center | PE |
| Herron High School Charter School | PE |
| Hobart School City | PE |
| Huntington County Community School Corporation | PE |
| Indiana Math and Science Academy | PE |
| Indianapolis Lighthouse Charter School | PE |
| Indianapolis Public Schools Education Center | PE |
| Irvington Community School | PE |
| J.E.S.S.E. School Corporation | PE |
| Joshua Academy, Inc. | PE |
| Jac-Cen-Del Community School Corporation | PE |
| Jay School Corporation | PE |
| Jennings County School Corporation | PE |
| John Glenn School | PE |
| Johnson County Schools Special Services | PE |
| Kipp Indianapolis College Preparatory | PE |
| Kipp Lead College Preparatory, Inc. | PE |
| Knox Community School Corporation | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|------------------|
| School Districts and Education | |
| Kokomo-Center Township Schools | PE |
| Lafayette School Corporation | PE |
| Lake Central School Corporation | PE |
| Lake Ridge Schools | PE |
| Lakeland School Corporation | PE |
| Lanesville Community School Corporation | PE |
| Laporte Community School Corporation | PE |
| Lawrence Early College High School | PE |
| Lawrenceburg Community School Corporation | PE |
| Liberty-Perry Community School Corporation | PE |
| Linton-Stockton School Corporation | PE |
| Logansport Community Schools | PE |
| Loogootee Community School Corporation | PE |
| Lost River Career Cooperative | PE |
| Maconaquah School Corporation | PE |
| Madison Area Educational Special Service | PE |
| Madison Consolidated Schools | PE |
| Madison Grant School Corporation | PE |
| Manchester Community Schools | PE |
| Marion-Adams Schools | PE |
| Marion Community Schools | PE |
| Merrillville Community School Corporation | PE |
| Metropolitan School District-Blackford County | PE |
| Metropolitan School District-Boone Township | PE |
| Metropolitan School District of Lawrence Township | PE |
| Metropolitan School District of Martinsville | PE |
| Metropolitan School District of Mt Vernon | PE |
| Metropolitan School District of North Posey County | PE |
| Metropolitan School District of Perry Township | PE |
| Metropolitan School District of Pike Township | PE |
| Metropolitan School District of Shakamak | PE |
| Metropolitan School District of Southwest Allen County | PE |
| Metropolitan School District of Steuben County | PE |
| Metropolitan School District of Wabash County | PE |
| Metropolitan School District of Warren County | PE |
| Metropolitan School District Warren Township | PE |
| Metropolitan School District Washington Township-Marion County | PE |
| Metropolitan School District of Wayne Township | PE |
| Michigan City Area Schools | PE |
| Middlebury Community School Corporation | PE |
| Milan Schools | PE |
| Mill Creek Community School Corporation | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| School Districts and Education | |
| Mississinewa Community Schools | PE |
| Mitchell Community Schools | PE |
| Monroe Central School Corporation | PE |
| Monroe County Community School Corporation | PE |
| Monroe-Gregg School District | PE |
| Montessori Academy At Geist, Inc. | PE |
| Monument Lighthouse Charter School | PE |
| Mooresville Consolidated School Corporation | PE |
| Mt Pleasant Community School Corporation | PE |
| Mt Vernon Community School Corporation | PE |
| Muncie Community Schools | PE |
| Nettle Creek School Corporation | PE |
| New Albany-Floyd County School Corporation | PE |
| New Castle Community School Corporation | PE |
| New Prairie United School Corporation | PE |
| Nineveh Hensley Jackson United School Corporation | PE |
| Noblesville Consolidated Schools | PE |
| North Adams Community Schools | PE |
| North Daviess Community Schools | PE |
| North Gibson School Corporation | PE |
| North Harrison Community School Corporation | PE |
| North Judson-San Pierre Schools | PE |
| North Knox School Corporation | PE |
| North Lawrence Schools | PE |
| North Miami Community Schools | PE |
| North Montgomery School Corporation | PE |
| North Newton School Corporation | PE |
| North Putnam Community School Corporation | PE |
| North Vermillion Community School Corporation | PE |
| North White School Corporation | PE |
| Northeast Dubois County School Corporation | PE |
| Northeast School Corporation | PE |
| Northeastern Wayne Schools | PE |
| Northern Community Schools | PE |
| Northern Wells Community Schools | PE |
| Northwest Allen County Schools | PE |
| Northwest Hendricks Schools | PE |
| Northwest Indiana Special Education Cooperative | PE |
| Northwestern Consolidated School District of Shelby County | PE |
| Northwestern School Corporation-Howard County | PE |
| Oak Hill United School Corporation | PE |
| Old National Trail Special Services | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| School Districts and Education | |
| Options Charter School-Carmel | PE |
| Options Charter School-Noblesville | PE |
| Oregon-Davis School Corporation | PE |
| Orleans Community Schools | PE |
| Paoli Community School Corporation | PE |
| Penn-Harris-Madison School Corporation | PE |
| Perry Central Community School Corporation | PE |
| Peru Community School Corporation | PE |
| Pike County School Corporation | PE |
| Pioneer Regional School Corporation | PE |
| Plainfield Community School Corporation | PE |
| Plymouth Community School Corporation | PE |
| Portage Township Schools | PE |
| Porter County Education Services | PE |
| Prairie Heights Community School Corporation | PE |
| Randolph Central School Corporation | PE |
| Randolph Eastern School Corporation | PE |
| Randolph Southern School Corporation | PE |
| Recovery High School At Fairbanks, Inc. (dba Hope Academy) | PE |
| Region 8 Education Service Center | PE |
| Renaissance Academy Charter School | PE |
| Rensselaer Central School Corporation | PE |
| Richland-Bean Blossom School Corporation | PE |
| Richmond Community Schools | PE |
| Rising Sun-Ohio County Community School Corporation | PE |
| River Forest Community School Corporation | PE |
| Rochester Community Schools | PE |
| Rockville Community Schools | PE |
| Rossville Consolidated School District | PE |
| Rural Community Schools, Inc. | PE |
| Rush County Schools | PE |
| Salem Community Schools-Washington County | PE |
| School City of Lake Station | PE |
| School City of Mishawaka | PE |
| School City of West Lafayette | PE |
| School Town of Highland | PE |
| School Town of Highland-Nw | PE |
| School Town of Munster | PE |
| Scott County School District 1 | PE |
| Scott County School District 2 | PE |
| Seymour Community Schools | PE |
| Shelby Eastern Schools | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| School Districts and Education | |
| Shelbyville Central Schools | PE |
| Shenandoah School Corporation | PE |
| Shoals Community School Corporation | PE |
| Signature School | PE |
| Smith-Green Community Schools | PE |
| South Adams Schools | PE |
| South Bend Community School Corporation | PE |
| South Central Area Special Education Cooperative | PE |
| South Central Community School Corporation | PE |
| South Dearborn Community School Corporation | PE |
| South Gibson School Corporation | PE |
| South Harrison Community School Corporation | PE |
| South Henry School Corporation | PE |
| South Knox School Corporation | PE |
| South Madison Community School Corporation | PE |
| South Newton School | PE |
| South Putnam Community School Corporation | PE |
| South Ripley Community School Corporation | PE |
| South Spencer County School Corporation | PE |
| South Vermillion Community School Corporation | PE |
| Southeast Fountain School Corporation | PE |
| Southeast Neighborhood School of Excellence | PE |
| Southeastern Cass School Corporation | PE |
| Southeastern School Corporation | PE |
| Southern Hancock Community Schools | PE |
| Southern Wells Community Schools | PE |
| Southwest Dubois County School Corporation | PE |
| Southwest Parke Community School Corporation | PE |
| Southwest School Corporation of Sullivan County | PE |
| Southwestern Consolidated Schools of Shelby County | PE |
| Southwestern High School | PE |
| Southwestern Jefferson County Consolidated Schools | PE |
| Speedway Public Schools | PE |
| Spencer-Owen Community Schools | PE |
| Springs Valley Community Schools | PE |
| Sunman-Dearborn Community Schools | PE |
| Switzerland Community School Corporation | PE |
| Taylor Community Schools | PE |
| Tell City Schools | PE |
| The New Community School | PE |
| The Project School, Inc. | PE |
| Thea Bowan Leadership Academy | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|-----------|
| School Districts and Education | |
| Tippecanoe School Corporation | PE |
| Tippecanoe Valley School Corporation | PE |
| Tipton Community School Corporation | PE |
| Tri-County School Corporation | PE |
| Tri-Creek School Corporation | PE |
| Triton Schools | PE |
| Turkey Run Community School Corporation | PE |
| Twin Lakes School Corporation | PE |
| Union County/College Corner Joint School District | PE |
| Union Township School Corporation | PE |
| Union-North United School Corporation | PE |
| Valparaiso Community Schools | PE |
| Veritas Academy Charter School | PE |
| Vigo County School Corporation | PE |
| Vincennes Community School Corporation | PE |
| Wa-Nee Community Schools | PE |
| Wabash City Schools | PE |
| Warrick County School Corporation | PE |
| Warsaw Community Schools | PE |
| Washington Community Schools | PE |
| Wawasee Community School Corporation | PE |
| Wes-Del Community Schools | PE |
| West Central Indiana Educational Service Center | PE |
| West Central School Corporation | PE |
| West Clark Community Schools | PE |
| West Gary Lighthouse Charter School | PE |
| West Lafayette School City | PE |
| West Noble School Corporation | PE |
| West Washington School Corporation | PE |
| Western School Corporation | PE |
| Western Wayne Schools | PE |
| Westview School Corporation | PE |
| White River Valley School Corporation | PE |
| Whiting School City | PE |
| Whitko Community School Corporation | PE |
| Whitley County Consolidated Schools | PE |
| Wilson Education Center | PE |
| Other Government Entities | |
| Adams County Public Library System | PE |
| Adams County-Solid Waste Management District | PE |
| Adams-Wells Special Services Cooperative | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Other Government Entities | |
| Akron Public Library | PE |
| Alexandrian Public Library | PE |
| Allen County Public Library | PE |
| Anderson Public Library | PE |
| And-Tro Water Authority | PE |
| Argos Public Library | PE |
| Aurora Public Library | PE |
| Bargersville Community Fire Protection District | PE |
| Bartholomew County Library | PE |
| Bartholomew County-Solid Waste Management District | PE |
| Bedford Public Library | PE |
| Beech Grove Public Library | PE |
| Bell Memorial Public Library | PE |
| Ben Davis Conservancy District | PE |
| Benton County Highway | PE |
| Benton County Public Library | PE |
| Big Blue River Conservancy District | PE |
| Boonville-Warrick County Public Library | PE |
| Bourbon Public Library | PE |
| Brazil Public Library | PE |
| Bremen Public Library | PE |
| Bristol Public Library | PE |
| Brook Iroquois Township Public Library | PE |
| Brown County Public Library | PE |
| Brown County Solid Waste Management District | PE |
| Brownsburg Public Library | PE |
| Cambridge City Library | PE |
| Capital Improvements Board | PE |
| Carmel Public Library | PE |
| Cass County Solid Waste District | PE |
| Centerville Library | PE |
| Central Nine Career Center | PE |
| City of Anderson-City Utilities | PE |
| City of Anderson-Housing Authority | PE |
| City of Angola Housing Authority | PE |
| City of Bloomington-Public Transportation | PE |
| City of Bloomington-Utilities Department | PE |
| City of East Chicago-Waterway Management District | PE |
| City of Evansville-Water And Sewer Utility | PE |
| City of Frankfort-Utilities | PE |
| City of Hammond-Port Authority | PE |
| City of Hammond-Sanitary District | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Other Government Entities | |
| City of Hammond-Water Works | PE |
| City of Indianapolis-Division of Housing | PE |
| City of Lawrence-Fort Harrison Refuse Authority | PE |
| City of Logansport-Utilities | PE |
| City of Michigan City-Redevelopment Department | PE |
| City of Muncie Housing Authority | PE |
| City of New Albany-Flood Control District | PE |
| Clarksville Sewage Department | PE |
| Clay Township Regional Waste District | PE |
| Clay Township-St Joseph County Poor Relief | PE |
| Clay-Owen-Vigo Solid Waste Management District | PE |
| Clinton Public Library | PE |
| Coatesville Library | PE |
| Connersville Utilities | PE |
| Converse-Jackson Township Library | PE |
| Cordry-Sweetwater Conservancy District | PE |
| Crawford County-Solid Waste District | PE |
| Crawfordsville Public Library | PE |
| Crown Point-Center Township Public Library | PE |
| Culver-Union Township Public Library | PE |
| Danville/Center Township Public Library | PE |
| Dearborn County-Solid Waste Management District | PE |
| Decatur County Board of Health | PE |
| Decatur County-Solid Waste District | PE |
| Decatur Housing Authority | PE |
| Delaware County Airport Authority | PE |
| Delaware County Housing Authority | PE |
| Delaware County Regional Wastewater District | PE |
| Delphi Public Library | PE |
| Dubois County Contractual Library | PE |
| East Central Indiana Solid Waste District | PE |
| East Chicago Public Library | PE |
| East Chicago Water Department | PE |
| Eckhart Public Library | PE |
| Elkhart County-Solid Waste Management District | PE |
| Elkhart Public Library | PE |
| Evansville Housing Authority | PE |
| Evansville Public Library | PE |
| Evansville Redevelopment Commission | PE |
| Evansville-Vanderburgh Airport Authority | PE |
| Evansville-Vanderburgh County Building Authority | PE |
| Fairmount Public Library | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Other Government Entities | |
| Fayette County Public Library | PE |
| Flora-Monroe Public Library | PE |
| Florence Regional Sewage District | PE |
| Fort Branch-Johnson Township Public Library | PE |
| Fort Wayne City Utilities | PE |
| Fort Wayne Convention & Tourism Authority | PE |
| Fort Wayne Housing Authority | PE |
| Fort Wayne-Allen County Airport Authority | PE |
| Fortville-Vernon Township Public Library | PE |
| Frankfort Community Public Library | PE |
| Franklin County Public Library District | PE |
| Freeman Municipal Airport | PE |
| Fremont Public Library | PE |
| Fulton County Library | PE |
| Garrett Public Library | PE |
| Gary Municipal Airport Authority | PE |
| Gary Public Library | PE |
| Gas City-Mill Township Public Library | PE |
| Goshen Public Library | PE |
| Greater Lafayette Public Transportation Corporation | PE |
| Greentown & Eastern Howard Library | PE |
| Greenwood Library | PE |
| Hagerstown-Jefferson Township Public Library | PE |
| Hamilton County Solid Waste District | PE |
| Hamilton East Public Library | PE |
| Hamilton Lake Conservancy District | PE |
| Hamilton North Public Library | PE |
| Hammond Public Library | PE |
| Hancock County Public Library | PE |
| Harrison County - Solid Waste Management District | PE |
| Harrison County Public Library | PE |
| Hartford City Public Library | PE |
| Health & Hospital Corporation of Marion County | PE |
| Health & Hospital Corporation of Marion County-Wishard | PE |
| Hendricks County-Solid Waste Management District | PE |
| Housing Authority of The City of Kendallville | PE |
| Huntingburg Housing Authority | PE |
| Huntingburg Public Library | PE |
| Huntington Public Library | PE |
| Hussey-Mayfield Memorial Public Library | PE |
| Indiana 15 Regional Planning Commission | PE |
| Indiana Intelenet Commission | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Other Government Entities | |
| Indianapolis Public Transportation Corporation | PE |
| Indianapolis-Airport Authority | PE |
| Indianapolis-Marion County Building Authority | PE |
| Indianapolis-Marion County Public Library | PE |
| Jackson County Public Library | PE |
| Jackson County Solid Waste Management District | PE |
| Jasper County Public Library | PE |
| Jasper Public Library | PE |
| Jay County Public Library | PE |
| Jeffersonville Flood Control District | PE |
| Jeffersonville Park & Recreation | PE |
| Jeffersonville Township Public Library | PE |
| Jennings County Public Library | PE |
| Johnson County Public Library | PE |
| Kankakee-Iroquois-Regional Planning Commission | PE |
| Kendallville Public Library | PE |
| Kentland Public Library | PE |
| Kewana-Union Township Public Library | PE |
| Knox County Housing Authority | PE |
| Knox County Public Library | PE |
| Kokomo Public Library | PE |
| Kosciusko County Highway Department | PE |
| Lagrange County Public Library | PE |
| Lagrange County-Sewer District | PE |
| Lake County Library | PE |
| Lake Lemon Conservancy District | PE |
| Laporte County Solid Waste Management District | PE |
| Laporte Municipal Airport Authority | PE |
| Laporte Public & County Libraries | PE |
| Lawrenceburg Flood Control District | PE |
| Lawrenceburg Public Library | PE |
| Lebanon Public Library | PE |
| Leo Cedarville Regional Sewer District | PE |
| Lincoln Heritage Public Library | PE |
| Linton Housing Authority | PE |
| Logansport Public Library | PE |
| Lowell Public Library | PE |
| Madison County-Job Source | PE |
| Madison-Jefferson Library | PE |
| Marion Public Library | PE |
| Melton Public Library | PE |
| Michiana Area Council of Governments | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|-----------|
| Other Government Entities | |
| Michigan City Library | PE |
| Middlebury Community Library | PE |
| Milford Public Library | PE |
| Mishawaka Public Library | PE |
| Mitchell Community Public Library | PE |
| Monon Town & Township Public Library | PE |
| Monroe County Public Library | PE |
| Monterey-Tippecanoe Public Library | PE |
| Montgomery County-Auditor | PE |
| Montgomery County-Highway Department | PE |
| Monticello-Union Township Public Library | PE |
| Montpelier Public Library | PE |
| Mooresville Public Library | PE |
| Morgan County Public Library | PE |
| Muncie Indiana Transit System | PE |
| Muncie Public Library | PE |
| Nappanee Public Library | PE |
| New Albany-Floyd County Public Library | PE |
| New Carlisle-Olive Township Library | PE |
| New Castle Housing Authority | PE |
| New Castle-Henry County Public Library | PE |
| New Paris Conservancy District | PE |
| Newport-Vermillion County Library | PE |
| Newton County Highway Department | PE |
| Noble County Library | PE |
| Noblesville Housing Authority | PE |
| North Madison County Public Library System | PE |
| Northeast Indiana Solid Waste Management District | PE |
| Northern Indiana Commuter Transportation District | PE |
| Northwest Indiana Health Department Cooperative | PE |
| Northwest Indiana Law Enforcement Academy | PE |
| Northwestern Indiana Regional Planning Commission | PE |
| Oak Hill Cemetery | PE |
| Oak Park Conservancy District | PE |
| Ohio County Public Library | PE |
| Ohio Township Public Library System | PE |
| Orange County-Highway Department | PE |
| Orleans Town & Township Public Library | PE |
| Owen County Public Library | PE |
| Paoli Public Library | PE |
| Patoka Lake Regional Water And Sewer District | PE |
| Peabody Public Library | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|--|-----------|
| Other Government Entities | |
| Pendleton Community Library | PE |
| Peru Public Library | PE |
| Peru Utilities | PE |
| Pike County Public Library | PE |
| Plainfield Public Library | PE |
| Plymouth Public Library | PE |
| Porter County Public Library System | PE |
| Porter County Solid Waste Management District | PE |
| Posey County-Highway Department | PE |
| Pulaski County Public Library | PE |
| Putnam County Public Library | PE |
| Randolph County-Solid Waste Management | PE |
| Region 3-A Development & Region Planning | PE |
| Regional Bus Authority | PE |
| Remington Carpenter Township Public Library | PE |
| Richmond Sanitary District | PE |
| Richmond-Morrison-Reeves Library | PE |
| Rising Sun Municipal Utilities | PE |
| Rockport-Housing Authority | PE |
| Rockville Public Library | PE |
| Rome City Housing Authority | PE |
| Royal Center Township Library | PE |
| Rushville Public Library | PE |
| Salem Public Library | PE |
| Scott County Public Library | PE |
| Scott County-Southeastern Indiana Solid Waste District | PE |
| Shelbyville-Shelby County Public Library | PE |
| Sheridan Public Library | PE |
| South Dearborn Regional Sewer District | PE |
| South Henry Regional Waste District | PE |
| South Whitley-Cleveland Township Public Library | PE |
| Southeastern Career Center | PE |
| Southern Indiana Development Commission | PE |
| Southwest Allen County Fire District | PE |
| Speedway Public Library | PE |
| Spencer County Public Library | PE |
| St Joseph County Airport Authority | PE |
| St Joseph County Public Library | PE |
| St Joseph County-Solid Waste Management District | PE |
| Starke County Airport Authority | PE |
| Starke County-Environmental Management District | PE |
| Steuben Lakes Regional Waste District | PE |

Public Employees' Retirement Fund

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|-----------|
| Other Government Entities | |
| Stucker Fork Conservancy District | PE |
| Sullivan County Public Library | PE |
| Swayzee Public Library | PE |
| Switzerland County Public Library | PE |
| Tell City-Perry County Public Library | PE |
| Terre Haute International Airport Authority | PE |
| The Indianapolis Local Public Improvement Bond Bank | PE |
| The Starke County Public Library System | PE |
| Three Rivers Solid Waste Management District | PE |
| Tiptecanoe County Public Library | PE |
| Tipton County Library | PE |
| Town of Selma-Liberty Regional Waste District | PE |
| Twin Lakes Regional Sewer District-White County | PE |
| Twin Rivers Vocational Area | PE |
| Union City Library | PE |
| Union County Public Library | PE |
| Vigo County Public Library | PE |
| Vigo County-Convention And Tourism Bureau | PE |
| Vincennes Housing Authority | PE |
| Vincennes Township Fire Protection District | 77 |
| Vincennes Water Department | PE |
| Wabash Carnegie Library | PE |
| Wakarusa Public Library | PE |
| Walkerton-Lincoln Township Public Library | PE |
| Warren County Highway | PE |
| Warren Public Library | PE |
| Warrick County Solid Waste Management District | PE |
| Warsaw Community Public Library | PE |
| Washington Carnegie Library | PE |
| Washington Housing Authority | PE |
| Washington Township Public Library | PE |
| Washington Township Trustee Assessor | PE |
| Waterloo-Grant Township Public Library | PE |
| Wayne County-Highway Department | PE |
| Wells County Public Library | PE |
| West Central Conservancy District | PE |
| West Central Solid Waste District | PE |
| West Lafayette Public Library | PE |
| Westchester Public Library | PE |
| Westfield Public Library | PE |
| Whiting Public Library | PE |
| Whitley County Solid Waste Management District | PE |

2009 Comprehensive Annual Financial Report

Schedule of Participating Employers Year Ended June 30 (continued)

| Employer's Name | Fund Name |
|---|------------------|
| Other Government Entities | |
| Wildcat Creek-Solid Waste District | PE |
| Willard Library of Evansville | PE |
| Williamsport-Washington Township Public Library | PE |
| Winchester Community Library | PE |
| Worthington-Jefferson Township Public Library | PE |
| Wright-Hageman Public Library | PE |
| Yorktown-Mt Pleasant Community Library | PE |





Public Employees' Retirement Fund

Your goals ... our commitment.

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