



Building futures,

PERF
INDIANA

2006

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

For the Fiscal Year Ended
June 30, 2006

Changing Lives





Building futures, Changing Lives

**2006 COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

PUBLIC EMPLOYEES' RETIREMENT FUND

1977 AND 1985 JUDGES' RETIREMENT SYSTEM

**STATE EXCISE POLICE, GAMING AGENT & CONSERVATION
ENFORCEMENT OFFICERS' RETIREMENT PLAN**

**1977 POLICE OFFICERS' AND FIREFIGHTERS'
PENSION AND DISABILITY FUND**

PROSECUTING ATTORNEYS' RETIREMENT FUND

LEGISLATORS' RETIREMENT SYSTEM

- DEFINED BENEFIT PLAN
- DEFINED CONTRIBUTION PLAN

STATE EMPLOYEES' DEATH BENEFIT FUND

PUBLIC SAFETY OFFICERS' SPECIAL DEATH BENEFIT FUND

PENSION RELIEF FUND

PREPARED BY

Public Employees' Retirement Fund of Indiana
143 West Market Street
Indianapolis, Indiana 46204
toll-free: 1-888-526-1687
www.perf.in.gov

PUBLIC EMPLOYEES' RETIREMENT FUND OF INDIANA 2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Table of Contents

INTRODUCTORY SECTION

- 4 Letter of Transmittal
- 8 Administrative Organization
- 9 PERF Board of Trustees and Executive Team

Fund Highlights

- 10 Public Employees' Retirement Fund
- 12 1977 and 1985 Judges' Retirement System
- 14 State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan
- 16 1977 Police Officers' and Firefighters' Pension and Disability Fund
- 18 Prosecuting Attorneys' Retirement Fund
- 20 Legislators' Retirement System – Defined Benefit Plan

FINANCIAL SECTION

- 25 Independent Auditors' Report
- 26 Management's Discussion & Analysis

Financial Statements

- 30 Statement of Fiduciary Net Assets
- 32 Statement of Changes in Fiduciary Net Assets
- 34 Notes to the Financial Statements

Required Supplementary Information

- 51 Schedule of Funding Progress
- 52 Schedule of Employer Contributions
- 53 Notes to Required Supplementary Information

Other Supplementary Information

- 54 Administrative Expenses
- 55 Investment Expenses
- 56 Contractual and Professional Services Expenses

INVESTMENT SECTION

- 58 Report on Investment Activity
- 60 Outline of Investment Policies
- 61 Investment Highlights
- 66 List of Largest Assets Held
- 67 Schedules of Commission Fees
- 68 Investment Professionals

ACTUARIAL SECTION

- 70 Actuary's Certification Letter
- 72 Summary of Actuarial Assumptions and Methods
- 75 Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities
- 76 Solvency Test
- 78 Schedules of Active Member Valuation Data
- 79 Schedules of Retirants and Beneficiaries

STATISTICAL SECTION

- 83 Summary of Statistical Section
- 84 Schedule of Additions by Source
- 86 Schedule of Deductions by Type
- 88 Schedule of Benefit Deductions by Type
- 90 Schedule of Benefit Recipients by Type of Benefit Option
- 91 Schedule of Average Benefit Payments
- 96 Schedule of Changes in Net Assets
- 97 Schedule of Participating Employers



**“We really appreciate the efforts of
your staff to bring PERF to the next
level.”**

Doug Milligan, Town of Geneva

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Introductory Section

LETTER OF TRANSMITTAL
4

ADMINISTRATIVE ORGANIZATION
8

PERF BOARD OF TRUSTEES
AND EXECUTIVE TEAM
9

FUND HIGHLIGHTS
10

Letter of Transmittal



DAVID ADAMS
EXECUTIVE DIRECTOR

December 2006

Dear Board Members:

It is my pleasure to provide this Comprehensive Annual Financial Report of the Public Employees' Retirement Fund of Indiana (PERF or the Fund) for the fiscal year ended June 30, 2006.

The fiscal year was a time of change resulting in significant progress for PERF. We received PERF's first unqualified financial opinion from the Indiana State Board of Accounts since fiscal year 2002. This represents a major effort on the part of PERF's leadership to overhaul processes, improve systems, and hold ourselves accountable to our customers. The fiscal year's significant achievements include:

Investments: PERF grew by \$1.3 billion while its investments delivered a 10.4 percent annualized return in the fiscal year. The annualized return beat a 9 percent overall benchmark and exceeded the targeted 7.25 percent actuarial rate of return. The plan grew to the 90th largest pension system in the United States, according to *Pensions & Investments*, and ended the fiscal year with more than \$14.5 billion in assets.

Management focus on alternative assets increased the investments from 0.3 percent to 0.6 percent of the 5 percent allocation in this asset class. Of special note is the formation of the Indiana Investment Fund I, a \$105 million fund targeted at businesses in Indiana or organizations looking to expand or relocate to Indiana.

Retirement Innovation: We significantly improved internal processes and initiated aggressive education and communication efforts. The result was a nearly three month drop in the average number of days from retirement date to first benefit check. PERF's new *Bridge to Retirement* process fueled the improvements by providing members an approach to planning their retirements. We supported this process with pre-retirement workshops throughout the state.

Distribution Enhancements: We overhauled our internal processes and reduced the time to receive a distribution from nearly three months to less than one month.

PERF Interactive: We changed the customer experience to allow customers to interact with PERF electronically. The introduction and ongoing enhancement of an interactive website provided employers and members a significant savings in time and effort. This secure Internet site allows the exchange of information with PERF online, rather than relying on faxes or mail. The website was completely redesigned to provide useful information about each plan to our members and employers. Web traffic significantly increased throughout the year.

Plan Administration: Prudent management allowed us to make these significant accomplishments while simultaneously reducing the administrative costs of the plan by 5.5 percent. These accomplishments also occurred at a time when the number of retirements and distributions increased significantly.

We're very much aware that each of these accomplishments has made a real and personal difference in the lives of those we serve, whether employers, members or retirees. Through the year we have received a number of positive comments from those who benefited from improvements at PERF.

Letter of Transmittal (continued)

The cover of this annual report features a few of our satisfied customers, and you will find more photos and comments at the beginning of each section. Before you look at the fiscal year's data, I encourage you to visit each section to meet a few employers, members and retirees whose lives were made a little better by improvements at PERF.

Background Information

As of June 30, 2006, PERF was responsible for the investment of more than \$14.5 billion in combined assets. In total, PERF paid monthly retirement, disability and survivor benefits to 62,248 benefit recipients, served approximately 153,664 members actively employed in public service, and worked in partnership with 1,170 participating employers statewide.

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

- Public Employees' Retirement Fund
- 1977 and 1985 Judges' Retirement System
- State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan
- 1977 Police Officers' and Firefighters' Pension and Disability Fund
- Prosecuting Attorneys' Retirement Fund
- Legislators' Retirement System (Defined Benefit Plan and Defined Contribution Plan)

PERF also administers two special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, the Fund 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 twice a year to the local police and firefighter units throughout the state that are still obliged to pay benefits under those former plans.

Management's Responsibility for Financial Reporting

The Fund's management prepared the financial statements included in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. 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 are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of the Fund's operations.

The Indiana State Board of Accounts (State Board of Accounts), 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 our report.

The State Board of Accounts completed their review of the Fund's financial statements for the fiscal year ending June 30, 2006 on Sept. 29, 2006. The resulting reports show the Fund had made significant progress in improving the quality of its financial statements. For the first time since fiscal year 2002, PERF received an unqualified opinion on its financial statements from the State Board of Accounts.

The findings of the State Board of Accounts showed real progress at the Fund. During this fiscal year, PERF management and staff invested considerable time and resources to improve its internal control environment and expect similar efforts to continue. Specifically, PERF will continue its strategic focus on organizational improvement, technology upgrades, and improved internal control processes and procedures.

The Comprehensive Annual Financial Report (CAFR)

The 2006 Comprehensive Annual Financial Report is presented in five sections:

The Introductory Section contains the transmittal letter and highlights for each of the retirement plans administered by PERF

The Financial Section contains the auditor's opinion letter, the Management Discussion and Analysis, the financial statements audited by the Indiana State Board of Accounts, the notes to the

Letter of Transmittal (continued)

financial statements and supplementary information on the plans.

The Investment Section contains information on the Fund's investment performance and a list of the Fund's largest holdings.

The Actuarial Section contains the independent consulting actuary's certification, an outline of actuarial assumptions and methods, and other actuarial statistics.

The Statistical Section contains tables of significant data pertaining to the plans.

Reporting Financial Information

The Fund'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. Management is also 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. This system includes the written policies and procedures of the PERF Board of Trustees (Board of Trustees).

For financial reporting purposes, the Fund follows the Governmental Accounting Standards Board (GASB) Statement No. 25, *Financial Reporting for Defined Benefits Pension Plans and Note Disclosures for Defined Contribution Plans*. Assets of the Fund 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

The Fund'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 63.

Investments

Positive investment performance for the Consolidated Retirement Investment Fund (CRIF) helped increase the Fund's assets in the fiscal year ending June 30, 2006. Despite a mixed investment environment that included both market recovery and an increase in volatility in the capital markets, the CRIF outpaced its Target Reference Index return.

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 the Fund and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

Asset Allocation

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 the Fund'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 (real estate and private equity) into the target asset mix.

The investment portfolio mix at fair value for fiscal year ended June 30, 2006 was approximately 25.4 percent fixed income, 74.0 percent equities and 0.6 percent in alternative investments. Of the investment portfolio as of June 30, 2006, the equity portfolio was comprised of 49.2 percent domestic equity, 9.2 percent global equity and 15.6 percent international equity.

Letter of Transmittal (continued)

Funding

The health of a retirement system is measured in its ability to fund the current and future benefit obligations of its members, which is represented in its funding level. Adequate funding levels reflect the ratio between total accumulated assets compared to total actuarial accrued liabilities, resulting in a reduced reliance on contributions. Total Consolidated Retirement Investment Fund returns of 10.4 percent were well above actuarial assumptions of 7.25 percent.

Effective July 1, 2003, the actuarial assumption for the Cost of Living Adjustment (COLA) was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. In this case, the COLA was only assumed to occur for five years and not thereafter for the life of the recipient. Effective July 1, 2004, the actuarial assumption was changed back to the remaining lifetime of the benefit recipient. The COLA assumption is being phased in to mitigate the contribution rate change to the employers. As of July 1, 2005, the COLA is assumed to be 1.0 percent. The assumption change was made to more closely align with history. The actuarial assumptions and notes pages begin on page 72.

Funding status and progress for the plans are presented in the Required Supplementary Information Schedules of Funding Progress.

The actuarial accrued liability of the Fund 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 Combined Statement of Changes in Fiduciary Net Assets in the Financial Section of this report. The actuarial accrued liability is not disclosed in the financial statements, but is disclosed in the required supplementary

information schedules following the notes to the financial statements.

Actuarial Survey Valuation

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

Acknowledgements

The compilation of this report reflects the efforts of the staff and advisors of the Indiana Public Employees' Retirement Fund. 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.

On behalf of PERF, I would like to take this opportunity to thank Governor Daniels, the members of the Pension Management Oversight Commission, the General Assembly, the Board of Trustees and the many public employees and employers who work so diligently to serve the people of Indiana.

Sincerely,



David J. Adams
Executive Director

Administrative Organization

Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Administrative Staff
David Adams
Executive Director

Terren Magid
Deputy Director
Chief Operations Officer

David Huffman
Deputy Director
Chief Technology Officer

Catherine Cooper
Director of Retirement Services

Jeffrey Hutson
Director of Communications

Administrative Staff, cont.

Shawn Wischmeier
Chief Investment Officer

Michael Henning
Director of Human Resources

Andrea Unzicker
General Counsel

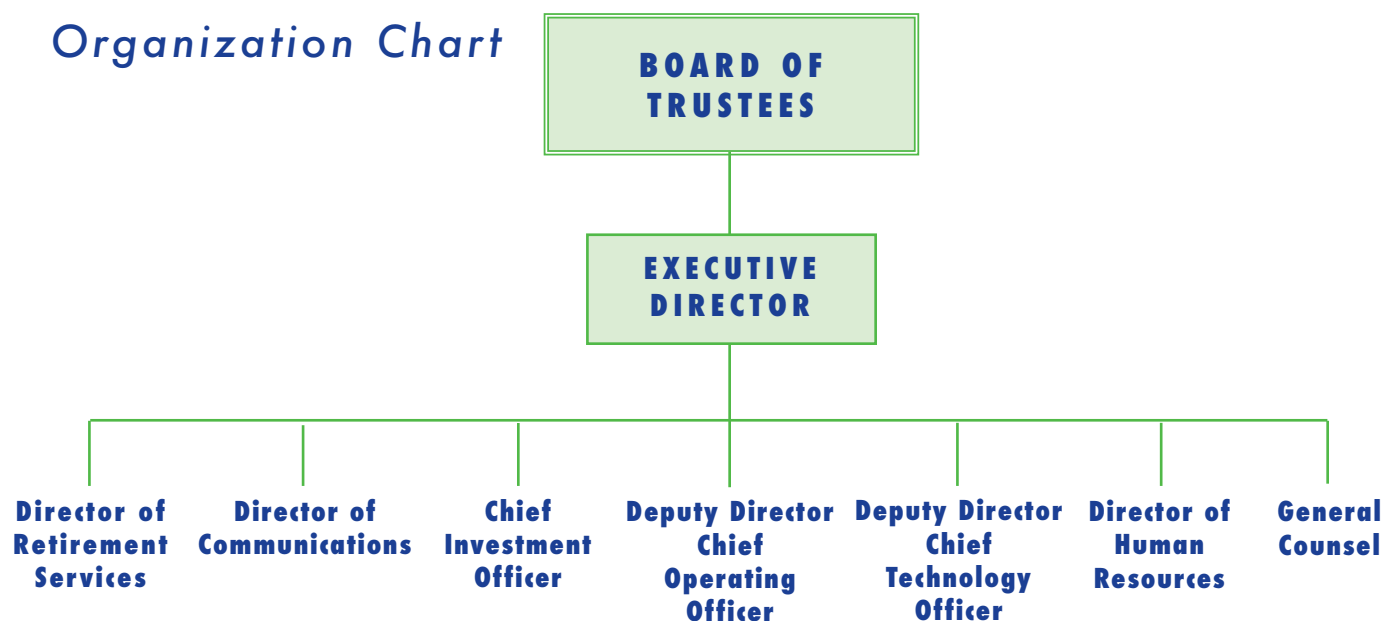
Professional Consultants
McCready and Keene, Inc.
7941 Castleway Drive
Indianapolis, IN 46250-0460

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



Organization Chart



PERF Board of Trustees & Executive Team

PERF Board of Trustees



Ken Cochran – Chair



Kathy Ettensohn



Matt Murphy



Regina Overton



Charles Schalliol - Vice-Chair



Tony Armstrong (OMB Designee)



Robert Welch, Jr.

PERF Executive Team



David Adams
Executive Director



Terren Magid
Chief Operating Officer



David Huffman
Chief Technology Officer



Andrea Unzicker
General Counsel



Catherine Cooper
Director of Retirement Services



Jeffrey Hutson
Director of Communications



Shawn Wischmeier
Chief Investment Officer



Michael Henning
Director of Human Resources

Fund Highlights

Public Employees' Retirement Fund

Membership and Eligibility

The Public Employees' Retirement Fund includes eligible state and local government employees.

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*	None

*A member who has at least eight years of PERF 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 Nov. 5, 2002, election be vested with at least eight years of creditable service.

Benefit Formula

$$\text{Annual Benefit} = (\text{Years of Creditable Service} \times \text{Average Annual Compensation} \times 0.011) + \text{Annuity Savings Account}^*$$

*Members 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.

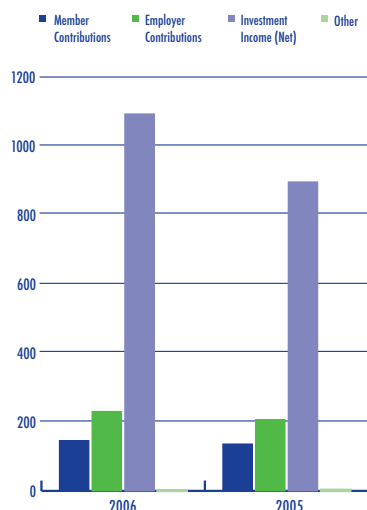
Contribution Rates

- Members are required to contribute 3 percent of gross wages to the Annuity Savings Account. 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 the Annuity Savings Account.
- The amount (rate) of employer contributions is adopted by the Board of Trustees based on recommendations by the Fund's actuary.

Fund Highlights

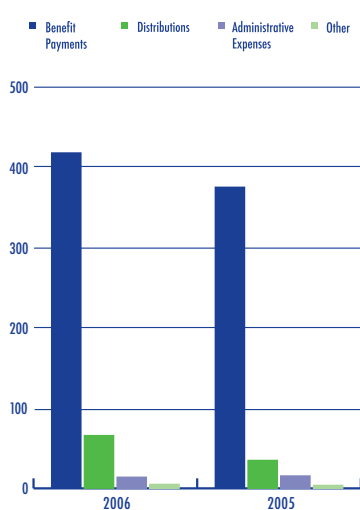
Public Employees' Retirement Fund

ADDITIONS BY SOURCE*
(in millions)

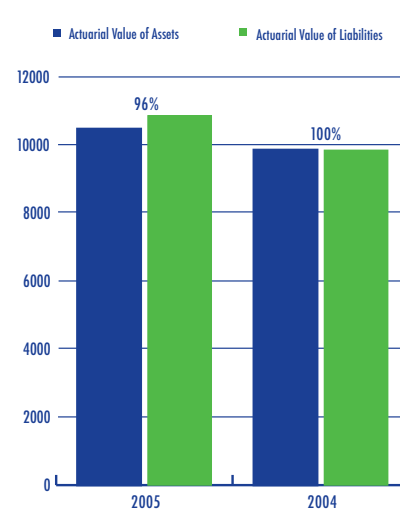


* Information for year as of June 30

DEDUCTIONS BY TYPE*
(in millions)



FUNDING PROGRESS**
(in millions) (with ratios)



** Information for year as of July 1

For fiscal year ended June 30
(in millions)

Additions by Source

	2006	2005
Member Contributions	\$ 145.7	\$ 136.0
Employer Contributions	230.4	206.3
Investment Income (net)	1,093.7	896.4
Other	1.5	3.5
Totals	\$ 1,471.3	\$ 1,242.2

For fiscal year ended June 30
(in millions)

Deductions by Type

	2006	2005
Benefit Payments	\$ 418.6	\$ 375.8
Distributions	65.8	35.0
Administrative Expenses	14.3	15.6
Other	5.1	3.9
Totals	\$ 503.8	\$ 430.3

Actuarial study as of July 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 10,471.9	\$ 9,854.0
Actuarial Value of Liabilities	10,858.3	9,844.4

Funding Ratios 96% 100%

Annuity Savings Account

In addition to the employer-financed defined benefit pension, the Public Employees' Retirement Fund benefit structure also includes the Annuity Savings Account. The purpose of the Annuity Savings Account is to help public employees of state and local governments save for their retirement by allowing them to invest in a number of different investment funds.

While employer-provided retirement and Social Security benefits are valuable sources of retirement income, they are only a part of the total retirement picture. Employees can begin investing their own money in a long-term savings plan and take responsibility for their future retirement income.

The plan provides the following benefits:

- Convenient, automatic payroll deductions
- Six investment options
- Tax deferred savings
- Roll over funds into qualified plan or IRA upon termination or retirement
- Upon death, funds transfer to beneficiaries
- Immediate vesting
- Low investment and administrative fees

Total Annuity Savings Account Assets

Annuity Savings Account

(in millions)

As of June 30,

	2005	2006
	\$ 2,341	\$ 2,516

Fund Highlights

1977 and 1985 Judges' Retirement System

Membership & Eligibility

The 1977 and 1985 Judges' Retirement System includes justices and judges of the Supreme Court, appellate, circuit, superior, criminal, probate, juvenile and municipal courts.

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 are based on the current salary of the judge's position from which they retired. The 1985 System uses the salary paid to the judge when they retired.

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 judges' position from which the judge retired. There is no cost of living allowance in the 1985 System. There is no cost of living allowance for survivor benefits.

Contribution Rates

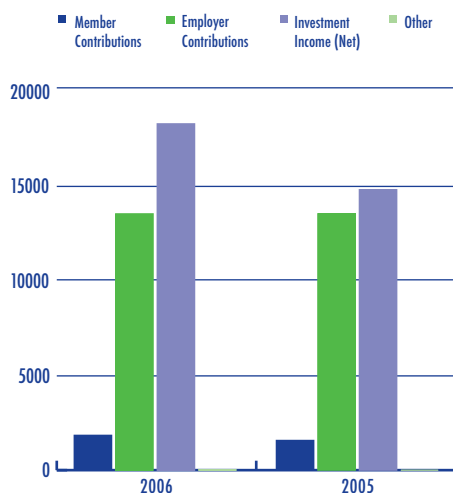
- Employees contribute 6 percent of the judge's statutory salary until 22 years of service have been completed.
- Employer contributions are determined by the General Assembly as biennial appropriations from the State's General Fund.

Fund Highlights

1977 and 1985 Judges' Retirement System

ADDITIONS BY SOURCE*

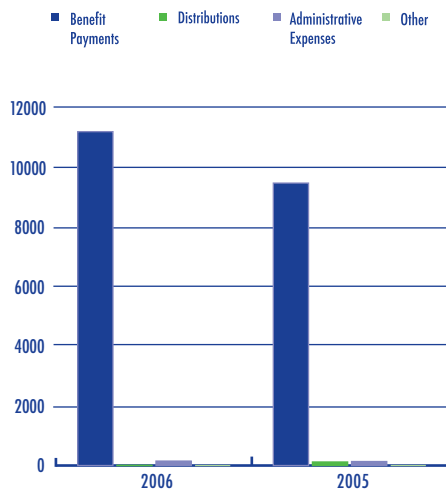
(in thousands)



* Information for year as of June 30

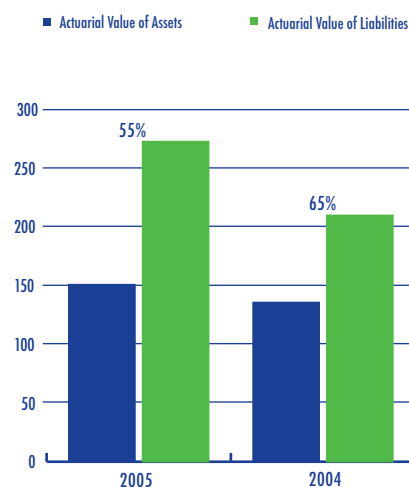
DEDUCTIONS BY TYPE*

(in thousands)



FUNDING PROGRESS**

(in millions) (with ratios)



** Information for year as of July 1

For fiscal year ended June 30
(in thousands)

Additions by Source

	2006	2005
Member Contributions	\$ 1,839	\$ 1,569
Employer Contributions	13,537	13,540
Investment Income (net)	18,291	14,814
Other	18	—
Totals	\$ 33,685	\$ 29,923

For fiscal year ended June 30
(in thousands)

Deductions by Type

	2006	2005
Benefit Payments	\$ 11,215	\$ 9,487
Distributions	6	119
Administrative Expenses	149	134
Other	—	—
Totals	\$ 11,370	\$ 9,740

Actuarial study as of July 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 151.0	\$ 135.8
Actuarial Value of Liabilities	272.9	210.0

Funding Ratios

55%	65%
-----	-----

Fund Highlights

State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund

Membership & Eligibility

The State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan includes employees of both the Department of Natural Resources, the Alcoholic Beverage and Tobacco Commission, and the Indiana Gaming Commission who are engaged exclusively in the performance of law enforcement duties.

Receiving Retirement Benefits		
Age	Years of Service	Allowance Reduction
45	15 or more	0.25% for each full month that retirement precedes age 60
55	Age at retirement plus total years of service equals 85 or more	None
60	15 or more	None

Benefit Formula

Annual Benefit = 25 percent¹ x Average Annual Salary²

¹This percentage is increased by 1-2/3 percent of average annual salary for each completed year of creditable service after 10 years (up to 25 years) and by 1 percent for each year of creditable service after 25 years.

²Average Annual Salary means 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 equal to any ad-hoc cost of living allowance enacted for PERF.

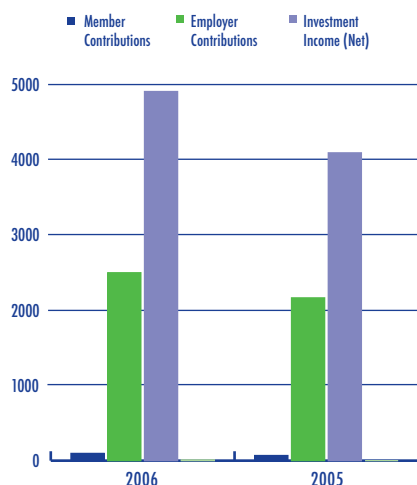
Contribution Rates

- Member rates equal 3 percent of the first \$8,500 of annual salary (maximum contribution is \$255 per year).
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

Fund Highlights

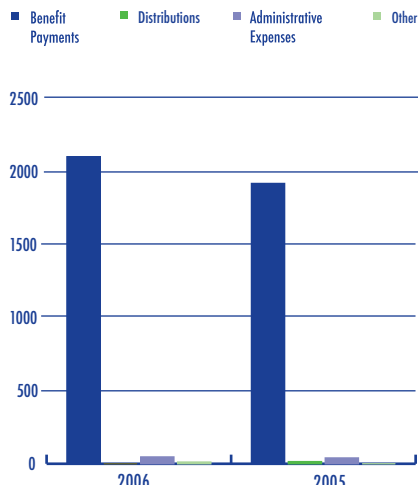
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund

ADDITIONS BY SOURCE*
(in thousands)

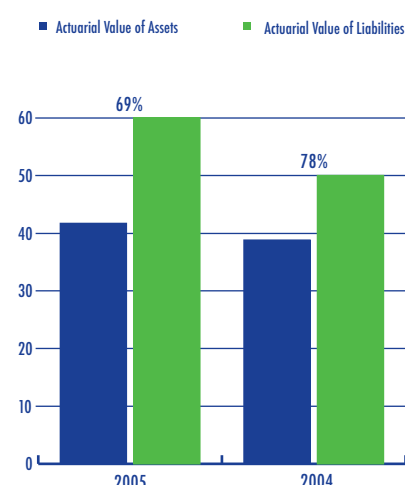


* Information for year as of June 30

DEDUCTIONS BY TYPE*
(in thousands)



FUNDING PROGRESS**
(in millions) (with ratios)



** Information for year as of July 1

For fiscal year ended June 30
(in thousands)

Additions by Source

	2006	2005
Member Contributions	\$ 96	\$ 68
Employer Contributions	2,498	2,164
Investment Income (net)	4,907	4,092
Other	10	—
Totals	\$ 7,511	\$ 6,324

For fiscal year ended June 30
(in thousands)

Deductions by Type

	2006	2005
Benefit Payments	\$ 2,102	\$ 1,919
Distributions	—	15
Administrative Expenses	47	40
Other	12	—
Totals	\$ 2,161	\$ 1,974

Actuarial study as of July 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 41.7	\$ 38.8
Actuarial Value of Liabilities	60.0	50.0

Funding Ratios

69%	78%
-----	-----

Fund Highlights

1977 Police Officers' and Firefighters' Pension and Disability Fund

Membership & Eligibility

The 1977 Police Officers' and Firefighters' Pension and Disability Fund includes eligible state and local police officers and firefighters.

Receiving Retirement Benefits		
Age	Years of Service	Allowance Reduction
50	20 or more	Actuarial allowance reduction
52	20 or more	None

Benefit Formula

Monthly benefit equal to 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.

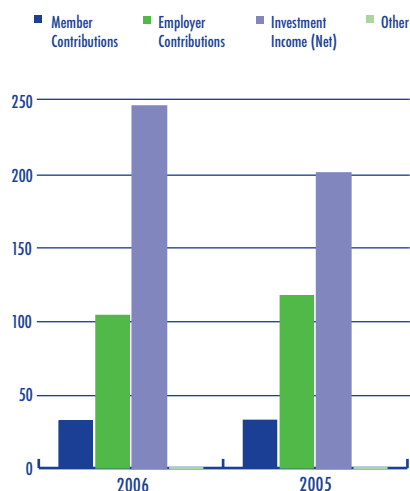
Contribution Rates

- Members contribute 6 percent of first-class salary. Employers have the option of making all or part of this contribution on behalf of the member.
- Employers contribute 21 percent of first-class salary.
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

Fund Highlights

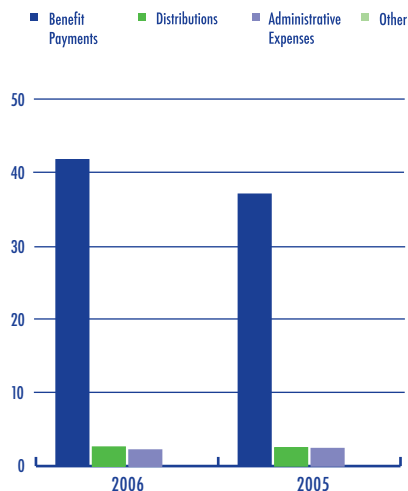
1977 Police Officers' and Firefighters' Pension and Disability Fund

ADDITIONS BY SOURCE*
(in millions)

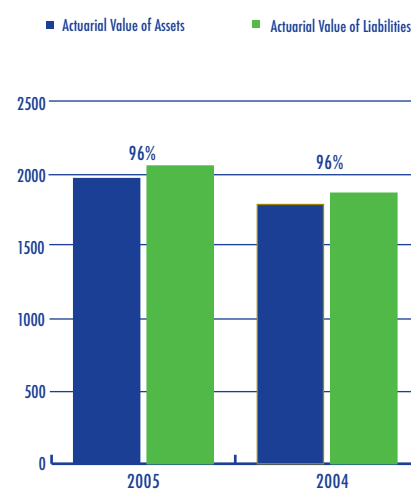


* Information for year as of June 30

DEDUCTIONS BY TYPE*
(in millions)



FUNDING PROGRESS**
(in millions) (with ratios)



** Information for year as of Jan. 1

For fiscal year ended June 30
(in millions)

Additions by Source

	2006	2005
Member Contributions	\$ 32.2	\$ 32.6
Employer Contributions	104.2	117.7
Investment Income (net)	246.8	201.1
Other	0.1	0.1
Totals	\$ 383.3	\$ 351.5

For fiscal year ended June 30
(in millions)

Deductions by Type

	2006	2005
Benefit Payments	\$ 41.8	\$ 37.1
Distributions	2.6	2.5
Administrative Expenses	2.2	1.8
Other	—	—
Totals	\$ 46.6	\$ 41.4

Actuarial study as of Jan. 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 1,976.9	\$ 1,797.1
Actuarial Value of Liabilities	2,064.1	1,875.5

Funding Ratios	96%	96%
-----------------------	-----	-----

Fund Highlights

Prosecuting Attorneys' Retirement Fund

Membership & Eligibility

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

Receiving Retirement Benefits*		
Age	Years of Service	Allowance Reduction
62	10 or more	0.25% for each full month that retirement precedes age 65
65	10 or more	None

* Benefits are reduced by any pension benefits payable from the Public Employees' Retirement Fund.

Benefit Formula

Annual Benefit = Highest Annual Salary (State Portion Only) at Retirement x Percentage Below

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

Cost of Living Allowance

No cost of living allowance is available.

Contribution Rates

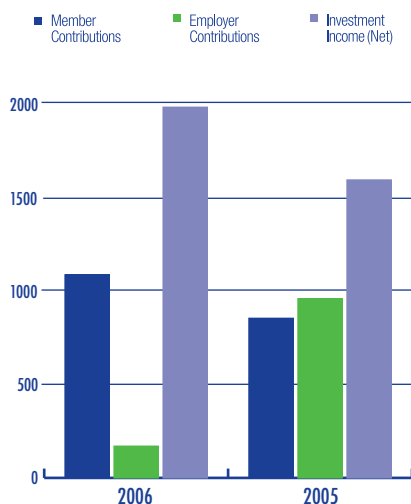
- Members contribute 6 percent of the state-paid portion of their annual salary.
- Employer contributions are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

Fund Highlights

Prosecuting Attorneys' Retirement Fund

ADDITIONS BY SOURCE*

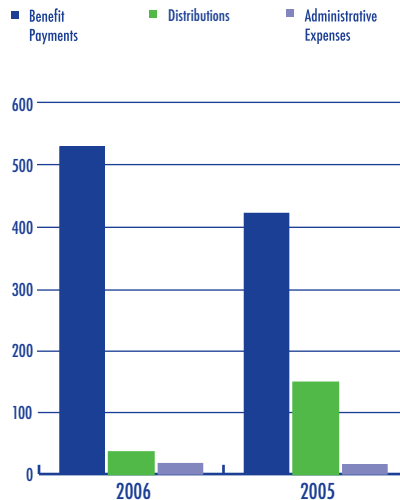
(in thousands)



* Information for year as of June 30

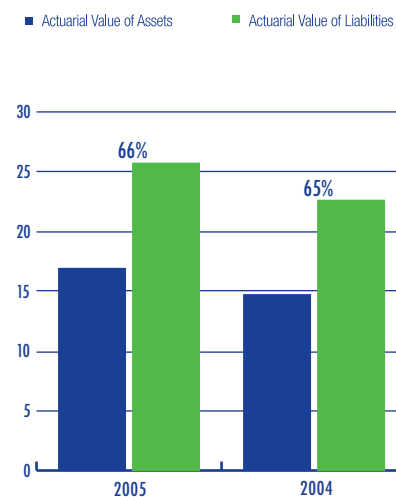
DEDUCTIONS BY TYPE*

(in thousands)



FUNDING PROGRESS**

(in millions) (with ratios)



** Information for year as of July 1

For fiscal year ended June 30
(in thousands)

Additions by Source

	2006	2005
Member Contributions	\$ 1,089	\$ 856
Employer Contributions	170	961
Investment Income (net)	1,988	1,598
Totals	\$ 3,247	\$ 3,415

For fiscal year ended June 30
(in thousands)

Deductions by Type

	2006	2005
Benefit Payments	\$ 531	\$ 423
Distributions	35	148
Administrative Expenses	17	15
Totals	\$ 583	\$ 586

Actuarial study as of July 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 16.9	\$ 14.7
Actuarial Value of Liabilities	25.7	22.6

Funding Ratios

66%	65%
-----	-----

Fund Highlights

Legislators' Retirement System- Defined Benefit Plan*

Membership & Eligibility

The Legislators' Retirement System Defined Benefit Fund 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.

Receiving Retirement Benefits		
Age	Years of Service	Allowance Reduction
55	10 or more ¹	Benefit reduced using early retirement formula ²
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 ³	None

¹Have terminated service as a member of the General Assembly and is not receiving nor is entitled to receive a salary from the state.

²Early Retirement Benefit Formula:

Step 1: 780 months (65 years) – your 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 5/12 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 your age 65 retirement benefit you receive.

³Have terminated service as a member of the General Assembly, are not receiving nor are entitled to receive a salary from the state, and are not receiving and have not previously received a reduced monthly benefit under this plan.

Benefit Formula

Lesser of:

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

Cost of Living Allowance

Cost of living allowance is equal to any ad-hoc cost of living allowance enacted for PERE

Contribution Rates

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

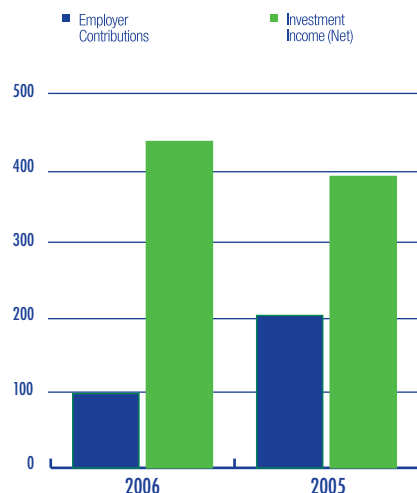
*The Legislators' Retirement System also includes a defined contribution plan available to all legislators of the State of Indiana who served in the General Assembly on or after April 30, 1989. Members contribute 5 percent of their annual salary. The State of Indiana contributes 20 percent of members' annual salaries for service after June 30, 1989.

Fund Highlights

Legislators' Retirement System- Defined Benefit Plan

ADDITIONS BY SOURCE*

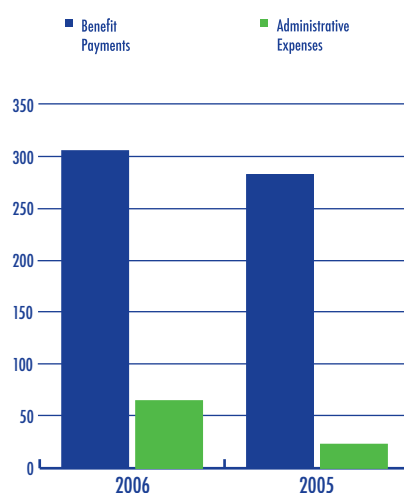
(in thousands)



* Information for year as of June 30

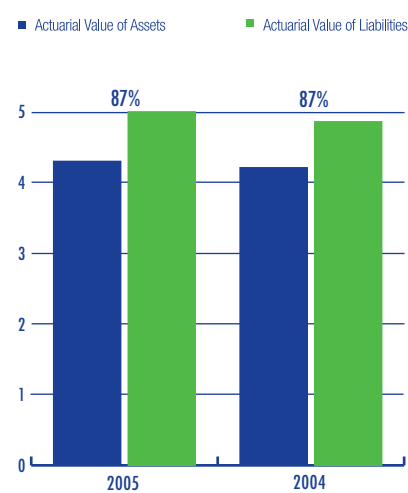
DEDUCTIONS BY TYPE*

(in thousands)



FUNDING PROGRESS**

(in millions) (with ratios)



** Information for year as of July 1

For fiscal year ended June 30
(in thousands)

Additions by Source

	2006	2005
Employer Contributions	\$ 100	\$ 206
Investment Income (net)	439	392
Totals	\$ 539	\$ 598

For fiscal year ended June 30
(in thousands)

Deductions by Type

	2006	2005
Benefit Payments	\$ 306	\$ 283
Administrative Expenses	65	23
Totals	\$ 371	\$ 306

Actuarial study as of July 1
(in millions)

Funding Progress

	2005	2004
Actuarial Value of Assets	\$ 4.3	\$ 4.2
Actuarial Value of Liabilities	5.0	4.9

Funding Ratios 87% 87%



2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Financial Section

INDEPENDENT AUDITORS' REPORT
25

MANAGEMENT'S DISCUSSION &
ANALYSIS
26

FINANCIAL STATEMENTS
30

NOTES TO THE FINANCIAL
STATEMENTS
34

REQUIRED SUPPLEMENTARY
INFORMATION
51

OTHER SUPPLEMENTARY
INFORMATION
54

"My retirement counselor worked very hard to find the correct information about how many years of service I had. She made me feel special."

Carmen Varela — Retiree

Independent Auditors' Report



STATE OF INDIANA AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the Public Employees' Retirement Fund Board of Trustees (PERF), as of and for the year ended June 30, 2006. 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, 2006, 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 and the Notes to Required Supplemental Schedules 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 principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic 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. These sections and schedules 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 29, 2006

Management's Discussion & 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, 2006. 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. The MD&A should also be read in conjunction with the financial statements, the notes to the financial statements and the supplementary information.

The following retirement plans are included in the PERF financial statements: Public Employees' Retirement Fund; Judges' Retirement System; State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan; 1977 Police Officers' and Firefighters' Pension and Disability Fund; Prosecuting Attorneys' Retirement Fund; Legislators' Defined Contribution Plan and the Legislators' Defined Benefit Plan. Also included in the financial statements are other non-retirement funds managed by PERF, which include the Pension Relief Fund, accounted for as an investment trust fund, and two other employee benefit trust funds, the Public Safety Officers' Special Death Benefit Fund and the State Employees' Death Benefit Fund. See the notes to the financial statements for descriptions of these plans.

FINANCIAL HIGHLIGHTS

- The net assets of PERF were \$14.7 billion as of June 30, 2006. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were \$14.4 billion as of June 30, 2006. Net assets of the Pension Relief Fund, which are held in trust for pool participants, were \$297 million as of the fiscal year end.
- The net assets of PERF increased by \$1.3 billion, or 9.5 percent from the prior year. The increase was primarily due to investment earnings.
- Substantially all of the investments for the retirement funds administered by PERF are pooled in the Consolidated Retirement Investment Fund (CRIF). The CRIF rate of return on investments for the year was 10.4 percent (net of fees) on a market value basis, compared to last year's return of 9.5 percent. Both domestic small-cap equity and international equity had strong returns over the period, driving the solid overall returns to the fund.
- As of July 1, 2005, the date of the most recent actuarial valuation, the largest pension plan administered by PERF, the Public Employees' Retirement Fund is actuarially funded at 96.4 percent, which is less than the 100.1 percent funded level as of July 1, 2004. Employer contributions are adjusted each year based on actuarial computations to fund the plan.
- The net assets of the Pension Relief Fund were \$297 million as of June 30, 2006, compared to \$355 million as of June 30, 2005. Pension Relief Fund distributions are mandated by state law and continue to outpace revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to PERF's financial statements. The financial section of the PERF Comprehensive Annual Financial Report is comprised of four components: 1) PERF's financial statements, 2) notes to the financial statements, 3) required supplementary information and 4) other supplementary information. The information available in each of these sections is briefly summarized as follows:

1) 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 for 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 net assets available to pay future pension and death benefits and gives a snapshot at a particular point in time. This statement also indicates the net assets held in trust for pool participants in the Pension Relief Fund, which are available for future distributions to cities and towns.

The statement of changes in fiduciary net assets presents information showing how PERF's net assets held in trust for pension and death benefits and for pool participants changed during the years ended June 30, 2006 and 2005. It reflects contributions by members and employers along with deductions for retirement benefits, distributions, Pension Relief Fund distributions and withdrawals, and administrative expenses. Investment income and losses during the period are also presented showing income from investing and securities lending activities.

2) Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in PERF's financial statements.

3) Required Supplementary Information

The required supplementary information consists of a Schedule of Funding Progress and a Schedule of Employer Contributions and related notes concerning the funding status of the pension plans administered by PERF.

4) Other Supplementary Information

Other schedules include detailed information on administrative expenses incurred by PERF, as well as investment expenses and other professional services expenses incurred. These schedules are presented for the purpose of additional analysis.

Management's Discussion & Analysis (continued)

FINANCIAL ANALYSIS

Total assets of PERF were \$18.4 billion as of June 30, 2006, compared with \$16.4 billion as of June 30, 2005. The increase in total assets was primarily due to investment gains during the year.

Total liabilities were \$3.7 billion as of June 30, 2006, compared with \$3.0 billion as of June 30, 2005. The increase was mainly due to an increase in securities lending activity and the additional collateral (liabilities) related to that activity, investments sold where settlement had not occurred by June 30, 2006, and the liability owed to the Indiana Teachers' Retirement Fund (TRF) due to retirement transfers.

A summary of PERF's Net Assets is presented below:

Net Assets (dollars in thousands)			
	June 30, 2006	June 30, 2005	% Change
Assets			
Cash and Cash Equivalents	\$ 400,280	\$ 421,867	(5.1) %
Securities Lending Collateral	2,808,460	2,093,832	34.1
Receivables	592,783	687,698	(13.8)
Investments	14,606,277	13,164,049	11.0
Capital Assets (Net)	3,090	3,171	(2.6)
Total Assets	\$ 18,410,890	\$ 16,370,617	12.5%
Liabilities			
Securities Lending Collateral	\$ 2,808,460	\$ 2,093,832	34.1%
Other Current Liabilities	919,504	873,095	5.3
Long-Term Liabilities	251	277	(9.4)
Total Liabilities	\$ 3,728,215	\$ 2,967,204	25.6%
Total Net Assets	\$ 14,682,675	\$ 13,403,413	9.5%

As the above table shows, plan net assets were \$14.7 billion as of June 30, 2006, an increase of \$1.3 billion, or 9.5 percent, compared to the prior year. This was primarily due to increased investment income and above-average investment returns.

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, 2006	June 30, 2005	% Change
Public Employees' Retirement Fund	\$ 11,366,226	\$ 10,398,671	9.3 %
Judges' Retirement System	193,310	170,995	13.1
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	52,616	47,266	11.3
1977 Police Officers' & Firefighters' Pension and Disability Fund	2,718,365	2,381,662	14.1
Prosecuting Attorneys' Retirement Fund	21,645	18,981	14.0
Legislators' Defined Benefit Plan	5,121	4,953	3.4
Legislators' Defined Contribution Plan	20,869	18,067	15.5
Public Safety Officers Death Benefit Fund	1,800	1,649	9.2
State Employees Death Benefit Fund	5,508	5,575	(1.2)
Pension Relief Fund	297,215	355,594	(16.4)
Total	\$ 14,682,675	\$ 13,403,413	9.5 %

Substantially all of the investments for the retirement funds administered by PERF are pooled in the Consolidated Retirement Investment Fund (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.

	June 30, 2006 Actual	June 30, 2005 Target	Allowable Range	June 30, 2005 Actual
Fixed Income	16.9 %	20.0 %	17.0 to 26.0 %	18.7 %
Domestic Equity	49.2	45.0	42.0 to 51.0	49.5
International Equity	15.6	11.0	8.0 to 17.0	13.3
Global Equity	9.2	9.0	6.0 to 15.0	8.4
TIPS	8.3	10.0	7.0 to 16.0	9.4
Alternative Investments	0.7	5.0	2.0 to 11.0	0.3
Cash	0.1	0	0 to 1.0	0.4
Total	100 %	100 %		100 %

Management's Discussion & Analysis (continued)

A summary of the changes in net assets during the years ended June 30, 2006 and 2005 is presented below:

Changes In Net Assets (dollars in thousands)			
	FY Ended June 30, 2006	FY Ended June 30, 2005	% Change
Additions			
Member Contributions	\$ 182,422	\$ 172,510	5.7 %
Employer Contributions	350,909	340,872	2.9
Contributions to Pension Relief Fund:			
From Cities and Towns	—	—	—
From the State of Indiana	63,051	61,834	2.0
Other Contributions from the State	307	19	1,515.8
Net Investment Income (Loss)	1,375,018	1,139,936	20.6
Transfers from Teachers' Retirement Fund	1,513	2,982	(49.3)
Other	167	719	(76.8)
Total Additions	\$ 1,973,387	\$ 1,718,872	14.8%
Deductions			
Benefits	\$ 474,746	\$ 425,939	11.5 %
Distributions	69,173	38,652	79.0
Transfers to Teachers' Retirement Fund	5,122	3,973	28.9
Pension Relief Distributions	125,075	115,228	8.5
Local Unit Withdrawals	3,072	4,091	(24.9)
Administrative Expenses	16,937	17,928	(5.5)
Total Deductions	\$ 694,125	\$ 605,811	14.6%
Increase (Decrease) in Net Assets	\$ 1,279,262	\$ 1,113,061	14.9%
Change in Net Assets Held in Trust for:			
Pension Benefits	\$ 1,337,557	\$ 1,151,279	16.2%
State and Local Units	(58,379)	(38,190)	52.9
Future Death Benefits	84	(28)	400.0

ADDITIONS

Additions needed to fund benefits are accumulated through contributions from members and employers and returns on invested funds. Member contributions for the year ended June 30, 2006 totaled \$182.4 million. This represents an increase of \$9.9 million or 5.7 percent compared to the prior year. Employer contributions were \$350.9 million, an increase of \$10.0 million or 2.9 percent. Employer contributions are adjusted each year based on actuarial computations to fund the plan.

PERF recognized a net investment income of \$1.375 billion for the year ended June 30, 2006 compared to a net investment income of \$1.14 billion the prior year. The total rate of return on the CRIF was a 10.4 percent (net of fees) compared to 9.5 percent the prior year.

Indiana Law, effective for the fiscal year ended June 30, 2002, permitted cities and towns to defer receiving their earmarked relief payments from the Pension Relief 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, 2006. The State of Indiana makes contributions to the Pension Relief Fund. These contributions totaled \$63.1 million and \$61.8 million in the fiscal years ended June 30, 2006 and 2005, respectively.

Management's Discussion & Analysis (continued)

DEDUCTIONS

The deductions from PERF's net assets held in trust for pension benefits include primarily: retirement, disability, survivor benefits, distributions of contributions to former members and administrative expenses. For the year ended June 30, 2006, benefits amounted to \$474.7 million, an increase of \$48.8 million or 11.5 percent from the prior year. The increase in benefits was due to an increase in the number of retirees and an increase to the average benefit paid. Distributions to former members were \$69.2 million, which represents an increase of \$30.5 million or 79 percent over the prior year. This increase is primarily attributed to PERF implementing a procedure change to immediately distribute members' Annuity Savings Account balances upon receipt of their retirement application, distribution of account balances for members who previously could not be located and terminated state employees due to privatization of their employers.

Administrative expenses were \$16.9 million, a decrease of \$1.0 million or 5.5 percent compared to the prior year. The current year decrease is primarily due to various initiatives to improved financial reporting, efforts to improve productivity and efficiency, as well as technological enhancements to gain efficiencies and improve customer service.

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 actual valuations were as follows:

	July 1, 2005	July 1, 2004
Public Employees' Retirement Fund	96.4 %	100.1 %
Judges' Retirement System	55.3	64.7
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	69.5	77.5
Prosecuting Attorneys' Retirement Fund	65.6	64.9
Legislators' Defined Benefit Plan	86.8	86.6
	January 1, 2005	January 1, 2004
1977 Police Officers' & Firefighters' Pension and Disability Fund	95.8 %	95.8 %

An analysis of the funding progress, employer contributions and a discussion of actuarial assumptions and methods is set forth in the required supplementary information section of the financial statements.

Statement of Fiduciary Net Assets

As of June 30, 2006 (with Comparative Totals as of June 30, 2005)*

	Pension Trust Funds				
	Public Employees' Retirement Fund	Judges' Retirement System	State Excise Police Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1977 Police Officers' and Firefighters' Pension and Disability Fund	Prosecuting Attorneys' Retirement Fund
(Dollars in Thousands)					
Assets					
Cash and Cash Equivalents	\$ 308,801	\$ 8,833	\$ 1,731	\$ 73,052	\$ 694
Securities Lending Collateral	2,157,288	38,323	10,551	539,881	4,344
Receivables					
Contributions	78,338	71	121	36,775	42
Investment Income	30,148	535	147	7,534	61
Due From Other Funds	11,729	—	—	—	—
Investment and Contract Sales	326,471	5,816	1,601	81,932	659
Member Loans	—	—	—	—	—
Due From Teachers' Retirement Fund	—	—	—	—	—
Advance to IPSI	500	—	—	—	—
Total Receivables	447,186	6,422	1,869	126,241	762
Investments					
Debt Securities	2,705,306	48,200	13,271	679,025	5,463
Equity Securities	6,973,171	123,486	33,998	1,739,616	13,997
Mutual Funds	1,582,932	19,198	5,286	270,457	2,176
Other	52,883	194	53	13,272	22
Total Investments	11,314,292	191,078	52,608	2,702,370	21,658
Capital Assets					
Land	546	—	—	—	—
Building	2,792	—	—	—	—
Office Equipment	87	—	—	—	—
Accumulated Depreciation	(335)	—	—	—	—
Total Capital Assets	3,090	—	—	—	—
Total Assets	\$14,230,657	\$ 244,656	\$ 66,759	\$ 3,441,544	\$ 27,458
Liabilities					
Accounts Payable	\$ 12,499	\$ 17	\$ (6)	\$ 42	\$ (6)
Salaries and Benefits Payable	477	—	—	—	—
Death Benefits Payable	—	—	—	—	—
Investments Payable	693,090	12,348	3,400	173,953	1,400
Due to Teachers' Retirement Fund	826	—	—	—	—
Securities Lending Collateral	2,157,288	38,323	10,551	539,881	4,344
Due to Other Funds	—	658	198	9,303	75
Total Current Liabilities	2,864,180	51,346	14,143	723,179	5,813
Compensated Absences Liability-Long Term	251	—	—	—	—
Total Liabilities	\$ 2,864,431	\$ 51,346	\$ 14,143	\$ 723,179	\$ 5,813
Net Assets Held in Trust for:					
Employees' Pension Benefits	11,366,226	193,310	52,616	2,718,365	21,645
(See Schedule of Funding Progress on page 51)					
Future Death Benefits	—	—	—	—	—
State and Local Units	—	—	—	—	—
Total Net Assets	\$11,366,226	\$ 193,310	\$ 52,616	\$ 2,718,365	\$ 21,645

*The accompanying notes are an integral part of these financial statements.

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Legislators' Retirement System		Other Employee Benefit Trust Funds		Investment Trust Fund			
Defined Benefit Plan	Defined Contribution Plan	Public Safety Officers' Death Benefit Fund	State Employees' Death Benefit Fund	Pension Relief Fund		2006 Totals	2005 Totals
\$ 155	\$ 1,888	\$ 230	\$ 233	\$ 4,663	\$ 400,280	\$ 421,867	
1,024	2,376	448	1,823	52,402	2,808,460	2,093,832	
—	3	—	—	—	115,350	107,687	
14	39	16	56	2,740	41,290	43,919	
133	—	—	—	—	11,862	10,060	
155	361	—	—	6,134	423,129	524,958	
—	652	—	—	—	652	578	
—	—	—	—	—	—	496	
—	—	—	—	—	500	—	
302	1,055	16	56	8,874	592,783	687,698	
1,287	2,988	1,561	5,240	200,815	3,663,156	3,608,539	
3,298	7,655	—	—	—	8,895,221	8,013,027	
513	8,516	—	—	92,381	1,981,459	1,504,041	
5	12	—	—	—	66,441	38,442	
5,103	19,171	1,561	5,240	293,196	14,606,277	13,164,049	
—	—	—	—	—	546	546	
—	—	—	—	—	2,792	2,792	
—	—	—	—	—	87	—	
—	—	—	—	—	(335)	(167)	
—	—	—	—	—	3,090	3,171	
\$ 6,584	\$ 24,490	\$ 2,255	\$ 7,352	\$ 359,135	\$ 18,410,890	\$ 16,370,617	
\$ 4	\$ 2	\$ 1	\$ 2	\$ 20	\$ 12,574	\$ 10,440	
—	—	—	—	—	477	430	
—	—	—	—	—	—	—	
330	766	—	—	8,478	893,765	852,165	
—	—	—	—	—	826	—	
1,024	2,376	448	1,823	52,402	2,808,460	2,093,832	
105	477	6	19	1,020	11,862	10,060	
1,463	3,621	455	1,844	61,920	3,727,964	2,966,927	
—	—	—	—	—	251	277	
\$ 1,463	\$ 3,621	\$ 455	\$ 1,844	\$ 61,920	\$ 3,728,215	\$ 2,967,204	
5,121	20,869	—	—	—	14,378,152	13,040,595	
—	—	1,800	5,508	—	7,308	7,224	
—	—	—	—	297,215	297,215	355,594	
\$ 5,121	\$ 20,869	\$ 1,800	\$ 5,508	\$ 297,215	\$ 14,682,675	\$13,403,413	

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2006 (with Comparative Totals for the Year Ended June 30, 2005)*

	Pension Trust Funds				
	Public Employees' Retirement Fund	Judges' Retirement System	State Excise Police & Conservation Enforcement Officers' Retirement Plan	1977 Police Officers' and Firefighters' Pension and Disability Fund	Prosecuting Attorneys' Retirement Fund
(Dollars in Thousands)					
Additions					
Contributions:					
Members	\$ 145,753	\$ 1,839	\$ 96	\$ 32,231	\$ 1,089
Employers	230,357	13,537	2,498	104,247	170
Other Contributions from State of Indiana:					
Cigarette Tax	—	—	—	—	—
Alcohol Tax	—	—	—	—	—
Bail Bond Fees	—	—	—	—	—
Lottery Proceeds	—	—	—	—	—
Total Contributions	376,110	15,376	2,594	136,478	1,259
Investment Income:					
Investment Income	1,118,624	18,708	5,023	252,677	2,036
Securities Lending Income	87,666	1,570	425	21,539	174
Less Investment Expense:					
Securities Lending Expense	(81,575)	(1,461)	(396)	(20,042)	(162)
Other Investment Expense	(31,057)	(526)	(145)	(7,407)	(60)
Net Investment Income (Loss)	1,093,658	18,291	4,907	246,767	1,988
Other Additions:					
Intergovernmental Transfers —	1,495	18	—	—	—
Other Retirement Funds					
Late Fees and Miscellaneous Income	46	—	10	78	—
Total Other Additions	1,541	18	10	78	—
Total Additions	1,471,309	33,685	7,511	383,323	3,247
Deductions					
Pension and Disability Benefits	418,567	11,215	2,102	41,816	531
Death Benefits	—	—	—	9	—
Distributions of Contributions and Interest	65,804	6	—	2,642	35
Intergovernmental Transfers —					
Other Retirement Funds	5,110	—	12	—	—
Pension Relief Distributions	—	—	—	—	—
Local Unit Withdrawals	—	—	—	—	—
Administrative Expenses	14,273	149	47	2,153	17
Total Deductions	503,754	11,370	2,161	46,620	583
Change in Net Assets Held in Trust for:					
Pension Benefits	967,555	22,315	5,350	336,703	2,664
State and Local Units	—	—	—	—	—
Future Death Benefits	—	—	—	—	—
Net Assets Beginning of Year	10,398,671	170,995	47,266	2,381,662	18,981
Net Assets End of Year	\$ 11,366,226	\$ 193,310	\$ 52,616	\$ 2,718,365	\$ 21,645

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Legislators' Retirement System		Other Employee Benefit Trust Funds		Investment Trust Fund	2006 Totals	2005 Totals
Defined Benefit Plan	Defined Contribution Plan	Public Safety Officers' Death Benefit Fund	State Employees' Death Benefit Fund	Pension Relief Fund		
\$ -	\$ 1,414	\$ -	\$ -	\$ -	\$ 182,422	\$ 172,510
100	-	-	-	-	350,909	340,872
-	-	-	-	30,362	30,362	29,213
-	-	-	-	2,689	2,689	2,621
-	-	307	-	-	307	19
-	-	-	-	30,000	30,000	30,000
100	1,414	307	-	63,051	596,689	575,235
506	2,053	1	9	7,555	1,407,192	1,169,306
384	96	18	63	3,000	114,935	45,751
(381)	(89)	(16)	(58)	(2,771)	(106,951)	(40,804)
(70)	(19)	(8)	(27)	(839)	(40,158)	(34,317)
439	2,041	(5)	(13)	6,945	1,375,018	1,139,936
-	-	-	-	-	1,513	2,982
-	33	-	-	-	167	719
-	33	-	-	-	1,680	3,701
539	3,488	302	(13)	69,996	1,973,387	1,718,872
306	-	-	-	-	474,537	425,079
-	-	150	50	-	209	860
-	686	-	-	-	69,173	38,652
-	-	-	-	-	5,122	3,973
-	-	-	-	125,075	125,075	115,228
-	-	-	-	3,072	3,072	4,091
65	-	1	4	228	16,937	17,928
371	686	151	54	128,375	694,125	605,811
168	2,802	-	-	-	1,337,557	1,151,279
-	-	-	-	(58,379)	(58,379)	(38,190)
-	-	151	(67)	-	84	(28)
4,953	18,067	1,649	5,575	355,594	13,403,413	12,290,352
\$ 5,121	\$ 20,869	\$ 1,800	\$ 5,508	\$ 297,215	\$ 14,682,675	\$ 13,403,413

Notes to the Financial Statements

June 30, 2006

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Public Employees' Retirement Fund (PERF) Board of Trustees:

(A) Reporting Entity

The PERF Board of Trustees is an independent body corporate and politic exercising essential government functions. The financial statements presented in this report present only those funds for which the Board of Trustees has responsibility and are not intended to present 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 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; Judges' Retirement System; State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan; 1977 Police Officers' and Firefighters' Pension and Disability Fund; Prosecuting Attorneys' Retirement Fund; Legislators' Defined Benefit Plan; Legislators' Defined Contribution Plan; Public Safety Officers' Special Death Benefit Fund; State Employees' Death Benefit Fund and the Pension Relief Fund. See Notes 2 and 3 for descriptions of these funds.

(B) Basis of Presentation

The financial statements of PERF have been prepared using fund accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. GASB Statement No. 25 has been implemented for the defined benefit pension plans.

(C) Fund Accounting

PERF uses fund accounting to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

The Board of Trustees administers seven pension trust funds. In addition, the Board of Trustees also administers the Pension Relief Fund, which is accounted for as an investment trust fund, and two death benefit funds, accounted for as other employee benefit trust funds. For descriptions of these funds see Notes 2 and 3. The 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 contributions in the funds for which the appropriations were made.

Fiduciary funds, including pension trust, investment trust and other employee benefit trust funds, account for assets held by the government in a trustee capacity or as an agent on behalf of others. The pension trust, the other employee benefit trust funds and the investment trust funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

(D) Basis of Accounting

The accrual basis is used for financial statement reporting purposes. Receivables are not maintained on the accounting records, but are calculated or estimated for financial statement reporting purposes. Throughout the year, the investments are maintained on the accounting records at the net asset value per the custodian bank. The custodian maintains records of the detail holdings and accounts that comprise the net asset value. At fiscal year end, the accounting records and financial statements recognize the investment receivables and payables as described below in Investment Unit Trust Accounting.

(E) Contributions

Contributions are considered due when the related payroll is issued by the employer. Employers are not required to submit the contributions until the month following the end of the quarter. The estimates for contribution 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, 2006, actual contributions received in July for workdays in June or a combination of the two.

(F) Benefits and Distributions

Benefits are recognized each month as benefits are paid. First checks are issued after processing the retirement application. Distributions are recognized each month as benefits are paid.

(G) Administrative Expenses

A budget for the administrative expenses of PERF is prepared and is approved by the Board of Trustees. Administrative expenses are paid from investment earnings.

The Public Employees' Retirement Fund pays the administrative expenses of all the funds. Records of the expenses are maintained and at June 30 a receivable is established in PERF and a payable in the other funds for the amount due to PERF for the other funds' administrative expenses. Although not legally required, the Legislators' Defined Benefit Plan covers the costs of the Legislators' Defined Contribution Plan.

Notes to the Financial Statements (continued)

June 30, 2006

(H) Deposits and Investments

The Treasurer of State acts 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 Board of Trustees contract with investment counsel, trust companies or banks to assist PERF in its investment program. The Board of Trustees is required to diversify investments in accordance with prudent investment standards. Investment guidelines, issued by the Board of Trustees, contain limits and goals for each type of investment portfolio and specify prohibited transactions. The investment guidelines authorize investments of: U.S. Treasury and Agency obligations, U.S. Government Securities, corporate bonds, notes and debentures, common stocks, repurchase agreements secured by U.S. Treasury obligations, mortgage securities, commercial paper, banker's acceptances and other such investments.

(I) Method Used to Value Investments

GASB No. 25 requires 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. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. For investments where no readily available market value exists, management, in consultation with their investment advisors, has determined the fair values for the individual investments.

(J) 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 Board of Trustees directed that investment unit trust accounting be implemented and that the investments be commingled as allowed by state statutes. Unit trust accounting involved 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 Consolidated Retirement Investment Fund (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 included all

investments and transactions of the pension funds, except for the PERF Fund members' annuity savings accounts directed outside the guaranteed fund, and a short-term investment account for building maintenance and the checking accounts. The Legislators' Defined Contribution 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 were allocated pro rata to each of the retirement funds within the pool. This includes cash equivalents, securities lending collateral, accounts 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 Fund members' annuity savings accounts directed to the bond fund, S&P 500 Index Stock Fund and international stock fund were included with those portfolios maintained for the consolidated fund investments. The pension relief fund also invests in the S&P 500 Index stock fund. The unit trust method is used to separately account for the transactions and balances owned by the CRIF and those owned by the PERF Fund members' annuity savings accounts and the Pension Relief Fund. This was also implemented and accounted for through the custodian bank.

(K) Building

The buildings at 125 and 143 West Market Street were owned and held as investments by Market Capital Ventures, LLC, of which PERF was the only member. In September 2004, the 125 building was sold for \$1,375,000. At the September 17, 2004 board meeting, the Board of Trustees approved a resolution to dissolve Market Capital Ventures, LLC and thus return the ownership of the 143 building back to PERF. The 143 building was reclassified from Real Estate Investment to Capital Assets. The building is depreciated over 20 years using the straight line method. At June 30, 2006, the accumulated depreciation on the building was \$333,835.

(L) Other Investments

Other Investments includes warrants, overdrafts and investment in shares of limited liability partnerships. In 2005, Other Investments also includes \$500,000 advanced to Indiana Pension Systems, Incorporated (IPSI). IPSI was a joint venture between PERF and the Teachers' Retirement Fund (TRF) created to provide information technology services to both organizations. IPSI was dissolved in May 2006 and became a part of the Indiana Office of Technology. At June 30, 2006, PERF's investment of \$500,000 was reclassified from Other Investments to Receivables.

(M) Equipment

Equipment with a cost of \$20,000 or more is capitalized at its

Notes to the Financial Statements (continued)

June 30, 2006

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. Equipment costing \$87,000 was capitalized during the year and accumulated depreciation as of June 30, 2006 was \$1,455.

(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

The following 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 distributions, less amounts distributed or transferred to the Benefits in Force reserve for retirement, disability or other benefit. For the PERF Fund, this reserve is the members' annuity savings accounts. Member Reserves are fully funded.

2. Employer Reserve – This reserve consists of the accumulated employer contributions plus earnings distributions less transfers made to the benefits in force reserve of the actuarial pension cost. The funding status of the Employer Reserve is outlined in the Schedule of Funding Progress in the 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. The accumulated contributions of the members are transferred to the reserve upon retirement or disability. The remainder of the actuarial pension cost is transferred from the employer reserve to fund the benefits. This reserve is fully funded based on the latest actuarial valuation.

4. Undistributed Investment Income Reserve – This reserve was credited with all investment earnings. Interest transfers have been made annually to the other reserves as allowed or required by the individual funds' statutes. The transfers are at rates established by the 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 employer(s) of the fund.

5. Administrative Expense – This designation represents the following fiscal year's administrative budget in the PERF Fund, which initially pays all administrative expenses. The budget for the fiscal year ending June 30, 2007 is \$64.2 million.

<i>(in Thousands)</i>	Member Reserve	Employer Reserve	Benefits in Force	Undistributed Income
Public Employees' Retirement Fund	\$ 2,515,984	\$ 5,440,917	\$ 3,345,136	\$ –
Judges Retirement System	20,861	36,687	135,762	–
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	3,644	29,614	19,359	–
1977 Police Officers' and Firefighters' Pension and Disability Fund	440,721	1,806,884	470,759	–
Prosecuting Attorneys' Retirement Fund	14,893	1,947	4,805	–
Legislators' Retirement System – Defined Benefit Plan	n/a	2,967	2,154	–
Defined Contribution Plan	21,346	n/a	n/a	(477)

(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 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.

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 Employees' Pension Plan

Until June 30, 2000, PERF was an agency of the State of Indiana. When PERF became an independent body corporate and politic in July 2000, the Board of Trustees elected that PERF employees remain in the State of Indiana PERF plan. This plan is described in Note 2(A). PERF employees have remained combined with the State of Indiana for actuarial purposes; thus, actuarial figures are not available to separately identify PERF's portion of the pension obligations, assets and liabilities. For significant actuarial assumptions, see Notes to Required Supplementary Information-Public Employees' Retirement Fund. The Annual Pension Cost and Net Pension Obligations, and the historical trend information for the State of Indiana PERF plan are as follows:

Notes to the Financial Statements (continued)

June 30, 2006

<i>(in Thousands)</i>	Annual Pension Cost and Net Pension Obligation (Asset)
Annual required contribution	\$ 69,647
Interest on net pension obligation	(6,102)
Adjustment to annual required contribution	6,953
Annual pension cost	70,498
Contributions made	(62,760)
Increase (decrease) in net pension obligation	7,738
Net pension obligation, beginning of year	(84,159)*
Net pension obligation, end of year	\$ (76,421)

Contribution rate 5.5 %

Three-Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Contributed Net Pension Obligation
June 30, 2005	\$ 70,498	89.0 %	\$(76,421)
June 30, 2004	55,063	164.7	(83,416)
June 30, 2003	80,118	100.8	(48,513)

*A negative \$743 thousand was included to represent the addition of the Toll Road Commission to the State account.

(R) Transfers From and To Teachers' Retirement Fund

If a member was last employed in a PERF-covered position, PERF will use the member's Teachers' Retirement Fund (TRF) service and Annuity Savings Account balance at the time of retirement to calculate the member's retirement benefit. Likewise, if a member was last employed in 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. This can be found in the Liabilities sections of the Statement of Fiduciary Net Assets.

(S) Adoption of New Accounting Standards

During the year ended June 30, 2005, PERF adopted Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3)* ("GASB No. 40"). The adoption of GASB No. 40 required PERF to include a presentation of Deposit and Investment Risk Disclosures. Current year disclosures are included in Note 5. The adoption of GASB No. 40 did not have an impact on PERF's financial statements.

NOTE 2. RETIREMENT PLANS

The following is a brief description of each of the retirement funds and plans:

(A) Public Employees' Retirement Fund

The Public Employees' Retirement Fund (PERF Fund) is an agent multiple-employer public employee retirement system and a defined benefit plan 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 PERF Board, by 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 fund 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 fund, and is filed with and approved by the Board of Trustees. In order to be a member, employees hired after June 30, 1982 must occupy positions normally requiring performance of service of one thousand hours during a year. School corporation employees, however, as well as those hired before July 1, 1982 must occupy positions requiring service of six hundred hours during a year.

At June 30, 2006, the number of participating political subdivisions was 1,159. The PERF Fund membership at July 1, 2005 consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	57,121
Terminated employees entitled to benefits but not yet receiving them	10,531
Active employees: vested and non-vested	141,428
Total	209,080
Total covered payroll (in thousands)	\$ 4,318,450

The PERF Fund 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 mandatory employer contribution is a percentage of payroll, determined by PERF's actuary, necessary to fund the pension benefit 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, plus the interest 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 account.

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 time should a member terminate employment prior to retirement. Withdrawal of the annuity savings account prior to retirement results in forfeiture of

Notes to the Financial Statements (continued)

June 30, 2006

the related pension benefit. All benefits vest after 10 years of creditable service. The vesting period is eight years for certain elected county officials. When benefit rights are vested, members may retain them even if they withdraw from active service before normal retirement age.

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 covered employment. The average annual compensation in this calculation is an average of the member's highest 20 calendar quarters' salaries during PERF 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 has reached at least age 50 and has 15 years of creditable service is eligible for early retirement with a reduced pension, ranging from 44 percent to 99 percent of the pension benefit described above. However, a member who is at least 55 years old and the member's age plus number of years of PERF covered employment is at least 85 is entitled to 100 percent of the benefits as defined in the preceding paragraph.

The PERF Fund 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 the member with 15 or more years of creditable service, a survivor benefit may be paid to the spouse or designated dependent beneficiary. 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.

(B) 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, by IC 33-38-6 and -7. Coverage is for 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 Circuit, Indiana Tax Court or County Courts including: Circuit, Superior, Criminal, Probate, Juvenile, Municipal and County Court. IC 33-38-8 applies to judges beginning service after August 31, 1985.

Retirement, permanent disability and death benefits are provided by the Judges' Retirement System. 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 annuity, payable monthly for life, in an amount calculated in accordance with statutes.

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 children are entitled to benefits for life, or until attainment of age 18, if the participant had qualified to receive a retirement or disability annuity or had completed at least 10 years of service and was in service as a judge.

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 percentage for year of service as defined in the statute. If the annual retirement benefit of a participant who began service as 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.

At July 1, 2005, the Judges' Retirement System membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	264
Terminated employees entitled to benefits but not yet receiving them	87
Active employees: vested and non-vested	282
Total	633
Total covered payroll (in thousands)	\$ 32,231

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

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 only include sufficient funds to cover the aggregate liability of the fund for benefits to the end of the biennium, on an actuarially funded basis. The statutes also provide for remittance of docket fees and court fees. These are considered employer contributions.

(C) State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan

The Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan (E,G&C) was established in 1972 by IC 5-10-5.5, as amended. The retirement fund is a single employer

Notes to the Financial Statements (continued)

June 30, 2006

defined benefit plan. The retirement fund is for employees of the Indiana Department of Natural Resources, the Indiana Alcohol and Tobacco Commission and any Indiana state excise police officer, Indiana state conservation enforcement officer or gaming agent who are engaged exclusively in the performance of law enforcement duties.

The E,G&C Plan provides retirement, disability and survivor benefits. Retirement and survivor 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 60th birthday. 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 benefits. 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.

Surviving parents, or the spouse, are entitled to benefits for life generally equal to 50 percent of the amount the participant would have received if retired. Surviving unmarried children are entitled to benefits equal to their proportionate share of the amount the participant would have received if retired. This benefit will continue until the child reaches 18 years of age or marries.

There is no vesting requirement for entitlement to the plan's permanent and temporary disability benefits. The benefit amount is greater if the disability arose in the line of duty. The benefit is based upon the participant's monthly salary times the degree of impairment as determined by the disability medical panel, established in accordance with statute.

Members are required by statute to contribute 3 percent of the first \$8,500 of annual salary to the fund. If a member leaves covered employment or dies before 15 years of credited service, accumulated member contributions plus interest, as credited by the 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 finance the coverage.

At July 1, 2005 the E,G&C Plan's membership consisted of:

Retirees, disability recipients and beneficiaries receiving benefits	128
Terminated employees entitled to benefits but not yet receiving them	4
Active employees: vested and non-vested	262
Total	394
Total covered payroll (in thousands)	\$ 13,223

(D) 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, cost sharing public employee retirement system. The fund was established in 1977 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.

A participant is required by statute to contribute 6 percent of a first class officer 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 fund's actuary determines employer contributions.

A member who retires at or after the age of 52, with 20 years of service, is entitled to 50 percent of the prevailing salary of a first class officer, as defined by the local unit, plus 1 percent for each six month period over 20 years. The maximum benefit is 74 percent of the salary of a first class officer.

The fund also provides disability and survivor benefits. If an active fund member has a covered impairment the member is entitled to receive benefits. The statutes define the disability benefits. The benefits may be based on when the member was first hired, the type of impairment, and other factors.

If a member dies while receiving retirement or disability benefits there are provisions for the surviving spouse and children to receive a portion of the benefits. Each of the member's surviving children is entitled to a monthly benefit equal to 20 percent of the member's monthly benefit until the age of 18. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent during the spouse's lifetime. If there is no eligible surviving spouse or children, a dependent parent or parents may receive 50 percent of the fund member's monthly benefit during their lifetime.

Each year the Board of Trustees shall determine a cost of living adjustment. To calculate the adjustment, the PERF Board of Trustees determines if there has been an increase or decrease in the consumer price index (United States city average) prepared by the United States Department of Labor by comparing the arithmetic mean of the consumer price index for January, February and March of that year with the arithmetic mean for the same three months of the preceding year. The increase or decrease shall be stated as a percentage of the arithmetic mean for the preceding three month period. The percentage shall be rounded to the nearest 0.1 percent and may not exceed 3 percent. A fund member's or survivor's monthly benefit, beginning with the July payment, shall be increased or decreased by an amount equal to the June payment times the percentage increase or decrease. However, a fund member's or survivor's monthly benefit may not be increased or decreased by a COLA until July of the year following the year of the first monthly benefit payment to the fund member or survivor.

Notes to the Financial Statements (continued)

June 30, 2006

In computing a fund member's benefit, the increase or decrease is based only on those years for which the fund member was eligible for benefit payments under this chapter. A monthly benefit may not be reduced below the amount of the first monthly benefit received by the fund member or survivor.

At June 30, 2006, the number of participating employer units totaled 160 (252 police and fire departments). Membership of the 1977 Fund at January 1, 2005 consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	1,898
Terminated employees entitled to benefits but not yet receiving them	115
Active employees: vested and non-vested	11,424
Total	13,437
Total covered payroll (in thousands)	\$ 493,707

Indiana Code 36-8-8-9 was amended effective July 1, 1998, allowing Firefighters and Police Officers who converted their benefits from the 1925, 1937 or 1953 funds and either were retired or disabled on or before June 30, 1998, to be entitled to receive benefits under the 1977 Fund using the 1977 Fund's eligibility criteria. The employees were then considered members of the 1977 Fund for the purposes of paying benefits to them, effective for benefits paid on or after October 1, 1998. Due to this law change, 1,256 retirees became a part of the 1977 Fund.

(E) Prosecuting Attorneys' Retirement Fund

The Prosecuting Attorneys' Retirement Fund was established in 1989 by IC 33-39-7. The retirement fund is a single employer defined benefit plan. The retirement fund is for individuals who serve as a prosecuting attorney, chief deputy prosecuting attorney or certain other deputy prosecuting attorneys. These individuals are paid from the General Fund of the State of Indiana.

The Prosecuting Attorneys' Retirement Fund 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 as a prosecuting attorney and is not receiving, nor entitled to receive, any salary from the State for services currently performed.

The amount of the annual retirement benefit for a participant who is at least 65 years of age is 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 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.

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

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 Public Employees' Retirement Fund (PERF Fund) if the participant had retired from the PERF Fund on the date the participant's retirement from the Prosecuting Attorneys' Retirement Fund occurred. Members of this fund are also participating members of the PERF Fund with the State paying the 3 percent employee contributions.

The Prosecuting Attorneys' Retirement Fund 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 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 regardless of the participant's age if the participant was: receiving benefits from this fund, serving as a prosecuting attorney or chief deputy prosecuting attorney and had completed at least eight years of service, or met the requirements for disability benefits.

The surviving spouse is entitled to a benefit for life equal to the greater of \$7,000 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 the 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 the Prosecuting Attorneys' Retirement Fund and benefits payable to a surviving spouse or dependent children are reduced by the amounts, if any, that would be payable under the Public Employees' Retirement Fund.

At July 1, 2005 the Prosecuting Attorneys' Retirement Fund membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	18
Terminated employees with accrued creditable service	249
Active employees: vested and non-vested	220
Total	487
Total covered payroll (in thousands)	\$ 16,659

Notes to the Financial Statements (continued)

June 30, 2006

(F) Legislators' Retirement System

The Legislators' Retirement System was established in 1989 by IC 2-3.5. The retirement system is for the members of the General Assembly of the State of Indiana.

The Legislators' Retirement System is comprised of two separate and distinct plans. The Legislators' Defined Benefit 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 files an election under IC 2-3.5-3-1(b). The Legislators' Defined Contribution Plan (IC 2-3.5-5) applies to each member of the General Assembly who was serving on April 30, 1989 and files 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.

Legislators' Defined Benefit Plan

The Legislators' Defined Benefit Plan provides retirement, disability, and survivor benefits. This plan is closed to new entrants. A participant is entitled to a monthly retirement benefit if the participant is at least 65 years of age (55 years for reduced benefits) or 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; 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 entitled to receive, compensation from the State for work in any capacity.

The monthly retirement benefit is the lesser of (1) \$40 multiplied by the total years of service completed by the participant as a member of the General Assembly before Nov. 8, 1989, or (2) 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 and meets the other requirements stated above is eligible for early retirement with a reduced benefit. The actual reduction is based on the participant's age and ranges from 0.1 percent to 56 percent of the monthly retirement as calculated above.

The Legislators' Defined Benefit 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. Upon the death of a participant who was 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 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: (1) the participant was receiving at the time of death or (2) 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.

The amount required to actuarially fund participants' retirement benefits, as determined by the Board of Trustees on the recommendation of an actuary, is to be appropriated from the State's General Fund for each biennium.

Legislators' Defined Contribution Plan

A participant of the Legislators' Defined Contribution Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions. The amount available for withdrawal is the fair market value of the participant's account on the quarter end preceding the date of withdrawal plus any contributions since the quarter end. Account balances are fully vested to the participants. The withdrawn amount can be paid in a lump sum or as an actuarially equivalent monthly annuity as offered by the Board of Trustees and 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 plan, the participant's account is to be paid to the beneficiary (or beneficiaries) or to the survivors. The amount to be paid is the fair market value of the participant's account (employer and employee contributions) on the quarter end preceding the date of payment, plus contributions since the quarter end.

Each participant shall make employee contributions of 5 percent of salary received for services rendered after June 30, 1989. Employer contributions equal to 20 percent of the annual salary received by each participant for services rendered after June 30, 1989, are to be appropriated from the State's General Fund.

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 earnings potential. The investment options include the Consolidated Fund, Bond Fund, Money Market Fund, Small Cap Stock Fund, S&P 500 Index Stock Fund and international stock fund. Members may make changes to their investment directions daily. Investments of the plan are reported at fair value.

At July 1, 2005 the Legislators' Retirement System's membership consisted of:

	Defined Benefit	Defined Contribution
Retirees, disability and beneficiaries receiving benefits	39	--
Terminated employees entitled to benefits but not yet receiving them	29	--
Active employees: vested and non-vested	48	198
Total	116	198
Total covered payroll (in thousands)		\$ 5,650

Notes to the Financial Statements (continued)

June 30, 2006

A member of the Defined Benefit Plan may also be a member of the Defined Contribution Plan if the participant is still a member of the General Assembly or has not withdrawn from the Defined Contribution Plan since terminating service as a member of the General Assembly.

Note 3. Description of Non-Retirement Funds

The following is a brief description of the non-retirement funds administered by PERF:

(A) Pension Relief Fund

The Pension Relief Fund was created by the Indiana General Assembly in 1977 (IC 5-10.3-11). The purpose of the fund is to give financial relief to cities' and towns' pension funds for their police officers and firefighters. The financial relief is needed because cities and towns have to pay benefits to retirees under the old plans (locally administered) and adequately fund those in the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Distributions are made from the Pension Relief Fund to cities and towns two times per year based on a fixed formula. The distribution is based on two separate computations, the "K portion" and the "M portion." The first is based on the number of retirees and amount of benefits projected to be paid during the current year, and the latter is based on the maximum ad valorem tax levy established for each participating municipality. In addition, distribution from the Pension Relief 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 Pension Relief Fund also pays a lump sum death benefit of \$150,000. The benefit is paid to the surviving spouse, or if there is no surviving spouse, to the surviving children 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 children, the benefit is paid to the parent or parents in equal shares.

The Pension Relief Fund's additions are derived from contributions from the State for a portion of cigarette and alcohol taxes, a portion of the State's lottery proceeds, and the investment income earned.

Cities and towns are permitted to defer receiving their earmarked relief payments from the Pension Relief Fund. The deferred amounts remain invested in the Fund and are available to those cities and towns at their request. As of June 30, 2006, cities and towns had investments with a market value of \$14,621,389 on deposit in the Pension Relief Fund. In the Fund's financial statements, the earmarked relief payments are reflected as distributions and the deferred amounts are reflected as additions from cities and towns.

(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 children of a public safety officer (as defined by IC 5-10-10-6) who dies in the line of duty. If there is no surviving spouse or children, the benefit is paid to the parent or parents in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2 and investment earnings of the fund.

House Enrolled Act 1600 changed IC 5-10-10 to allow private universities to purchase coverage under the fund. Their election into the fund could be made with the effective date of June 30, 2004. Upon their election, the private universities submit \$100 for each police officer and/or firefighter. The \$100 per police officer and firefighter is to be submitted annually to maintain coverage. Four private universities have elected coverage with one selecting effective date of June 30, 2004.

(C) 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 children (to be shared equally) of a state employee who dies in the line of duty.

The statute did not establish a method to fund the program. It stated that: "The State shall provide these benefits by purchasing group life insurance or by establishing a program of self-insurance." Effective with the State's pay period ended Oct. 23, 1993, the State assessed state agencies 0.1 percent of gross pay to fund this program. Because of the size of the fund, collection of the assessment ceased November 1999.

Note 4. Contributions Required and Contributions Made

The following is a brief description of the contributions required and the contributions made to each of the retirement funds and plans:

(A) Public Employees' Retirement Fund

The State of Indiana and any political subdivision that elects to participate in the PERF Fund is obligated by statute to make contributions to the plan. The required contributions are determined by the 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 amortization period is 40 years for those employers whose effective date of participation is prior to 1997. The amortization period for employers joining thereafter will be reduced one year per year until 2007 when it will be leveled at 30 years. Effective July 1, 2002, the amortization period for all employers is thirty years.

The actuarial cost method used in the valuation is the entry age normal cost method in accordance with IC 5-10.2-2-9.

Notes to the Financial Statements (continued)

June 30, 2006

Under this method as supplied to the PERF Fund, 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 Cost-of-Living Adjustments), 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 actual market value of assets. The expected actuarial value of assets is equal to the preceding year's actuarial assets adjusted with non-investment-related transactions and increased by interest at the actuarially assumed rate.

Based on the actuarial valuation at July 1, 2005, employer required contributions were \$249.7 million, which included normal cost of \$220.1 million and \$29.6 million for amortization of the unfunded actuarial accrued liability. Contributions made by employers for the year ended June 30, 2006, totaled \$230.4 million, which was 4.7 percent of covered payroll.

The required contribution levels are now determined under the assumption that a 1 percent Cost-of-Living Adjustment (COLA) will be granted in each future year, applying not only to then current retirees, but also to active employees who have yet to retire. Thus, the full effect of a 1 percent annual COLA is handled on a pre-funded basis.

(B) Judges' Retirement System

Employer contribution requirements for the Judges' Retirement System are not actuarially determined but are established by statute (IC 33-13-8-16(a)) and appropriations. There is an appropriation from the state general fund for each biennium to the Judges' Retirement Fund based on the recommendation of the actuary of the plan.

(C) State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan

The funding policy of the Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement 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 statutes define the funding policy. Member contributions, defined by statute as 3 percent of the first \$8,500 of annual salary, are remitted to the fund upon each payroll deduction.

Significant actuarial assumptions used to determine contribution requirements included: rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually; projected salary increases of 5 percent per year, compounded annually and assets valued by smoothed basis.

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

The funding policy mandated by statute requires quarterly remittances of member and employer contributions based on percentages of locally established estimated salary rates, rather than actual payroll. The member 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 Police Officers' and Firefighters' Pension and Disability Fund is a cost sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. All participating employers were required to contribute 21 percent of the salary of a first class officer or firefighter during the fiscal year.

The significant actuarial assumptions used to compute the actuarially required employer contribution include: investment earnings of 7.25 percent per year compounded annually, salary increases of 4 percent per year, benefit increases of 2.75 percent per year while the benefit is in payment status, and no recoveries from disabilities.

(E) Legislators' Retirement System

For the Legislators' Defined Contribution Plan, each participant is required to contribute 5 percent of annual salary. In addition, the State of Indiana is required to contribute 20 percent of the member's annual salary on behalf of the participant. For the Legislators' Defined Benefit Plan, the amount required to actuarially fund participants' retirement benefits, as determined by the Board of Trustees on the recommendation of an actuary, is to be appropriated from the State's General Fund.

(F) Prosecuting Attorneys' Retirement Fund

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

Notes to the Financial Statements (continued)

June 30, 2006

NOTE 5. DEPOSITS AND INVESTMENTS***Investment Guidelines and Limitations:***

The Indiana General Assembly enacted the prudent investor standard to apply to the Board of Trustees and govern all its investments. Thus, the primary governing statutory provision is that the 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 and with like aims." The Board of Trustees is also required to diversify such investments in accordance with prudent investment standards.

Within these governing statutes, the Board of Trustees has broad authority to invest the assets of the plans. The 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 account, mutual funds or other structure acceptable to the Board of Trustees.

As of June 30, 2006, the Board of Trustees had established the following asset allocation strategy for the investments held in the Consolidated Retirement Investment Fund (CRIF):

Asset Classes	Target Norm	Allowable Ranges
Equities - Domestic	45 %	42 - 51 %
Equities - International	11	8 - 17
Equities - Global	9	6 - 15
Fixed Income - Core	20	17 - 26
Fixed Income - TIPS	10	7 - 16
Alternatives	5	2 - 11

Investment in the Annuity Savings Accounts and Legislature's Defined Contribution plans are directed by the members in each respective plan and as such the asset allocation will differ from that of the CRIF. The Pension Relief 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 identifies investment types that are prohibited by the investment policy, as of June 30, 2006:

- Short sales of any kind.
- Repurchase agreements that may create any kind of leverage in the portfolio. (Repurchase agreements as cash equivalents are permitted.)
- Purchases of letter or restricted stock.
- Buying or selling on the margin.
- Purchases of futures and options, except where specifically noted in Specific Guidelines.
- Purchases of derivative securities which have any of the following characteristics: leverage, indexed principal payment, or links to indexes representing investments, unless specifically approved by the Board of Trustees or as delegated to the Executive Director.
- Purchases of Interest Only or Principal Only collateralized mortgage obligations.
- Purchases of Guaranteed Investment Contract (GICs) or Bank Investment Contracts (BICs).
- Any transactions giving rise to unrelated business taxable income (excluding current holdings).
- Any transaction that would be a "prohibited transaction" under the Internal Revenue Code Section 503.
- Purchases of precious metals.
- Purchases of commodities.
- 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 counter party 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 of the counterparty's trust department of agent but not in PERF's name.

There was no custodial credit risk for investments including investments related to securities-lending collateral. Per IC 5-10.3-5-4(a)

Notes to the Financial Statements (continued)

June 30, 2006

and IC 5-10.3-5-5, all fund investments are held by banks under custodial agreements in the fund's name, all custodians are domiciled in the United States and approved by the department of financial institutions to act in a fiduciary capacity and manage custodial accounts in Indiana.

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 \$100,000 each. Deposits in the demand accounts held in excess of \$100,000 are not collateralized. Deposits with the Treasurer of State are entirely insured. Deposits held with the custodian are collateralized with securities on loan that are held by the pledging financial institution.

Cash Deposits (in thousands)	Total	Chase Benefits	National City Administration
Demand deposit account – carrying value	\$ 796	\$ 467	\$ 329
Demand deposit account – bank balance	41,102	40,593	509
Held with Treasurer of State	9,139	—	—
Held with investment custodian:			
Cash	28,801	—	—
Time Deposits – Cash Collateral (nonnegotiable)	20,000	—	—

Credit Risk

PERF's debt securities portfolio investment policy sets credit quality rating guidelines and benchmark indices for each of its sub asset classes and as outlined in each portfolio manager contract. 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, 2006, are as follows (\$ in millions):

Quality Rating	Fair Value (in millions)	Percentage of Portfolio
AAA	\$ 2,963	68.3 %
AA	74	1.7
A	224	5.2
A-1	97	2.2
BBB	169	3.9
BB	39	1.0
B	28	0.6
CCC	1	0.0
Not rated and other	743	17.1
Total	\$ 4,338	100.0%

Debt securities are equal to \$3.663 billion. The credit risk schedule also includes short-term money market funds, bond mutual funds and bond commingled funds. Approximately 57 percent of the total fair value reported is AAA rated US Treasury, US Agency or US Agency Mortgage Backed Securities (\$2.474 billion). The remaining balance of \$1.864 billion, or 43 percent of debt securities, consists of corporate debt, short-term custodial money market funds, commingled or mutual funds, and asset- and mortgage-backed securities of various credit quality ratings. Of the \$743 million (17.1 percent of total debt securities) not rated by Standard & Poor's, \$56.9 million, or 7.7 percent, are rated by Moody's, another NRSRO. Of those, \$51.1 million are rated A2 or better, \$5 million are rated B1 through Ba1, and \$0.8 million are rated Ca through Caa1. Also included in the not-rated category are \$634 million (85.3 percent of non-rated) in non-rated money market funds, mutual funds or commingled funds. The remaining \$52.1 million are not rated by Moody's or Standard and Poor's.

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. Under PERF's Investment Policy Statement, exposure to a single issuer, with the exception of the U.S. Government and its agencies, is generally limited to an initial cost of 5 percent of the market value of assets managed by each investment manager. For such investment managers, through capital appreciation, the

Notes to the Financial Statements (continued)

June 30, 2006

exposure to a single issuer should not exceed 7.5 percent of market value of the assets managed by the manager.

For 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 of the portfolio of the manager based upon initial cost and no more than 15 percent of the market value of the portfolio as a result of capital appreciation.

At June 30, 2006, there was no concentration of credit risks for the CRIF or separately managed fund portfolios.

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 fixed income portfolio investment policy sets duration guidelines that are linked directly, or indirectly, to the benchmark indices for each of its sub asset classes and as outlined in each portfolio manager contract. Several sub-asset classes require that duration of the portfolio may not vary more than 20 percent above or below the duration of the applicable benchmark index.

Duration information is provided below (in millions):

Investment Type	Net Asset Fair Value (in millions)	Percent (%) of Net Asset Fair Value	Duration
Short Term Investment Fund	\$ 344	8.0 %	0.01
Government & Agency Obligations	1,851	42.8	4.92
Residential & Commercial Mortgage-Backed Securities	1,093	25.3	3.57
Corporate Bonds	551	12.7	4.53
Asset Backed	195	4.5	0.61
Municipal Securities	1	0.0	1.02
Debt Securities Mutual Funds	290	6.7	4.57
Total Net Asset Fair Value	\$ 4,325	100.0 %	3.92

All PERF investments are directly, or indirectly, sensitive to changes in the interest rate environment. Significant investment types that are considered highly sensitive have been identified in the derivatives financial instruments section. 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. Fair value of debt securities includes all debt securities, including debt securities mutual funds and commingled funds, and short term cash and equivalents, gross of pending transactions, totaling \$4.325 billion at June 30, 2006.

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 primarily focused in international and global equity holdings. Futures currency contracts are reported in the following schedule at gross exposure value. Forward currency contracts values included both receivables and payables.

PERF's portfolio investment policy 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. Certain fixed securities portfolio sub asset classes allow for up to 20 percent investment in non-US dollar government and corporate securities. 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 investments while some allow up to 20 percent of market value to be held in emerging markets.

Notes to the Financial Statements (continued)

June 30, 2006

PERF has exposure to foreign currency fluctuation as follows (in millions):

Currency	Equity Securities	Debt Securities	Contracts, Currencies, or Money Market Securities	Total Fair Value	Percentage of Foreign Currency	Percentage of Total Investments (US\$)
Euro	\$ 762	\$ 7	\$ (26)	\$ 743	34.2 %	5.1 %
Japanese Yen	434	—	5	439	20.2	3.0
Pound Sterling	440	—	(40)	400	18.4	2.8
Australian Dollar	137	2	2	141	6.5	1.0
Swiss Franc	98	1	(3)	96	4.4	0.6
Swedish Krone	82	3	2	87	4.0	0.6
Other	236	4	26	266	12.3	1.8
Total	\$ 2,189	\$ 17	\$ (34)	\$ 2,172	100.0 %	14.9 %

Securities Lending

Indiana Code 5-10.2-2-13(d) provides that the 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 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 the Fund's total assets may be lent at one time. The custodian bank and/or its securities lending subagents provide 100 percent indemnification to the Board of Trustees and the Fund against borrower default, overnight market risk, and failure to return loaned securities. Securities received as collateral cannot be pledged or sold by the Board of Trustees unless the borrower defaults. PERF retains the market value risk with respect to the investment of the cash collateral.

Cash collateral investments were subject to the investment guidelines specified by the Board of Trustees. The Board of Trustees policy includes that the maximum weighted average days to maturity may not exceed 60. The average term to maturity of the cash collateral portfolio was 17 days at June 30, 2006. The securities lending agents match the maturities of the investments of cash collateral for the securities loans with stated termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities.

The fair value of securities lent for cash collateral at June 30, 2006 was (in millions):

Investment Type	Loan Value
Government Obligation	\$ 1,150
Corporate Bonds	52
Equities	1,569
Total Fair Value	\$ 2,771

The credit quality of the cash collateral investments at June 30, 2006 was (in millions):

Cash Collateral Investments Quality Rating	Fair Value	% of Portfolio
AAA	\$ 181	6.4 %
AA	197	7.0
A-1 and A-1+	2,332	83.0
Not rated	100	3.6
Total	\$ 2,810	100.0 %

The majority of AAA rated collateral investments were asset backed securities. The majority of AA rated collateral investments were Guaranteed Investment Contracts. The majority of A-1 and A-1+ collateral investments were medium term corporate bonds and negotiable certificates of deposits. The Not Rated collateral investments were all repurchase agreements.

At June 30, 2006, PERF had loaned \$327 million US Treasury and Government Agency Obligations for securities collateral. The securities collateral value was \$334 million which represented 102 percent coverage.

Notes to the Financial Statements (continued)

June 30, 2006

At fiscal year end, PERF has no credit risk exposure to borrowers because the amount PERF owes the borrowers exceeds the amount the borrowers owe the Fund.

Derivative Financial Instruments

PERF invested in derivative financial investments as authorized by Board of Trustees policy. A derivative security is an investment whose payoff depends upon the value of other assets such as commodity prices, bond and stock prices, or market index. PERF's 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 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 Board of Trustees and senior management, 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 foreign currency forward contracts, collateralized mortgage obligations (CMOs), treasury inflation protected securities (TIPS) and futures.

Foreign currency forward contracts are used to hedge against the currency risk in PERF's foreign 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.

At June 30, 2006, PERF's investments included the following currency forwards balances (in millions):

Forward Currency Contract Receivables	\$ 250.2
Forward Currency Contract Payables	\$ 251.2

PERF's debt securities managers invest in CMOs to improve the yield or adjust the duration of the debt securities portfolio. As of June 30, 2006, the carrying value of the PERF's CMO holdings totaled \$213.1 million.

TIPS are used by PERF's debt securities managers to provide a real return against inflation (as measured by the Consumer Price Index). In addition, PERF employs TIPS at the total fund level in order to utilize their diversification benefits. As of June 30, 2006, the carrying value of the System's TIPS holdings totaled \$1.086 billion.

PERF's investment managers use financial futures to replicate an underlying security or index they wish to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Additionally, PERF's investment managers use futures contracts to adjust the portfolios 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. As of June 30, 2006, the only derivative positions held by PERF are equity index futures.

NOTE 6. COMMITMENTS FOR ALTERNATIVE INVESTMENTS

The Board of Trustees had approved commitments and PERF had entered into agreements to fund limited liability partnerships of \$302.2 million as of June 30, 2006. The fund has paid out \$70.5 million of the commitments as of June 30, 2006. The funding period for the entire amount is July 2002 to December 2015. Additionally, as of June 30, 2006, a commitment of \$125 million was approved by the Board of Trustees and an agreement was entered into on July 14, 2006.

Notes to the Financial Statements (continued)

June 30, 2006

NOTE 7. JOINT VENTURE

During 2004, PERF and the Teachers' Retirement Fund (TRF) created the Indiana Pension Systems, Inc. (IPSI), a tax-exempt non-profit corporation, to provide information technology services to PERF and TRF. A five-member board composed of two PERF appointees, two TRF appointees and one appointee appointed by PERF or TRF on a rotating basis governed IPSI. PERF and TRF each contributed \$500,000 in start-up assistance. All IPSI expenditures are paid by IPSI and then billed periodically to PERF and TRF. Because IPSI's only clients are PERF and TRF, and all expenditures made by IPSI are billed to PERF and TRF, IPSI is not expected to have any net operating income for any financial reporting period.

IPSI was dissolved in May, 2006 and became part of the Indiana Office of Technology. Upon resolution of pre-dissolution invoices, the net assets of IPSI will be divided equally between PERF and TRF. As of June 30, 2006, IPSI's net assets were approximately \$1,000,000. PERF's share in the amount of \$500,000 has been reclassified from an Other Investment to a Receivable. The entire amount was received on Sept. 1, 2006.

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 purchase a limited amount of insurance related to property and holds a blanket bond on employees. The Board of Trustees administers the State of Indiana's risk financing activity for the State employees' death benefits.

NOTE 9. REQUIRED SUPPLEMENTARY INFORMATION

The historical trend information designed to provide information about PERF's progress made in accumulating sufficient assets to pay benefits when due is required supplementary information. Required supplementary information is 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 basic financial statements.

Notes to the Financial Statements (continued)

June 30, 2006

NOTE 10. RECLASSIFICATION OF INVESTMENTS

To reflect June 30, 2006, investment-type classifications, prior year investments were reclassified as shown on the Statement of Fiduciary Net Assets (in millions).

2005 Amounts Reclassified	Fair Value	2005 Classifications	Fair Value
Debt Securities	\$ 3,609	U.S. Treasury and Agency Obligations	\$ 1,935
		Corporate Bonds and Notes	637
		Foreign Bonds	76
		Mortgage Securities	715
		Asset Backed	154
		Commercial Mortgage Backed	92
Equity Securities	8,013	Common Stock	8,013
Mutual Funds	1,504	Mutual Funds	1,504
Other	38	Other	38
Total	\$13,164	Total	\$13,164

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						
07/01/00	\$ 8,267,657	\$ 7,699,885	\$ (567,772)	107 %	\$ 3,482,453	(16) %
07/01/01	8,723,304	8,305,672	(417,632)	105	3,587,080	(12)
07/01/02	8,994,854	9,066,132	71,278	99	3,785,242	2
07/01/03	9,293,952	9,034,573	(259,379)	103	3,952,230	(7)
07/01/04	9,853,976	9,844,353	(9,623)	100	4,198,942	(0)
07/01/05	10,471,937	10,858,322	386,385	96	4,318,450	9
1977 and 1985 Judges' Retirement System						
07/01/00	103,733	182,448	78,715	57	30,428	259
07/01/01	115,040	188,610	73,570	61	29,748	247
07/01/02	121,155	188,434	67,279	64	25,805	261
07/01/03	126,152	206,846	80,694	61	25,400	318
07/01/04	135,798	209,992	74,194	65	25,693	289
07/01/05	151,003	272,855	121,852	55	32,231	378
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan						
07/01/00	34,368	46,272	11,904	74	11,306	105
07/01/01	36,921	52,024	15,103	71	12,486	121
07/01/02	37,360	55,884	18,524	67	12,654	146
07/01/03	37,286	52,006	14,720	72	11,944	123
07/01/04	38,772	50,010	11,238	78	10,209	110
07/01/05	41,663	59,964	18,301	69	13,223	138
1977 Police Officers' and Firefighters' Pension and Disability Fund						
01/01/00	1,338,554	1,451,454	112,900	92	352,377	32
01/01/01	1,491,030	1,620,294	129,264	92	389,200	33
01/01/02	1,615,245	1,808,754	193,509	89	396,246	49
01/01/03	1,660,445	1,766,846	106,401	94	432,954	25
01/01/04	1,797,124	1,875,518	78,394	96	469,750	17
01/01/05	1,976,905	2,064,171	87,266	96	493,707	18
Prosecuting Attorneys' Retirement Fund						
07/01/00	9,781	13,943	4,162	70	13,422	31
07/01/01	11,073	20,417	9,344	54	13,636	69
07/01/02	11,957	22,386	10,429	53	14,438	72
07/01/03	12,758	15,685	2,927	81	13,159	22
07/01/04	14,655	22,588	7,933	65	15,149	52
07/01/05	16,876	25,744	8,868	66	16,659	53
Legislators' Retirement System						
07/01/00	4,557	5,453	896	84	N/A *	N/A *
07/01/01	4,666	5,508	842	85	N/A *	N/A *
07/01/02	4,446	5,503	1,057	81	N/A *	N/A *
07/01/03	4,200	4,948	748	85	N/A *	N/A *
07/01/04	4,206	4,856	650	87	N/A *	N/A *
07/01/05	4,339	4,999	660	87	N/A *	N/A *

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

Required Supplementary Information

Schedule of Employer Contributions (Dollars in Thousands)

Public Employees' Retirement Fund

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2001	\$ 169,374	117 %
2002	175,820	118
2003	217,077	98
2004	166,574	109
2005	202,631	102
2006	249,669	92

1977 and 1985 Judges' Retirement System

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2001	\$ 10,757	114 %
2002	10,320	122
2003	9,561	139
2004	10,488	124
2005	10,064	135
2006	14,932	91

State Excise Police, Gaming Agent & Conservation
Enforcement Officers' Retirement Plan

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2001	\$ 1,718	118 %
2002	2,047	93
2003	2,324	84
2004	2,190	97
2005	1,867	116
2006	2,710	92

1977 Police Officers' and Firefighters' Pension and Disability Fund

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2000	\$ 82,655	100 %
2001	91,914	93
2002	98,687	98
2003	87,253	112
2004	92,833	127
2005	97,286	107

Prosecuting Attorneys' Retirement Fund

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2001	\$ 375	73 %
2002	907	48
2003	1,129	40
2004	144	648
2005	889	108
2006	952	18

Legislators' Retirement System - Defined Benefit Plan

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2001	\$ 178	96 %
2002	206	91
2003	234	80
2004	95	217
2005	89	231
2006	91	110

See accompanying notes to required supplementary information.

Notes to Required Supplementary Information

June 30, 2006

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	Public Employees' Retirement Fund	1977 and 1985 Judges' Retirement System	State Excise Police Gaming Agent & Conservation Enforcement Officers' Retirement Plan
Valuation Date	July 1, 2005	July 1, 2005	July 1, 2005
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period
Remaining Amortization Period ¹	30 Years	28 Years	30 Years
Asset Valuation Method	75% of Expected Actuarial Value Plus 25% of Market Value	Smoothed Market Value Basis	Smoothed Market Value Basis
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.25%	7.25%
Projected Salary Increases	Based on PERF experience 1995-2000	5%	5%
Post-retirement Benefit Increases	N/A	5%	N/A
Cost of Living Increases	1%	N/A	1%
	1977 Police Officers' and Firefighters' Pension and Disability Fund	Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System – Defined Benefit Plan
Valuation Date	January 1, 2005	July 1, 2005	July 1, 2005
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Accrued Benefit (Unit Credit)
Amortization Method	Level Dollar, Open Amortization Period	Level Dollar, Open Amortization Period	Level Dollar, Open Amortization Period
Remaining Amortization Period ¹	30 Years	30 Years	17 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%	5%	3%
Post-retirement Benefit Increases	N/A	N/A	N/A
Cost of Living Increases	2.75%	N/A	1%

¹ If 30, a new basis is determined and is amortized 30 year. The prior basis are maintained and amortized over their remaining 30 years.

The July 1, 2002 PERF valuation, for plan year ended June 30, 2003, was the first to reflect census data as reported by a new database system. The previous database system reported salaries on a calendar year basis and reported service through the March 31 preceding the valuation date. The new database system reports both salary and service on a fiscal year basis. Also, the new database system may have created an increase of about \$70 million in liabilities associated with prior service earned by active members. Due to the fiscal impact of the more current data, this valuation has been prepared in such a manner as to phase-in the changes brought about by the new database system over a four-year period on a pro rata basis. This phase-in will ease the transition to the census data reporting by the new database system. The July 1, 2002 valuation also reflects a fresh start of the amortization of unfunded actuarial accrued liabilities. Previous valuations reflected amortizations that began with an Initial Unfunded Liability established in 1975. Additional amortization bases were added in the years following, primarily reflecting actuarial experience gains and losses but also reflecting changes in actuarial methods and assumptions and changes in plan provisions. By fresh starting the amortization of unfunded actuarial accrued liabilities over a 30-year closed period, the Fund will be able to utilize currently the cost savings of future favorable amortization amounts.

The July 2003 valuation for the Judges' Retirement System switched from a 40 year amortization to a 30 year. The difference in the Annual Required Contributions between the 30 and 40 year amortization was \$423 thousand.

The 5% Postretirement Benefit increase in the July 2005 valuation for the Judges' Retirement System only applies to the 1977 Benefit System, not the 1985 Benefit System (which has no Postretirement Benefit increase).

Other Supplementary Information

Administrative Expenses Year Ended June 30, 2006 (Dollars in Thousands)

Personal Services:		
Salaries and Wages	\$	5,539
Employee Benefits		1,947
Supplemental Services		492
Total Personal Services		7,978
Professional Services:		
Actuarial		172
Legal		46
Consultants		3,054
Contractual Services		68
Information System Development Services		2,852
Total Contractual and Professional Services		6,192
Communications:		
Telephone		103
Postage		771
Printing Expense		500
Other		24
Total Communications		1,398
Miscellaneous:		
Data Processing		144
Travel		44
Supplies and Maintenance		319
Dues and Subscriptions		18
Office Supplies		119
Office Equipment		263
Other		462
Total Miscellaneous		1,369
Total Administrative Expenses	\$	16,937
Allocation of Administrative Expenses:		
Public Employees' Retirement Fund	\$	14,273
Judges' Retirement System		149
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan		47
1977 Police Officers' and Firefighters' Pension & Disability Fund		2,153
Prosecuting Attorneys' Retirement Fund		17
Legislators' Retirement System - Defined Benefit Plan		65
Public Safety Officers' Death Benefit Fund		1
State Employees' Death Benefit Fund		4
Pension Relief Fund		228
Total Administrative Expenses Allocation	\$	16,937

Other Supplementary Information

Investment Expenses Year Ended June 30, 2006 (Dollars in Thousands)**Investment Expenses****Custodial and Consulting**

J. P. Morgan Investment Mgmt Inc.	Custodial Fees	\$ 467
Plexus Group, Inc.	Investment Analysis (Trading Cost)	24
Strategic Investment Solutions	Investment Consulting	185
William M. Mercer	Investment Consulting	212

Domestic Equity

Brandes Investment Partners	Equity - Mid Cap Value	2,515
Hotchkis & Wiley Capital Management, LLC	Equity - Large Cap Value	1,337
Jacob Levy Equity Management, Inc.	Equity - Small Cap Growth	2,556
Numeric Inc.	Equity - Small Cap Value	2,654
Osprey Partners	Equity - Small and Large Cap Value	3,546
Sands Capital Management	Equity - Large Cap Growth	1,069
Times Square Capital	Equity - Small Cap Growth	1,669
Turner Investment Partners	Equity - Large Cap Growth	2,953
Wells Capital Management	Equity - Mid Cap Growth	1,975

International Equity

Baillie Gifford and Company	Equity - International Growth	2,815
Barclays Global Investors	Equity - International Core	4,077
Mondrian Investment Partners Limited	Equity - International	1,672

Global Equity

Brandes Investment Partners	Equity - Global Value	1,660
Capital Guardian Trust Company	Equity - Global Growth	1,707
Invesco	Equity - Global Core	1,765

Fixed Income

BlackRock Financial Management, Inc.	Fixed Income - Core Opportunistic	871
Hughes Capital Management, Inc.	Fixed Income - Indexed	204
Lehman Brothers Asset Management, LLC	Fixed Income - Active	286
National City	Fixed Income - Indexed	14
Northern Trust Quantitative Advisors, Inc.	Fixed Income - Indexed	204
Reams Asset Management Co.	Fixed Income - Active	462
Seix Investment Advisors	Fixed Income - Active	367
Taplin, Canida & Habacht	Fixed Income - Active	396
Western Assets Management Co.	Fixed Income - Core Opportunistic	1,267

Short Term Investments

Chase Bank	Sweep fees	14
J. P. Morgan Investment Mgmt Inc.	Sweep fees	1,215

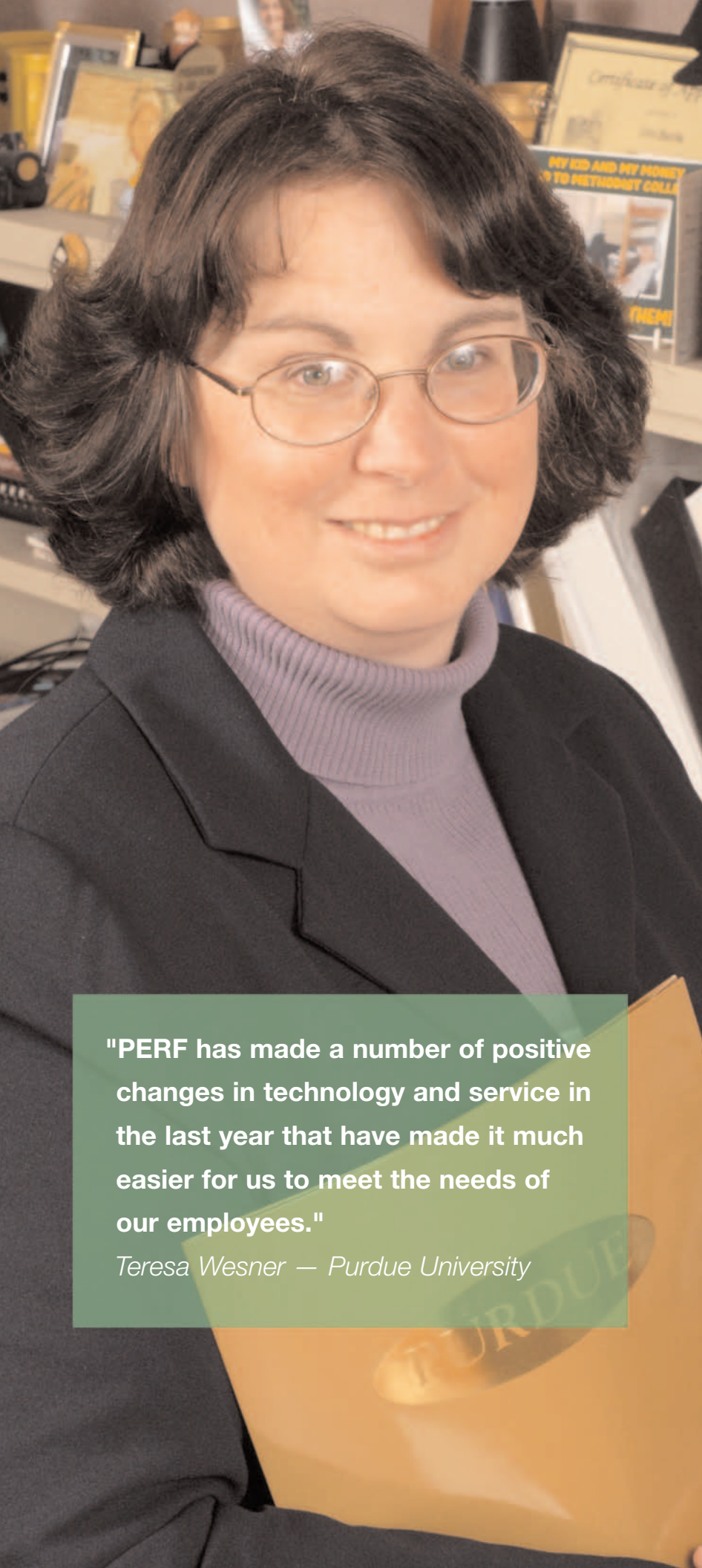
Total Investment Expenses		\$ 40,158
----------------------------------	--	------------------

Other Supplementary Information

Contractual and Professional Services Expenses

Year Ended June 30, 2006 (Dollars in Thousands)

Individual or Firm	Fee	Nature of Services
Indiana Pension System, Inc.	\$ 2,487	IT System Development and Support
Clifton Gunderson	1,099	Processing and Reconciling Services
Ernst & Young	1,029	Accounting and Process Documentation Services
Crowe Chizek Company LLP	688	Accounting and Process Documentation Services
Indiana Office of Technology	216	Computer Network Support
McCreedy and Keene, Inc.	172	Actuarial Services
The Anderson Group Consulting, LLC	143	Data Entry Services
Indiana Family and Social Services	101	Report Development Project
Ryan Consulting Group	87	Report Development and Processing
Sungard Availability Services	32	Computer Backup Services
Great-West Life and Annuity	33	Recordkeeping
Omkar Markand, M.D.	33	Medical Consulting - Police & Fire Fund
Ice Miller Legal & Business Advisors	21	Legal Services
Baker & Daniels	21	Legal Services
GuideSoft Incorporation	9	Technical Writer
Roman Brand Group	4	Logo Design Work
Walker Information	4	Retiree Surveys
SBC Global Services	3	Fiber Cable Wiring
Wayne E. Uhl	3	Legal Services
Haverstick Consulting	2	Technical Writer
Recall-Total Information	2	Document Security Services
Indiana Public Records Commission	2	Microfilm Project
Be, Inc.	1	Data Entry Services
Total Contractual and Professional Services Expense	\$ 6,192	



"PERF has made a number of positive changes in technology and service in the last year that have made it much easier for us to meet the needs of our employees."

Teresa Wesner — Purdue University

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Investment Section

REPORT ON INVESTMENT ACTIVITY
58

OUTLINE OF INVESTMENT POLICIES
60

INVESTMENT HIGHLIGHTS
61

LIST OF LARGEST ASSETS HELD
66

SCHEDULE OF COMMISSION FEES
67

INVESTMENT PROFESSIONALS
68

Report on Investment Activity



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

July 20, 2006

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

Dear Trustees:

Mercer Investment Consulting (Mercer IC) is pleased to present the State of Indiana Consolidated Retirement Investment Fund (CRIF) results for the fiscal year ended June 30, 2006.

As of June 30, 2006, the CRIF had a market value of \$13.7 billion, an increase of \$1.3 billion since June 30, 2005. The increase in assets was entirely due to the positive investment experience over the one-year period. During the previous twelve months:

- Overall, the US economy experienced strong growth in the second half of 2005 and first half of 2006 despite rising interest rates and increasing energy prices. Consumer confidence bounced back and even reached a 4 year high in March, after plummeting in September of 2005 amid concerns over high energy prices as a result of multiple natural disasters, including Hurricanes Katrina and Rita.
- The Federal Reserve continued its tightening monetary policy and increased interest rates by 25 basis points four times in the second half of 2005 and four times in the first half of 2006 to 5.25% at the end of June 2006. The yield curve continued to flatten to the point of inversion in late December as spreads narrowed, but steepened again to a positively sloping position in 2006.
- Small capitalization stocks outperformed large capitalization issues over the trailing twelve months. In terms of style, value stocks outpaced their growth-oriented counterparts by a wide margin in the large cap space, while posting virtually identical returns in the small cap arena.
- The US equity markets fared well despite the negative developments that continued to worry investors – rising interest rates and energy prices. The S&P 500 Index, an index of domestic large capitalization stocks, gained 8.6% during the trailing one-year period, while smaller capitalization stocks, as measured by the Russell 2000 Index advanced 14.6%. Increasing oil prices resulted in the outperformance of the natural resources and commodity driven sectors with energy, materials and industrials experiencing solid double digit gains over the trailing one year period.
- Developed international equity markets continued to beat their domestic counterparts during the period, returning 27.1%, as measured by the MSCI EAFE (Europe, Australasia, and Far East) Index. Emerging markets continued to soar and lead developed markets, returning 35.9% over the same time period, as measured by the MSCI Emerging Markets Index.

Report on Investment Activity (continued)

- Rising interest rate yields and fears of further Fed tightening pushed the investment grade fixed income market into a negative territory over the trailing twelve months, down 0.8% as measured by the Lehman Brothers Aggregate Index. In general, longer-term and lower quality bonds underperformed intermediate-term and higher-rated issues. The Credit sector also struggled during the period, while asset-backed and mortgage-backed securities beat the broad fixed income market. High yield bonds led investment grade issues over the same period, returning 4.8%, as measured by the Lehman Brothers High Yield Bond Index.

Within this environment, the CRIF increased 10.4% (net of fees) during the one-year period ending June 30, 06, surpassing the 9.0% Target Reference Index return. The Fund's outperformance was primarily attributable to the domestic, global and international equity segments, as they experienced strong absolute and relative results versus their respective bogeys. The CRIF's performance was solid over the trailing three- and five-year periods, exceeding the Index.

The CRIF's domestic equity managers collectively gained 10.1% (net of fees) during the trailing year, beating the 9.6% return of the Russell 3000 Index. The Fund's small cap equity managers were the largest contributors to outperformance, as they led their market benchmarks. Longer term results were also ahead of the Russell 3000 Index.

The Fund's international equity segment returned 28.2% (net of fees) for the trailing twelve months, marginally leading the MSCI ACWI Ex-US Index by 0.3%. The global equity portion was up 19.8% (net of fees), outpacing the MSCI ACWI Index by 1.8%. Over the trailing three-year period, both segments exceeded their respective market benchmarks.

The fixed income portion of the Fund returned -0.5% (net of fees) over the trailing one-year period, beating the -0.8% return of the Lehman Brothers Aggregate Index. The Fund's core investment grade and core opportunistic managers were the biggest drivers of performance, as they outpaced their benchmarks by a wide margin. Longer term results remain ahead of the Index.

Mercer IC is pleased with the Fund's investment results over the trailing one-year period and supports the continued efforts to enhance the overall structure and performance.

Sincerely,



Douglas J. Kryscio, CFA
Principal

Outline of Investment Policies

The Board of Trustees serves as the ultimate fiduciary of the PERF. The Board of Trustees is comprised of six members, five of which are appointed by the governor, with the sixth being the director of the state's budget agency. One must be a member of the fund with at least 10 years of creditable service. Not more than three of the trustees may be of the same political affiliation. The Board of Trustees appoints the executive director of the fund for approval by the governor.

Trustees operate 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 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 funds. The non-pension funds administered by PERF are excluded from the CRIF. A breakdown of each plan's share of the CRIF and the asset allocation of the total portfolio is provided in this section.

The Board of Trustees' Statement of Investment Policy and corresponding Addenda govern the activities for all assets under the Board of Trustees' control. The purposes are summarized below:

- Set forth appropriate and prudent investment policies in consideration of the needs of the Fund, legal requirements applicable to the Fund 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 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 investment of the Fund.
- Demonstrate that the Board of Trustees is fulfilling its fiduciary

responsibilities in the management of the investment of the Fund solely in the interests of members and Fund beneficiaries.

Maintenance of funding adequate 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 of primary consideration. In order to determine the appropriate asset allocation and diversification of the Fund to meet the objectives described above, the Board of Trustees periodically conducts asset/liability modeling studies.

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

The Board of Trustees employs professional investment managers selected through a thorough manager due diligence search process. This incorporates the State of Indiana's statutory requirements, supported by staff and consultant coordination and analysis. It is the Board of Trustees' intent that the selection process be open to all qualified organizations wishing to participate. Investment managers are expected to comply with stated investment guidelines detailed in the Statement of Investment Policy. Manager performance is measured against applicable market index results, as well as a comparable peer group of managers.

The Guaranteed Fund is the unique, original self-directed investment option for the Annuity Savings Account program within the PERF plan. It provides a guarantee of the value of an individual's contributions to the Fund and a guarantee of the value of any interest credited on contributions. As set by the Board of Trustees, the actual investments of the Guaranteed Fund are the same as the general PERF portfolio. The Board of Trustees annually establishes the interest-crediting rate for the Guaranteed Fund. The interest-crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section on page 65.

Investment Highlights

Investment Summary

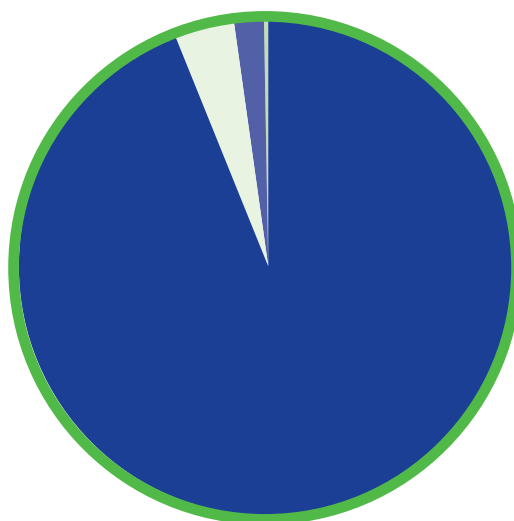
June 30, 2006
(in millions)

Consolidated Retirement Investment Fund (CRIF)	\$ 13,694.9
PERF Annuity Savings Accounts ⁽¹⁾	561.3
Legislators' Defined Contribution Accounts ⁽²⁾	8.9
Investment Trust Fund - Pension Relief Fund	296.6
Special Death Benefit Accounts	7.2
Total Investments, Cash and Cash Equivalents⁽³⁾	\$ 14,568.9

(1) Balances directed outside the Guaranteed Fund.

(2) Balances directed outside the Legislators' CRIF Option.

(3) Includes investment income receivable, receivable from investment sales, and investment purchases payable.



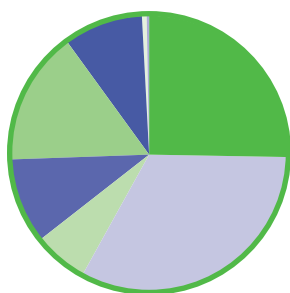
- Consolidated Retirement Investment Fund (CRIF) 94.0%
- PERF Annuity Savings Accounts 3.85%
- Legislators Defined Contribution Accounts 0.06%
- Investment Trust Fund - Pension Relief Fund 2.04%
- Special Death Benefit Accounts 0.05%

Investment Highlights (continued)

Consolidated Retirement Investment Fund (CRIF)
Asset Allocation Summary

(in percent)

June 30, 2006



Large Cap Equity 32.9%	Global Equity 9.2%
Midcap Equity 6.5%	Total Fixed Income 25.3%
Small Cap Equity 9.8%	Alternative Assets 0.6%
International Equity 15.5%	Reallocation Fund 0.2%

Consolidated Retirement Investment Fund (CRIF)
Asset Allocation Summary

(in percent)

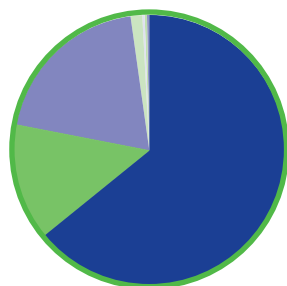
June 30, 2006 June 30, 2005

Total Equities	74.0 %	71.2 %
Total Fixed Income	25.3	28.1
Alternative Investments	0.6	0.3
Reallocation Fund*	0.1	0.4
Total Fund	100.0 %	100.0 %

*The Reallocation Fund consists of residual cash within the Fund.

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2006



Public Employees' Retirement Fund (PERF)	1977 Police Officers' and Firefighters' Pension and Disability Fund
Public Employees' Retirement Fund (Guaranteed Fund)	Prosecuting Attorneys' Retirement Fund
1977 and 1985 Judges' Retirement System	Legislators' Retirement System- Defined Benefit Plans
State Excise, Police Gaming Agent & Conservation Enforcement Officers' Retirement Plan	Legislators' Retirement System- Defined Contribution Plan

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2006

	Assets (in millions)	Percent of Consolidated Fund
Public Employees' Retirement Fund (PERF)	\$ 8,802.2	64.3 %
Public Employees Retirement Fund (Guaranteed Fund)	1,919.6	14.0
1977 and 1985 Judges' Retirement System	191.0	1.4
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	52.6	0.4
1977 Police Officers' and Firefighters' Pension and Disability Fund	2,690.9	19.6
Prosecuting Attorneys' Retirement Fund	5.1	0.0
Legislators' Retirement System-Defined Benefit Plan	21.7	0.2
Legislators' Retirement System-Defined Contribution Plan	11.8	0.1
Total Consolidated Fund	\$ 13,694.9	100.0%

Investment Highlights (continued)

**Comparative Investment Results
For Periods Ended June 30, 2006**
(Percent Return) ++

	1 YR +	3 YR+	5 YR+
Total CRIF Fund	10.7 %	12.2 %	7.2 %
vs. Mercer Public Funds Universe median*	11.2	13.1	7.1
Target Reference Index**	9.0	10.9	5.8
Total CRIF Domestic Equity	10.4	14.2	5.2
vs. Mercer Equity Universe median	11.8	15.9	6.8
Russell 3000 Index	9.6	12.6	3.5
S&P 500 Index	8.6	11.2	2.5
Total CRIF Global Equity	20.3	20.1	n/a
vs. Mercer Global Equity Universe median	20.1	18.8	7.5
MSCI ACWI Free Index	18.0	17.7	6.4
Total CRIF International Equity	28.6	25.8	11.6
vs. Mercer International Equity Universe median	27.8	24.5	11.5
ACWI Ex-US Index	27.9	25.3	11.4
MSCI EAFE Index	26.6	23.9	10.0
Total CRIF Fixed Income	(0.4)	2.8	5.4
vs. Mercer Core Investment Grade Universe median	(0.4)	2.4	5.3
LB Aggregate Index	(0.8)	2.1	5.0

CRIF= Consolidated Retirement Investment Fund

* Universe of Public Funds

** Composed of passive indices for each asset class held at the target allocation:

+ Gross of Fees

++ Investment performance for the Fund is based on performance calculations made by the Fund's custodian, JP Morgan. The 1-year, 3-year and 5-year time-weighted rates of return for the year ended June 30, 2006.

**Ten-Year Total Pension
Investment Rates of Return**
(in millions)

	Market Value	Actuarial Basis	Rate of Return	Actuarial Assumed Rate
2006	\$ 13,694.9	n/a	10.70 %	7.25 %
2005	12,435.3	n/a	9.8	7.25
2004	11,338.2	n/a	16.3	7.25
2003	9,704.1	n/a	4.70	7.25
2002	9,627.8	n/a	(4.51)	7.25
2001	9,883.0	5.77 %	(2.51)	7.25
2000	9,315.1	8.53	6.74	7.25
1999	8,492.6	9.52	11.25	7.25
1998	6,346.2	9.34	13.41	7.25
1997	5,830.5	8.57	8.30	7.25
1996	5,513.9	7.96	4.68	7.25

2006 Investment Summary

(in millions)

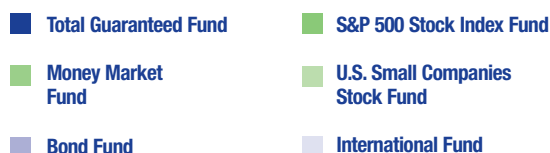
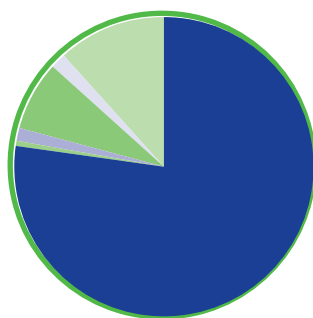
	Beginning Account Balance	Ending Account Balance	Percentage of Total Fair Value
Domestic Equity	\$ 6,156.5	\$ 6,736.9	49.2 %
Global Equity	1,049.8	1,264.2	9.2
International Equity	1,655.4	2,128.3	15.6
Total Equity	8,861.7	10,129.4	74.0
Alternative Investments	35.6	87.7	0.6
Fixed Income*	3,538.0	3,477.8	25.4
Total CRIF	\$ 12,435.3	\$ 13,694.9	100.0 %

* Includes Reallocation Account for cash flow and allocation purposes.

Investment Highlights (continued)

PERF Annuity Savings Account
Investment Highlights
by Dollar Amount

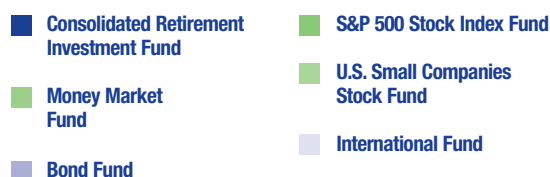
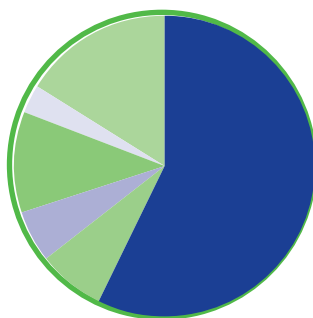
June 30, 2006

Investment Highlights
by Dollar Amount
(in millions)

	Assets	Percent of Self-Directed Investments
Total Guaranteed Fund	\$ 1,919.5	77.4 %
Money Market Fund	13.2	0.5
Bond Fund	36.3	1.5
S&P 500 Stock Index Fund	181.1	7.3
U.S. Small Companies Stock Fund	288.1	11.6
International Equity Index Fund	42.6	1.7
Total Assets	\$ 2,480.8	100.0%

Legislators' Retirement Defined Contribution Plan
Investment Highlights
by Dollar Amount

June 30, 2006

Investment Highlights
by Dollar Amount
(in millions)

	Assets	Percent of Self-Directed Investments
Consolidated Retirement Investment Fund	\$ 11.8	57.3 %
Money Market Fund	1.5	7.2
Bond Fund	1.1	5.5
S&P 500 Stock Index Fund	2.3	11.0
U.S. Small Companies Stock Fund	0.6	3.0
International Equity Index Fund	3.3	16.0
Total Assets	\$ 20.6	100.0%

Investment Highlights (continued)

**Self-Directed Investment Options
PERF Annuity Savings Account
Legislators' Defined Contribution Plan**

Annualized Rate of Return by Investment Option

For Period Ended June 30, 2006

	1 YR ⁺	3 YRS ⁺	5 YRS ⁺	SINCE INCEPTION
Consolidated Retirement Investment Fund ⁽¹⁾	10.7 %	12.2 %	7.2 %	5.5 %
Money Market Fund	4.3	2.5	2.4	4.9
Bond Fund	(0.8)	2.1	5.0	7.7
S&P 500 Stock Index Fund	8.6	11.2	2.5	4.5
U.S. Small Companies Stock Fund	27.2	24.3	n/a	14.4
International Equity Index Fund ⁽²⁾	19.8	26.6	16.7	19.3
Royce Small Cap Stock Fund	25.6	n/a	n/a	15.3

⁽¹⁾ The Consolidated Retirement Investment option did not become available to members (Legislators' Defined Contribution Plan) until July 1, 2000.

⁽²⁾ The International Equity Index Fund did not become available to PERF members until January 1, 2002.

+ Gross of fees

PERF Guaranteed Fund

Interest Crediting Rates for Past 10 Years

Year	Interest Crediting Rate
2006	5.75%
2005	6.25
2004	7.25
2003*	8.25/7.75
2002	8.25
2001	8.25
2000	8.25
1999	8.25
1998	8.25
1997	9.00

* For 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 3 quarters.

List of Largest Assets Held

Largest Equity Holdings*

Description	Shares	Market Value (in dollars)
Exxon Mobil Corp	1,344,922	\$ 82,510,965
Bank of America Corp	1,557,707	74,925,707
General Electric	2,247,741	74,085,543
Citigroup, Inc.	1,499,551	72,338,340
Google, Inc.	169,062	70,892,768
Pfizer, Inc.	2,885,168	67,714,893
Microsoft Corp	2,679,698	62,436,963
Verizon Communications Inc	1,522,316	50,982,363
JP Morgan Chase & Company	1,150,520	48,321,840
Cisco Systems	2,378,160	46,445,465
American International Group	777,819	45,930,212
Altria Group Inc	621,753	45,655,323
Qualcomm Inc.	1,135,655	45,505,696
Chevron Corp	670,335	41,600,990
Gilead Sciences	670,524	39,668,200

Largest Bond Holdings*

Description	CUSIP	Coupon Rate	Par Value (in dollars)	Market Value (in dollars)
Federal National Mortgage Association	01F050676	5.00 %	\$ 113,000,000	\$ 105,619,744
US Treasury Inflation Note	912828BD1	1.88	99,270,000	104,596,465
US Treasury Inflation Note	912810FH6	3.88	58,283,000	88,368,930
US Treasury Inflation Note	912810FD5	3.63	54,140,000	80,012,914
US Treasury Note	912828BW9	2.00	71,280,000	75,008,497
US Treasury Note	9128275W8	4.25	57,270,000	72,845,477
US Treasury Inflation Note	9128273T7	3.63	54,410,000	69,009,929
US Treasury Note	912828DH0	1.63	68,360,000	67,230,750
US Treasury Inflation Note	912828AF7	3.00	56,325,000	64,983,219
US Treasury Note	912828CZ1	0.88	64,075,000	64,271,099
US Treasury Inflation Note	912828EA4	1.88	63,960,000	62,853,115
US Treasury Inflation Note	9128274Y5	3.88	45,635,000	58,059,592
US Treasury Inflation Note	912828CP3	2.00	48,150,000	49,553,447
US Treasury Note	9128276R8	3.50	39,125,000	47,366,083

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

Schedule of Commission Fees

Top 10 Brokers' Total Commission Fees	
Broker	Commission Fee
Lehman Bros Inc.	\$ 697,224
Goldman Sachs & Co.	679,364
Liquidnet, Inc.	635,793
Investment Technology Group Inc.	537,073
UBS Warburg LTD	507,418
Citigroup Global Markets Inc, NY	503,985
Merrill Lynch PF & Smith	497,846
Morgan Stanley Securities London	391,504
Credit Suisse FB EQ LTD London	367,237
J.P. Morgan Securities, Inc.	342,394
Total of Top Ten Commission Fees	\$ 5,159,838
Other Brokers	\$ 4,949,840
Total	\$ 10,109,678

Investment Professionals

CUSTODIAN

JP Morgan Chase
3 MetroTech Center, 5th Floor
Brooklyn, NY 11245

CONSULTANTS

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

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

CRIF

Domestic Equity

Barclays Global Investors
Large Cap Equity – Small/Mid Cap Equity
45 Fremont Street
San Francisco, CA 94105

Brandes Investment Partners, L.P.
Mid Cap Equity
11988 El Camino Real, Suite 500
San Diego, CA 92130

Hotchkis & Wiley Capital Management
Large Cap Equity
725 S. Figueroa Street, 39th Floor
Los Angeles, CA 90017

Jacobs Levy Equity Managers, Inc.
Small Cap Equity
100 Campus Drive
P.O. Box 650
Florham Park, NJ 07932

Numeric Investors, L.P.
Small Cap Equity
One Memorial Drive, 9th Floor
Cambridge, MA 02142

Osprey Partners Investment Mgt., LLC
Large Cap Equity – Small Cap Equity
Shrewsbury Executive Center II
1040 Broad Street
Shrewsbury, NJ 07702

Sands Capital Management, Inc.
Large Cap Equity
1100 Wilson Blvd., Suite 3050
Arlington, VA 22209

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

Turner Investment Partners
Large Cap Equity
1235 Westlakes Drive, Suite 350
Berwyn, PA 19312

Wells Capital Management
Mid Cap Equity
450 East 96th Street, Suite 210
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
630 Fifth Avenue, 36th Floor
New York, NY 10111

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

International Equity

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Baillie Gifford & Company
1 Greenside Rowe
Edinburgh EH1 3AN
Scotland, United Kingdom

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

Fixed Income

BlackRock Financial Mgt., Inc.
Fixed Income Core Opportunistic
40 E. 52nd St., 6th Floor
New York, NY 10022

Hughes Capital Management, Inc.
Fixed Income Government/Credit
916 Prince Street, 3rd Floor
Alexandria, VA 22314

Lehman Brothers Asset Mgt., LLC
Fixed Income Core Enhanced,
Enhanced TIPS
190 S. LaSalle St., Ste. 2400
Chicago, IL 60603

Northern Trust Global Investments
Fixed Income Core Index – Core TIPS
50 South LaSalle Street
M4 Quant Management
Chicago, IL 60675

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

Seix Investment Advisors, Inc.
Fixed Income Core Opportunistic
10 Mount View Rd., Ste C-200
Upper Saddle River, NJ 07438

Taplin, Canida & Habacht
Fixed Income Core Active
1001 Brickell Bay Drive, Suite 2100
Miami, FL 33131

Western Asset Global Management, Inc.
Fixed Income Core Opportunistic

Fixed Income, cont.

Active TIPS
385 E. Colorado Blvd.
Pasadena, CA 91101

Alternative Investments

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

CSFB Private Equity Group
Indiana Future Fund I
11 Madison Avenue
New York, NY 10010

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

Lexington Capital Partners, LP
3000 Sand Hill Road, Bldg. 1, Suite 220
Menlo Park, CA 94025

Lindsay, Goldberg & Bessemer, LP
630 Fifth Avenue, 30th Floor
New York, NY 10111

Merit Capital Partners
303 West Madison Avenue, Suite 2100
Chicago, IL 60606

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

DEFINED CONTRIBUTION PLAN

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

POLICE AND FIRE PENSION RELIEF FUND

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

SPECIAL DEATH ACCOUNTS

Allegiant Asset Management Company
101 S. 5th Street
National City Tower – Loc. #T03F
Louisville, KY 40202



**“Everyone I have dealt with in the
PERF office has helped me to make
better [retirement] decisions ...**

Thanks to all.”

Virginia M. Ozbun — Retiree

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Actuarial Section

ACTUARY'S CERTIFICATION LETTER
70

SUMMARY OF ACTUARIAL
ASSUMPTIONS AND METHODS
72

RECONCILIATION OF CHANGES
IN UNFUNDED ACTUARIAL
ACCRUED LIABILITIES
75

SOLVENCY TEST
76

SCHEDULES OF ACTIVE
MEMBER VALUATION DATA
78

SCHEDULES OF RETIRANTS
AND BENEFICIARIES
79

Actuary's Certification Letter



McCready and Keene, Inc.

7941 Castleway Drive

PO Box 50460

Indianapolis, Indiana 46250-0460

August 31, 2006

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, 2005 actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning January 1, 2007 (or for the year beginning July 1, 2006 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.

General Comment for 2005

The July 1, 2005 PERF Actuarial Valuation is the fourth and final valuation reflecting a 4-year phase-in of a new data reporting system that was adopted early in 2002. This new data reporting system collects salary information on a June 30 fiscal year basis (the prior data reporting system collected salary information on a calendar year basis) and also collects service data on a fiscal year basis (the prior system collected service data through the March 31 preceding the July 1 valuation date). The fiscal impact of this change in the data reporting system has now been fully phased in over a 4-year period.

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.

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 adopted smoothing rules to the determination of the employer contribution rate to reduce the variability of these rates. 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.

Actuary's Certification Letter

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 has decreased from the preceding year due primarily to a change in the actuarial assumption regarding COLAs.

Benefit Provisions

The benefit provisions reflected in this report are those which were in effect on each Plan's valuation date.

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, 2001 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 IPSI, 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 IPSI.

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 2005 valuation date.

We prepared 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 Retirants and Beneficiaries. In addition, we prepared the Schedules of Funding Progress and Schedules of Employer Contributions in the "Financial Section."

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

Summary of Actuarial Assumptions and Methods

as of July 1, 2005

- 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 Indiana PERF, Legislative Retirement Benefits, and the Excise Police and Conservation Enforcement Officers' Retirement 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 1.0 percent for the remaining lifetime of the benefit recipient. These changes were applied to Indiana PERF, Legislative Retirement Benefits and the Excise Police and Conservation Enforcement Officers' Retirement Plan. PERF plans to gradually increase the COLA over the next few years until the assumption reaches 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 mortality.
- Note 4:** Actuarial funding method for all systems is Entry Age Normal Cost, except the Accrued Benefit (Unit Credit) funding method is used for 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 and the Prosecuting Attorneys Retirement Fund which have an open amortization period.
- Note 5:** Actuarial asset valuation method is according to example (6) in IRS Regulation 1.412(c)(2)-1(b)(9) for all systems except PERF where valuation assets are equal to 75 percent of expected actuarial value plus 25 percent of market value.

Indiana Public Employees' Retirement Fund

July 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates			Disability Rates			Termination Rates		
7.25 %	1.00 %	Based on PERF Exp., 1995-2000, Sample Rates:	Based on PERF Exp., 1995-2000, Sample Rates:			Based on PERF Exp., 1995-2000, Sample Rates:			Based on PERF Exp., 1995-2000, Sample Ultimate Rates:		
		Age Rate	Age	Male: Rate	Female: Rate	Age	Male: Rate	Female: Rate	Age	Male: Rate	Female: Rate
		25 16.0%	60	8.0%	12.0%	45	0.14%	0.09%	25	10.0%	10.0%
		35 7.67	62	32.0	26.0	50	0.25	0.16	30	10.0	10.0
		45 6.00	65	40.0	35.0	55	0.44	0.28	35	7.5	7.5
		60 4.94	70	30.0	30.0	60	0.78	0.49	45	3.0	5.0

Judges' Retirement System

July 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25 %	5.0% for 1977 System None for 1985 System	5.0 %	Based on Experience Sample Rates:		1964 OASDI Sample Rates		Sarason T-4 Sample Rates	
			Age	Male and Female	Age	Male and Female	Age	Male and Female
			62	25.0 %	40	0.2 %	30	5.1 %
			64	10.0	50	0.6	40	4.2
			65	25.0	60	1.6	50	2.5
			75	100.0	64	2.3	55	0.9

Summary of Actuarial Assumptions and Methods

as of July 1, 2005

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

July 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates		Disability Rates			Termination Rates	
7.25 %	1.0 %	5.0 %	Based on Experience of current retirees Sample Rates		200% of United Auto Workers Sample Rates			Sarason T-6 Sample Rates	
			Age	Male and Female	Age	Male	Female	Age	Male and Female
			50	3.0 %	40	0.1 %	0.2 %	30	7.4 %
			53	3.0	50	0.4	0.5	40	6.1
			56	6.0	60	1.8	2.4	50	3.6
			60	100.0	64	4.4	5.8	55	1.4

1977 Police Officers' and Firefighters' Pension & Disability Fund

January 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates		Disability Rates			Termination Rates	
7.25%	2.75%	4.00%	Based on Actuarial Exp. Study 1998-2002 Sample Rates:		150% of 1964 OASDI Sample Rates			Sarason T-1 Sample Rates	
			Ages	Male and Female	Age	Male and Female		Age	Male and Female
			50-51	10.0 %	40	0.33 %		30	3.7 %
			52-64	20.0	50	0.91		40	1.1
			65-69	50.0	60	2.44		50	0.0
			70+	100.0	64	3.48		55	0.0

Prosecuting Attorneys' Retirement Fund

July 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates		Disability Rates			Termination Rates	
7.25 %	None	5.0 %	Later of (a) age 62, or (b) 10 years service		75% of 1964 OASDI Sample Rates			50% every 4 years	
					Age	Male and Female			
					40	0.2 %			
					50	0.5			
					60	1.2			
					64	1.7			

Summary of Actuarial Assumptions and Methods

as of July 1, 2005

Legislators' Defined Benefit Plan

July 1, 2005 Actuarial Valuation

Investment Return	Post-Ret. COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25 %	1.0 %	3.0 %	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	10.0 %	40	0.2 %	30	5.1 %
			58-61	2.0	50	0.5	40	3.5
			62-64	5.0	60	1.2	50	0.4
			65	50.0	64	1.7	55	0.0

Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities

(Dollars in Thousands)

System	July 1, 2004 Unfunded Actuarial Accrued Liability (UAAL)	Amort. Payments	Interest for Year	Liability (Gain) Loss	Asset (Gain) Loss	Change in Benefit Provisions or Assump.	July 1, 2005 UAAL
Public Employees' Retirement Fund	\$ (9,623)	\$ (883)	\$ (634)	\$ 171,431	\$ 24,422	\$ 199,906	\$ 386,385
1977 and 1985 Judges' Retirement System	74,194	5,774	4,960	(48,129)	342	0	121,852
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	11,238	877	751	4,212	230	2,748	18,301
1977 Police Officers' and Firefighters' Pension and Disability Fund*	78,394	6,039	5,246	(39,353)	49,019	0	87,266
Prosecuting Attorneys' Retirement Fund	7,934	611	531	882	133	0	8,869
Legislators' Retirement System	651	61	43	(212)	67	174	661

*Beginning Date of 1-1-2004 rather than 7-1-2004, and ending date of 1-1-2005 rather than 7-1-2005.

Solvency Test

(Dollars in Thousands)

System	As of July 1	Actuarial Accrued Liabilities			
		(1) Active Member Contributions	(2) Retired and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities
Public Employees' Retirement Fund	2000	\$ 1,647,901	\$ 2,303,679	\$ 3,748,305	\$ 7,699,885
	2001#	1,728,972	2,426,062	4,150,638	8,305,672
	2002#	1,886,124	2,582,149	4,597,859	9,066,132
	2003#	1,971,864	2,764,974	4,297,735	9,034,573
	2004#	2,211,326	2,927,884	4,705,143	9,844,353
	2005#	2,382,280	3,301,265	5,174,777	10,858,322
1977 and 1985 Judges' Retirement System	2000	\$ 14,922	\$ 87,326	\$ 80,200	\$ 182,448
	2001	15,661	96,854	76,095	188,610
	2002	16,892	86,997	84,545	188,434
	2003#	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
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	2000	\$ 2,863	\$ 14,689	\$ 28,720	\$ 46,272
	2001	3,026	17,116	31,882	52,024
	2002	3,102	18,770	34,012	55,884
	2003#	3,103	17,630	31,274	52,006
	2004#	3,613	17,788	28,608	50,010
	2005#	3,488	18,907	37,569	59,964
1977 Police Officers' and Firefighters' Pension and Disability Fund (As of 1-1 instead of 7-1)	2000	\$ 210,396	\$ 353,230	\$ 887,828	\$ 1,451,454
	2001	238,840	384,128	997,326	1,620,294
	2002	273,787	447,042	1,087,925	1,808,754
	2003#	307,929	457,766	1,001,150	1,766,846
	2004	344,775	452,755	1,077,988	1,875,518
	2005	362,908	436,606	1,264,657	2,064,171
Prosecuting Attorneys' Retirement Fund	2000	\$ 7,033	\$ 2,040	\$ 4,869	\$ 13,943
	2001*	8,203	2,162	10,052	20,417
	2002	9,361	1,965	11,060	22,386
	2003#	9,489	2,084	4,113	15,685
	2004	12,237	2,419	7,932	22,588
	2005	13,132	2,303	10,309	25,744
Legislators' Defined Benefit Plan*	2000	\$ 0	\$ 2,388	\$ 3,085	\$ 5,473
	2001	0	2,431	3,077	5,508
	2002	0	2,326	3,177	5,503
	2003#	0	2,278	2,670	4,948
	2004#	0	2,128	2,728	4,856
	2005#	0	2,121	2,878	4,999

Actuarial Assumptions and/or methods revised.

* Improvement in benefit provisions.

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	\$ 8,267,657	100.0 %	100.0 %	100.0 %	107.4 %
	8,723,304	100.0	100.0	100.0	105.0
	8,994,854	100.0	100.0	98.4	99.2
	9,293,952	100.0	100.0	100.0	102.9
	9,853,976	100.0	100.0	100.0	100.1
	10,471,937	100.0	100.0	92.5	96.4
1977 and 1985 Judges' Retirement System	\$ 103,733	100.0 %	100.0 %	1.9 %	56.9 %
	115,040	100.0	100.0	3.3	61.0
	121,155	100.0	100.0	20.4	64.3
	126,152	100.0	100.0	2.2	61.0
	135,798	100.0	100.0	13.4	64.7
	151,003	100.0	95.5	0.0	55.3
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	\$ 34,368	100.0 %	100.0 %	58.6 %	74.3 %
	36,921	100.0	100.0	52.6	71.0
	37,360	100.0	100.0	45.5	66.9
	37,286	100.0	100.0	52.9	71.7
	38,772	100.0	100.0	60.7	77.5
	41,663	100.0	100.0	51.3	69.5
1977 Police Officers' and Firefighters' Pension and Disability Fund*	\$ 1,338,554	100.0 %	100.0 %	87.3 %	92.2 %
	1,491,030	100.0	100.0	87.0	92.0
	1,615,245	100.0	100.0	82.2	89.3
	1,660,445	100.0	100.0	89.4	94.0
	1,797,124	100.0	100.0	92.7	95.8
	1,976,905	100.0	100.0	93.1	95.8
Prosecuting Attorneys' Retirement Fund	\$ 9,781	100.0 %	100.0 %	14.5 %	70.2 %
	11,073	100.0	100.0	7.0	54.2
	11,957	100.0	100.0	5.7	53.4
	12,758	100.0	100.0	28.8	81.3
	14,655	100.0	99.9	0.0	64.9
	16,876	100.0	100.0	14.0	65.6
Legislators' Defined Benefit Plan	\$ 4,557	N/A	100.0 %	72.9 %	83.6 %
	4,666	N/A	100.0	72.6	84.7
	4,446	N/A	100.0	66.7	80.8
	4,200	N/A	100.0	72.0	84.9
	4,206	N/A	100.0	76.2	86.6
	4,339	N/A	100.0	77.0	86.8

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	2000	146,613	\$ 3,482,453	\$ 23,753	3.4 %
	2001	145,019	3,587,080	24,735	4.1
	2002	143,234	3,851,761	26,891	8.7
	2003	143,082	4,038,680	28,226	5.0
	2004	142,913	4,214,390	29,489	4.5
	2005	141,428	4,318,450	30,535	3.5
1977 and 1985 Judges' Retirement System	2000	336	\$ 30,428	\$ 90,560	(0.3) %
	2001	328	29,748	90,695	0.1
	2002	282	25,805	91,507	0.9
	2003	278	25,400	91,367	(0.2)
	2004	275	25,693	93,431	2.3
	2005	282	32,231	114,293	22.3
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	2000	261	\$ 11,306	\$ 43,318	3.0 %
	2001	255	12,486	48,966	13.0
	2002	254	12,654	49,818	1.7
	2003	254	11,944	47,024	(5.6)
	2004	251	10,209	40,675	(13.5)
	2005	262	13,223	50,469	24.1
1977 Police Officers' and Firefighters' Pension and Disability Fund	2000	9,729	\$ 352,377	\$ 36,219	4.0 %
	2001	10,388	389,200	37,466	3.4
	2002	10,179	396,246	38,928	3.9
	2003	10,737	432,954	40,324	3.6
	2004	11,238	469,750	41,800	3.7
	2005	11,424	493,706	43,217	3.4
Prosecuting Attorneys' Retirement Fund	2000	240	\$ 13,422	\$ 55,926	(10.1) %
	2001	211	13,636	64,624	15.6
	2002	205	14,438	70,427	9.0
	2003	218	13,159	60,360	(14.3)
	2004	214	15,149	70,790	17.3
	2005	220	16,659	75,724	7.0
Legislators' Defined Benefit Plan	2000	60	N/A	N/A	N/A
	2001	58	N/A	N/A	N/A
	2002	58	N/A	N/A	N/A
	2003	55	N/A	N/A	N/A
	2004	50	N/A	N/A	N/A
	2005	48	N/A	N/A	N/A

* Benefits are not based on annual payroll.

Schedules of Retirants and Beneficiaries

(Dollars in Thousands—except Average)

System	Year Begin July 1	Added to Rolls		Removed From Rolls		Rolls – End of Year		% Increase in Annual Allowances+	Average Annual Allowances+
		No.	Annual Allowances+	No.	Annual Allowances+	No.	Annual Allowances+		
Public Employees' Retirement Fund	1999	3,101	\$ 18,686	1,750	6,590	49,305	\$ 229,846	6.9 %	\$ 4,662
	2000	3,040	19,133	1,576	6,154	50,769	244,320	6.3	4,812
	2001	3,874	23,742	3,551	15,771	51,092	263,010	7.6	5,163
	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
1977 and 1985 Judges' Retirement System	1999	16	\$ 715.5	8	\$ 180.7	229	\$ 7,822.1	5.8 %	\$ 34,158
	2000	20	935.8	7	175.0	242	8,484.8	8.5	35,061
	2001	11	424.4	18	838.2	235	8,031.0	(5.3)	34,174
	2002	28	1,385.9	5	166.4	258	9,915.0	23.5	38,430
	2003	8	313.4	4	207.5	262	9,853.7	(0.6)	37,609
	2004	13	667.0	11	374.2	264	12,272.1	24.5	46,485
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1999	10	\$ 123.6	3	\$ 34.5	119	\$ 1,294.6	9.2 %	\$ 10,879
	2000	10	223.7	7	66.2	122	1,470.1	13.6	12,050
	2001	7	154.1	1	16.4	128	1,619.3	10.1	12,651
	2002	5	107.6	5	54.2	128	1,672.6	3.3	13,067
	2003	4	116.3	4	58.4	128	1,738.2	3.9	13,580
	2004	4	114.1	4	65.1	128	1,787.2	2.8	13,962
1977 Police Officers' and Firefighters' Pension and Disability Fund	1999	153	\$ 2,606.0	51	\$ 790.1	1,646	\$ 25,710.5	8.0 %	\$ 15,620
	2000	134	2,070.9	63	805.1	1,717	27,729.3	7.9	16,150
	2001	275	4,477.4	126	1,336.5	1,866	31,587.3	13.9	16,928
	2002	90	1,558.4	50	766.7	1,906	34,088.4	7.9	17,885
	2003	65	1,319.5	65	1,215.4	1,906	34,257.5	0.5	17,974
	2004	14	255.0	22	387.4	1,898	33,746.9	(1.5)	17,780
Prosecuting Attorneys' Retirement Fund	1999	1	\$ 13.5	0	\$ 0.0	17	\$ 220.2	9.8 %	\$ 12,951
	2000	2	16.0	0	0.0	19	236.1	7.3	12,429
	2001	0	0.0	1	17.1	18	216.2	(8.5)	12,009
	2002	1	30.6	2	21.3	17	225.5	4.3	13,266
	2003	2	38.1	1	7.0	18	256.7	13.8	14,259
	2004	4	83.3	4	0.0	18	249.0	(3.0)	13,831
Legislators' Defined Benefit Plan	1999	1	\$ 2.4	3	\$ 17.6	32	\$ 211.3	(6.3) %	\$ 6,603
	2000	5	37.1	2	13.0	35	237.3	12.3	6,779
	2001	0	0.0	1	5.4	34	232.0	(2.2)	6,822
	2002	9	30.5	4	14.3	39	245.7	5.9	6,301
	2003	0	0.0	0	0.0	39	245.8	0.0	6,303
	2004	2	0.0	0	0.0	39	244.4	(0.5)	6,268

+ For PERF only, includes employee annuities



“Very Nice. Wow! It [PERF Interactive] is not only a very handy tool, but it is easy to navigate and works great.”

Lt. Scott Zelhart, Fishers Fire Dept.

2006 COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

Statistical Section

SUMMARY OF STATISTICAL SECTION
83

SCHEDULE OF ADDITIONS BY SOURCE
84

SCHEDULE OF DEDUCTIONS BY TYPE
86

SCHEDULE OF BENEFIT
DEDUCTIONS BY TYPE
88

SCHEDULE OF BENEFIT RECIPIENTS BY
TYPE OF BENEFIT OPTION
90

SCHEDULE OF AVERAGE
BENEFIT PAYMENTS
91

SCHEDULE OF CHANGES IN NET ASSETS
96

SCHEDULE OF PARTICIPATING
EMPLOYERS
97

Summary of Statistical Section

This part of PERF's Comprehensive Annual Financial Report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about each of the Fund's overall financial health.

Contents

Financial Trends

The following schedules contain trend information to help the reader understand how each of the Fund's financial performances and well-being have 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 to help the reader understand the environment within which each of the Fund's financial activities take place:

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

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

Schedule of Additions by Source

Year Ended June 30

(Dollars in Thousands)

System	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	1997	\$ 96,751	\$187,761	6.1 %	\$ 486,871	\$ 2,141	\$ 1,127	\$ 774,651
	1998	96,786	196,457	6.3	855,924	1,606	1,652	1,152,424
	1999	104,864	203,054	6.2	735,051	1,401	2,514	1,046,885
	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
Judges' Retirement System	1997	\$ 1,605	\$ 12,878	44.1 %	\$ 4,163	\$ —	\$ —	\$ 18,646
	1998	1,551	10,659	34.5	9,687	—	—	21,897
	1999	1,545	11,095	35.8	8,829	—	—	21,469
	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
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1997	\$ 66	\$ 1,613	16.4 %	\$ 1,688	\$ —	\$ —	\$ 3,367
	1998	66	1,724	17.0	3,524	—	—	5,314
	1999	74	1,800	15.9	3,094	—	—	4,968
	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
1977 Police Officers' and Firefighters' Pension and Disability Fund	1997	\$ 15,851	\$ 55,240	21.0 %	\$ 59,840	\$ —	\$ —	\$ 130,931
	1998	17,536	60,785	21.0	132,378	—	—	210,699
	1999	18,620	63,447	21.0	119,276	—	32	201,375
	2000	21,145	73,535	21.0	91,028	13	37	185,758
	2002	25,229	82,643	21.0	(45,778)	—	37	62,131
	2003	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

Schedule of Additions by Source (continued)

Year Ended June 30

Employer

System	Year	Member Contributions	Employer Contributions	Contributions as a Percent of Covered Payroll	Net Investment Income (Loss)	Transfers from Systems	Other Additions	Total Additions
Prosecuting Attorneys' Retirement Fund	1997	\$ 759	\$ 174	1.5 %	\$ 357	\$ —	\$ —	\$ 1,290
	1998	809	184	1.6	848	—	—	1,841
	1999	819	184	1.5	863	—	—	1,866
	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
Legislators' Retirement System — Defined Benefit Plan	1997	\$ —	\$ 199	— %	\$ 251	\$ —	\$ —	\$ 450
	1998	—	201	—	511	—	—	712
	1999	—	201	—	430	—	—	631
	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
Legislators' Retirement System— Defined Contribution Plan	1997	\$ 876	\$ —	— %	\$ 431	\$ —	\$ —	\$ 1,307
	1998	880	—	—	946	—	—	1,826
	1999	970	—	—	866	—	—	1,836
	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

Schedule of Deductions by Type

Year Ended June 30

(Dollars in Thousands)

System	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Public Employees' Retirement Fund	1997	\$ 214,531	\$ 33,635	\$ 1,113	\$ 3,917	\$ 253,196
	1998	237,817	33,010	1,313	3,726	275,866
	1999	248,456	35,766	1,344	1,564	287,130
	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	324,764	29,637	—	9,247	363,648
	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
Judges' Retirement System	1997	\$ 5,897	\$ 38	\$ —	\$ 58	\$ 5,993
	1998	6,922	45	—	155	7,122
	1999	7,333	4	—	200	7,537
	2000	7,721	21	—	156	7,898
	2001	8,201	59	—	199	8,459
	2002	8,355	2	—	250	7,899
	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
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1997	\$ 998	\$ 9	\$ —	\$ 54	\$ 1,061
	1998	1,142	3	—	135	1,280
	1999	1,154	—	—	149	1,303
	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
1977 Police Officers' and Firefighters' Pension and Disability Fund	1997	\$ 2,726	\$ 1,942	\$ —	\$ 343	\$ 5,011
	1998	3,316	1,915	—	551	5,782
	1999	18,697	2,125	—	1,534	22,356
	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

Schedule of Deductions by Type (continued)

Year Ended June 30

(Dollars in Thousands)

System	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Prosecuting Attorneys' Retirement Fund	1997	\$ 134	\$ 22	\$ —	\$ 33	\$ 189
	1998	152	29	—	81	262
	1999	188	179	—	71	438
	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
Legislators' Retirement System- Defined Benefit Plan	1997	\$ 146	\$ —	\$ —	\$ 26	\$ 172
	1998	175	—	—	81	256
	1999	186	—	—	83	269
	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
Legislators' Retirement System- Defined Contribution Plan	1997	\$ —	\$ 577	\$ —	\$ —	\$ 577
	1998	—	120	—	—	120
	1999	—	611	—	—	611
	2000	—	306	—	—	306
	2001	—	378	—	—	378
	2002	—	149	—	—	149
	2003	—	343	—	—	343
	2004	—	103	—	—	103
	2005	—	886	—	—	886
	2006	—	686	—	—	686

Schedule of Benefit Deductions by Type

Year Ended June 30

(Dollars in Thousands)

System	Year	Pension Benefits	Disability Benefits	Funeral Benefits	Total Benefits
Public Employees' Retirement Fund	1997	\$ 204,333	\$ 10,198	\$ —	\$ 214,531
	1998	226,527	11,290	—	237,817
	1999	236,627	11,829	—	248,456
	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
Judges' Retirement System	1997	\$ 5,739	\$ 158	\$ —	\$ 5,897
	1998	6,757	165	—	6,922
	1999	7,134	198	—	7,332
	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
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1997	\$ 954	\$ 44	\$ —	\$ 998
	1998	1,098	44	—	1,142
	1999	1,114	40	—	1,154
	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

Schedule of Benefit Deductions by Type (continued)

Year Ended June 30

(Dollars in Thousands)

System	Year	Pension Benefits	Disability Benefits	Funeral Benefits	Total Benefits
1977 Police Officers' and Firefighters' Pension and Disability Fund	1997	\$ 617	\$ 2,105	\$ 4	\$ 2,726
	1998	703	2,590	24	3,317
	1999	12,917	5,679	101	18,697
	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
Prosecuting Attorneys' Retirement Plan	1997	\$ 134	\$ —	\$ —	\$ 134
	1998	152	—	—	152
	1999	188	—	—	188
	2000	216	—	—	216
	2001	224	—	—	224
	2002	267	—	—	267
	2003	254	—	—	254
	2004	347	10	—	357
	2005	403	20	—	423
	2006	512	19	—	531
Legislators' Retirement System-Defined Benefit Plan	1997	\$ 141	\$ 5	\$ —	\$ 146
	1998	169	5	—	174
	1999	187	—	—	187
	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

Schedule of Benefit Recipients by Type of Benefit Option

Year Ended June 30, 2006

(Dollars in Thousands)

System	Amount of Monthly Benefit	Number of Benefit Recipients by Benefit Option									
		1	2	3	4	5	6	7	8	9	Total
Public Employees' Retirement Fund	\$1-500	15,029	6,654	10,786	1,234	1,895	301	1,190	1,234	–	38,323
	501-1,000	5,204	2,905	3,893	731	1,135	110	727	337	–	15,042
	1,001-1,500	1,209	764	1,130	267	426	39	246	57	–	4,138
	1,501-2,000	347	249	375	111	107	19	85	17	–	1,310
	2,001-3,000	133	134	159	76	74	10	61	7	–	654
	over 3,000	23	17	27	9	12	3	7	0	–	98
	Total	21,945	10,723	16,370	2,428	3,649	482	2,316	1,652	–	59,565
Judges' Retirement System	\$1-1,000	–	–	–	–	29	–	–	–	–	29
	1,001-2,000	–	–	–	–	49	–	–	–	–	49
	2,001-3,000	–	–	–	–	31	–	–	–	–	31
	3,001-4,000	–	–	–	–	9	–	–	–	–	9
	4,001-5,000	–	–	–	–	37	–	–	–	–	37
	over 5,000	–	–	–	–	95	–	–	–	–	95
	Total	–	–	–	–	250	–	–	–	–	250
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	\$1-500	–	–	–	–	27	–	–	–	–	27
	501-1,000	–	–	–	–	35	–	–	–	–	35
	1,001-1,500	–	–	–	–	21	–	–	–	–	21
	1,501-2,000	–	–	–	–	17	–	–	–	–	17
	2,001-3,000	–	–	–	–	31	–	–	–	–	31
	over 3,000	–	–	–	–	2	–	–	–	–	2
	Total	–	–	–	–	133	–	–	–	–	133
1977 Police Officers' and Firefighters' Pension and Disability Fund	\$1-500	–	–	–	–	–	–	–	–	123	123
	501-1,000	–	–	–	–	–	–	–	–	280	280
	1,001-1,500	–	–	–	–	–	–	–	–	686	686
	1,501-2,000	–	–	–	–	–	–	–	–	758	758
	2,001-3,000	–	–	–	–	–	–	–	–	393	393
	over 3,000	–	–	–	–	–	–	–	–	1	1
	Total	–	–	–	–	–	–	–	–	2,241	2,241
Prosecuting Attorneys' Retirement Fund	\$1-500	–	–	–	–	2	–	–	–	–	2
	501-1,000	–	–	–	–	3	–	–	–	–	3
	1,001-1,500	–	–	–	–	9	–	–	–	–	9
	1,501-2,000	–	–	–	–	3	–	–	–	–	3
	2,001-3,000	–	–	–	–	1	–	–	–	–	1
	over 3,000	–	–	–	–	–	–	–	–	–	–
	Total	–	–	–	–	18	–	–	–	–	18
Legislators' Retirement System-Defined Benefit Plan	\$1-500	–	–	–	–	20	–	–	–	–	20
	501-1,000	–	–	–	–	16	–	–	–	–	16
	1,001-1,500	–	–	–	–	5	–	–	–	–	5
	1,501-2,000	–	–	–	–	–	–	–	–	–	–
	2,001-3,000	–	–	–	–	–	–	–	–	–	–
	over 3,000	–	–	–	–	–	–	–	–	–	–
	Total	–	–	–	–	41	–	–	–	–	41

1 – Monthly benefit for retiree's 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 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 those 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 secondary school or accredited college or university.

Schedule of Average Benefit Payments

Year Ended June 30 (Amounts in Dollars)

Fund	Year		Years of Service					
			5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund ¹	1997	Average Monthly Defined Benefit	\$ 101	\$ 180	\$ 290	\$ 381	\$ 520	\$ 840
		Average Monthly Annuity	27	68	104	125	160	253
		Average Final Average Salary	16,946	17,655	20,841	20,849	23,079	27,362
		Number of Benefit Recipients	38	275	352	330	233	210
	1998	Average Monthly Defined Benefit	115	197	374	374	517	840
		Average Monthly Annuity	35	78	104	129	170	255
		Average Final Average Salary	17,251	19,964	21,164	20,622	22,738	27,076
		Number of Benefit Recipients	47	256	300	282	228	201
	1999	Average Monthly Defined Benefit	125	200	302	419	559	881
		Average Monthly Annuity	35	78	116	151	197	308
		Average Final Average Salary	18,173	19,684	21,542	23,161	24,178	29,270
		Number of Benefit Recipients	37	276	298	323	203	202
	2000	Average Monthly Defined Benefit	104	204	330	399	516	882
		Average Monthly Annuity	32	88	131	147	187	310
		Average Final Average Salary	18,861	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	248	341	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	22,405	24,371	25,748	27,535	32,644
		Number of Benefit Recipients	55	336	434	349	310	276
	2006	Average Monthly Defined Benefit	124	253	391	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
Public Employees' Retirement Fund ²	1997	Average Monthly Defined Benefit	\$ 108	\$ 191	\$ 295	\$ 385	\$ 576	\$ 864
		Average Monthly Annuity	4,285	8,413	16,644	17,687	23,775	36,041
		Average Final Average Salary	16,334	18,811	21,367	21,368	24,432	28,867
		Number of Benefit Recipients	62	231	399	271	219	226
	1998	Average Monthly Defined Benefit	124	206	281	412	545	879
		Average Monthly Annuity	4,820	9,017	14,108	18,452	24,838	37,786
		Average Final Average Salary	19,204	20,168	21,219	22,733	24,312	29,389
		Number of Benefit Recipients	79	243	361	302	210	182
	1999	Average Monthly Defined Benefit	116	211	310	408	578	924
		Average Monthly Annuity	4,623	10,008	15,409	19,467	25,437	39,885
		Average Final Average Salary	17,800	20,520	22,871	23,054	25,138	30,741
		Number of Benefit Recipients	66	244	372	312	227	212

¹ Members 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 as a supplement in addition to their monthly pension benefit.

² Members 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.

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

Schedule of Average Benefit Payments (continued)

Year Ended June 30 (Amounts in Dollars)

Fund	Year		Years of Service					
			5-9 ²	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund¹ <i>continued</i>	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
	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	39	106	149	189	261	382
		Average Final Average Salary	21,333	22,108	27,920	25,337	28,587	31,503
		Number of Benefit Recipients	66	270	394	251	233	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	66	270	394	251	233	275
Judges' Retirement System	1997	Average Monthly Defined Benefit	\$ 3,750	\$ 3,400	\$ 3,911	\$ 4,184	\$ –	\$ 5,061
		Average Final Average Salary	90,000	85,000	85,000	85,000	–	5,000
		Number of Benefit Recipients	1	8	6	6	–	1
	1998	Average Monthly Defined Benefit	1,830	3,695	–	4,616	–	–
		Average Final Average Salary	85,000	90,000	–	70,000	–	–
		Number of Benefit Recipients	1	3	–	4	–	–
	1999	Average Monthly Defined Benefit	–	3,769	4,097	4,603	4,500	–
		Average Final Average Salary	–	90,000	90,000	80,000	90,000	–
		Number of Benefit Recipients	–	4	4	8	1	–
	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	90,000	90,000	90,000
		Number of Benefit Recipients	1	1	1	3	1	–

¹ Members 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.² Members with less than 10 years of service are receiving a disability benefit form PERF.

Schedule of Average Benefit Payments (continued)

Year Ended June 30 (Amounts in Dollars)

Fund	Year		Years of Service					
			5-9	10-14	15-19	20-24	25-29	30+
Judges' Retirement System <i>continued</i>	2005	Average Monthly Defined Benefit	\$ 1,840	\$ 2,237	\$ 2,024	\$ 4,599	\$ 4,599	\$ 4,599
		Average Final Average Salary	90,000	90,000	—	90,000	90,000	90,000
		Number of Benefit Recipients	1	3	1	2	1	1
	2006	Average Monthly Defined Benefit	—	4,470	3,869	5,651	—	2,826
		Average Final Average Salary	—	90,000	90,000	90,000	—	90,000
		Number of Benefit Recipients	—	3	3	2	—	1
State Excise Police, Gaming Agent & Conservation Enforcement Officers' Retirement Plan	1997	Average Monthly Defined Benefit	\$ —	\$ —	\$ —	\$ —	\$ 1,328	\$ 1,802
		Average Final Average Salary	—	—	—	—	35,262	36,453
		Number of Benefit Recipients	—	—	—	—	2	3
	1998	Average Monthly Defined Benefit	—	—	508	—	1,516	2,075
		Average Final Average Salary	—	—	1,673	—	38,064	43,456
		Number of Benefit Recipients	—	—	1	—	2	5
	1999	Average Monthly Defined Benefit	—	—	—	—	1,404	2,559
		Average Final Average Salary	—	—	—	—	33,037	54,854
		Number of Benefit Recipients	—	—	—	—	1	1
	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
	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
1977 Police Officers' and Firefighters' Pension and Disability Fund¹	1997	Average Monthly Defined Benefit	\$ 1,299	\$ 1,288	\$ 1,303	\$ 1,289	\$ 1,672	\$ 1,863
		Average Final Average Salary	31,179	30,935	31,289	28,716	31,350	30,751
		Number of Benefit Recipients	5	9	14	38	40	24
	1998	Average Monthly Defined Benefit	1,418	1,171	1,271	1,313	1,688	1,848
		Average Final Average Salary	34,046	28,123	30,522	28,854	31,188	30,734
		Number of Benefit Recipients	7	4	13	36	50	30
	1999	Average Monthly Defined Benefit	1,480	1,494	1,360	1,215	1,345	1,847
		Average Final Average Salary	35,542	35,871	32,656	27,374	25,644	30,681
		Number of Benefit Recipients	6	3	11	27	5	3
	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

¹ Members receiving benefits in this fund with less than 20 years of service are receiving a disability benefit from the 1977 Police Officers' and Firefighters' Pension and Disability Fund. Since Jan. 1, 1990, there are two disability programs under this fund. The original program is available only to members initially hired before Jan. 1, 1990 and who elected not to be covered by the new program. The new program is applicable to all members hired after Dec. 31, 1989. Members deemed qualified under the original program are entitled to a benefit equal to that of a member with 20 years of service at age 55, and subject to annual medical review up to the point the member actually reaches 20 years of service and age 55. The new program has three "classes" of impairment with varied entitlements based on the covered impairment.

Schedule of Average Benefit Payments (continued)

Year Ended June 30 (Amounts in Dollars)

(Amounts in Dollars)

Fund	Year		Years of Service					
			5-9	10-14	15-19	20-24	25-29	30+
1977 Police Officers' and Firefighters' Pension and Disability Fund¹ <i>continued</i>	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
	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
Prosecuting Attorneys' Retirement Fund	1997	Average Monthly Defined Benefit	\$ —	\$ 877	\$ —	\$ 1,363	\$ —	\$ —
		Average Final Average Salary	—	46,305	—	75,000	—	—
		Number of Benefit Recipients	—	1	—	1	—	—
	1998	Average Monthly Defined Benefit	—	—	—	—	—	—
		Average Final Average Salary	—	—	—	—	—	—
		Number of Benefit Recipients	—	—	—	—	—	—
	1999	Average Monthly Defined Benefit	—	1,396	953	—	—	1,497
		Average Final Average Salary	—	67,500	58,850	—	—	90,000
		Number of Benefit Recipients	—	2	1	—	—	1
	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	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
Legislators' Retirement System-Defined Benefit Plan²	1997	Average Monthly Defined Benefit	\$ —	\$ 429	\$ 640	\$ —	\$ 1,000	\$ —
		Average Final Average Salary	—	35,965	21,527	—	18,275	—
		Number of Benefit Recipients	—	2	2	—	1	—
	1998	Average Monthly Defined Benefit	360	418	—	920	—	—
		Average Final Average Salary	11,600	11,600	—	11,600	—	—
		Number of Benefit Recipients	1	1	—	1	—	—
	1999	Average Monthly Defined Benefit	200	440	600	—	1,000	—
		Average Final Average Salary	27,825	29,409	18,742	—	23,017	—
		Number of Benefit Recipients	1	1	1	—	1	—

1 – Members receiving benefits in this fund with less than 20 years of service are receiving a disability benefit from the 1977 Police Officers' and Firefighters' Pension and Disability Fund. Since Jan. 1, 1990, there are two disability programs under this fund. The original program is available only to members initially hired before Jan. 1, 1990 and who elected not to be covered by the new program. The new program is applicable to all members hired after Dec. 31, 1989. Members deemed qualified under the original program are entitled to a benefit equal to that of a member with 20 years of service at age 55, and subject to annual medical review up to the point the member actually reaches 20 years of service and age 55. The new program has three "classes" of impairment with varied entitlements based on the covered impairment.

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

Schedule of Average Benefit Payments *(continued)*

Year Ended June 30 (Amounts in Dollars)

(Amounts in Dollars)

Fund	Year		Years of Service					
			5-9	10-14	15-19	20-24	25-29	30+
Legislators' Retirement System-Defined Benefit Plan¹ <i>continued</i>	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	—	—	—	—	—

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

Schedule of Changes in Net Assets

Year Ended June 30

(Dollars in Thousands)

Year	Public Employees' Retirement Fund	Judges' Retirement System	State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	1977 Police Officers' and Firefighters' Pension and Disability Fund	Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System- Defined Benefit Plan	Legislators' Retirement System- Defined Contribution Plan	Total
1997	\$ 521,454	\$ 12,654	\$ 2,306	\$ 125,888	\$ 1,101	\$ 278	\$ 730	\$ 664,411
1998	876,558	14,775	4,034	204,916	1,578	456	1,706	1,104,023
1999	759,755	13,933	3,664	179,018	1,428	361	1,226	959,385
2000	550,799	12,098	2,875	157,123	1,391	179	1,254	725,719
2001	(268,479)	2,068	(593)	31,438	464	(317)	183	(235,236)
2002	(402,410)	253	(1,524)	4,359	274	(410)	497	(398,961)
2003	319,958	12,305	1,855	168,600	1,449	(7)	1,455	505,615
2004	1,313,914	26,023	6,281	365,320	3,598	565	3,236	1,718,937
2005	811,769	20,183	4,350	310,089	2,829	292	1,767	1,151,279
2006	967,555	22,315	5,350	336,703	2,664	168	2,802	1,337,557

Schedule of Participating Employers*

Year Ended June 30, 2006

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

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

State Employers

STATE OF INDIANA	PE	JU	EC		PA	LE
BALL STATE UNIVERSITY	PE					
CAPITAL IMPROVEMENTS BOARD	PE					
EMPLOYMENT SECURITY DIVISION	PE					
INDIANA BOARD FOR DEPOSITORIES	PE					
INDIANA BOND BANK	PE					
INDIANA DEVELOPMENT FINANCE AUTHORITY	PE					
INDIANA HOUSING FINANCE AUTHORITY	PE					
INDIANA NATIONAL GUARD	PE					
INDIANA PORT COMMISSION	PE					
INDIANA STATE UNIVERSITY	PE					
INDIANA TRANSPORTATION FINANCE AUTHORITY	PE					
INDIANA UNIVERSITY	PE					
INDIANA UNIVERSITY PURDUE UNIVERSITY	PE					
INDIANA VOCATIONAL TECHNICAL SCHOOL	PE					
INDIANA WHITE RIVER STATE PARK DEVELOPMENT COMMISSION	PE					
INTELENET COMMISSION	PE					
PURDUE UNIVERSITY	PE					
STATE FAIR COMMISSION	PE					
STATE OFFICE BUILDING COMMISSION	PE					
TOLL ROAD COMMISSION	PE					
UNIVERSITY OF SOUTHERN INDIANA	PE					
VINCENNES UNIVERSITY	PE					

Counties

ADAMS COUNTY	PE
ALLEN COUNTY	PE
BARTHOLOMEW COUNTY	PE
BENTON COUNTY	PE
BLACKFORD COUNTY	PE
BOONE COUNTY	PE
BROWN COUNTY	PE

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

CARROLL COUNTY	PE					
CASS COUNTY	PE					
CLARK COUNTY	PE					
CLAY COUNTY	PE					
CLINTON COUNTY	PE					
CRAWFORD COUNTY	PE					
DAVIESS COUNTY	PE					
DEARBORN COUNTY	PE					
DECATUR COUNTY	PE					
DEKALB COUNTY	PE					
DELAWARE COUNTY	PE					
DUBOIS COUNTY	PE					
ELKHART COUNTY	PE					
FAYETTE COUNTY	PE					
FLOYD COUNTY	PE					
FOUNTAIN 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					
JENNINGS COUNTY	PE					
JOHNSON COUNTY	PE					
KNOX COUNTY	PE					
KOSCIUSKO COUNTY	PE					
LAGRANGE COUNTY	PE					
LAKE COUNTY	PE					
LAPORTE COUNTY	PE					
LAWRENCE COUNTY	PE					
MADISON COUNTY	PE					
MARION COUNTY	PE					
MARSHALL COUNTY	PE					
MARTIN COUNTY	PE					
MIAMI COUNTY	PE					

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

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

MONROE COUNTY PE
MONTGOMERY COUNTY PE
MORGAN COUNTY PE
NEWTON COUNTY PE
NOBLE COUNTY PE
OHIO COUNTY PE
ORANGE COUNTY PE
OWEN COUNTY PE
PARKE COUNTY PE
PERRY COUNTY PE
PIKE COUNTY PE
PORTER COUNTY PE
POSEY COUNTY PE
PULASKI COUNTY PE
PUTNAM COUNTY PE
RANDOLPH COUNTY PE
RIPLEY COUNTY PE
RUSH COUNTY PE
SCOTT COUNTY PE
SHELBY COUNTY PE
SPENCER COUNTY PE
ST JOSEPH COUNTY PE
STARKE COUNTY PE
STEBEN COUNTY PE
TIPPECANOE COUNTY PE
TIPTON COUNTY PE
UNION COUNTY PE
VANDERBURGH COUNTY PE
VERMILLION COUNTY PE
VIGO COUNTY PE
WABASH 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

Employer's Name PE JU EC 77 PA LE

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
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

Employer's Name PE JU EC 77 PA LE

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 WHITING	PE	77
CITY OF WINCHESTER	PE	77
CITY OF WINDFALL	PE	
PERRY CLEAR CREEK - FIRE PROTECTION DISTRICT		77
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	77
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
TOWN OF BUNKER HILL	PE	
TOWN OF BURLINGTON	PE	
TOWN OF BURNS HARBOR	PE	

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

TOWN OF CAMBRIDGE CITY 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 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
TOWN OF FORTVILLE PE
TOWN OF FRANKTON PE
TOWN OF FREMONT PE
TOWN OF FRENCH LICK PE
TOWN OF GASTON PE

Employer's Name PE JU EC 77 PA LE

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 HAMLET PE
TOWN OF HAMILTON PE
TOWN OF HANOVER PE
TOWN OF HARMONY PE
TOWN OF HEBRON PE
TOWN OF HIGHLAND PE 77
TOWN OF HUNTERTOWN 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
TOWN OF MILLERSBURG PE
TOWN OF MILTON PE
TOWN OF MONON PE
TOWN OF MONROE PE
TOWN OF MONROE CITY PE
TOWN OF MOORESVILLE PE 77

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

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 PALENSTNE	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 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				
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 RUSSIACVILLE	PE				
TOWN OF SCHERERVILLE	PE		77		
TOWN OF SELLERSBURG	PE		77		

Employer's Name PE JU EC 77 PA LE

TOWN OF SHARPSVILLE	PE				
TOWN OF SHELURN	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 THORNTOWN	PE				
TOWN OF TOPEKA	PE				
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 WESTFIELD	PE		77		
TOWN OF WESTPORT	PE				
TOWN OF WHITELAND	PE				
TOWN OF WILLIAMS CREEK	PE				
TOWN OF WILLIAMSPORT	PE				
TOWN OF WINFIELD	PE				
TOWN OF WINIMAC	PE				
TOWN OF WINONA LAKE	PE				
TOWN OF WINSLOW	PE				
TOWN OF WOLCOTT	PE				
TOWN OF WOLCOTTVILLE	PE				
TOWN OF WORTHINGTON	PE				
TOWN OF YORKTOWN	PE				
TOWN OF ZIONSVILLE	PE				

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 -	

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

GREENE COUNTY PE

BLOOMFIELD TOWNSHIP -
LAGRANGE COUNTY PE

BLOOMINGTON TOWNSHIP -
MONROE COUNTY PE

BOURBON TOWNSHIP -
MARSHALL COUNTY PE

BROWN TOWNSHIP - MORGAN COUNTY PE 77

BUCK CREEK TOWNSHIP -
HANCOCK COUNTY PE 77

CALUMET TOWNSHIP - LAKE COUNTY PE

CEDAR CREEK TOWNSHIP -
LOWELL 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 - ST JOSEPH COUNTY PE

CENTER TOWNSHIP -
VANDERBURGH 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

CONCORD TOWNSHIP - ELKHART COUNTY PE

DECATUR TOWNSHIP - MARION COUNTY PE 77

DELAWARE TOWNSHIP -
HAMILTON COUNTY PE

EEL TOWNSHIP - CASS COUNTY PE

EEL RIVER TOWNSHIP -
HENDRICKS COUNTY PE

Employer's Name PE JU EC 77 PA LE

ETNA-TROY TOWNSHIP -
WHITLEY COUNTY PE

FAIRFIELD TOWNSHIP -
TIPPECANOE COUNTY PE

FAIRMOUNT TOWNSHIP - GRANT COUNTY PE

FRANKLIN TOWNSHIP PE 77

FRANKLIN TOWNSHIP - MARION COUNTY PE 77

GEORGETOWN TOWNSHIP - FLOYD COUNTY PE

GERMAN TOWNSHIP - ST JOSEPH COUNTY PE

GRANT TOWNSHIP - NEWTON COUNTY PE

HANOVER TOWNSHIP - LAKE 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 - 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

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

MAUMEE CIVIL TOWNSHIP -
ALLEN COUNTY PE

MICHIGAN TOWNSHIP - LAPORTE COUNTY PE

MIDDLE TOWNSHIP - HENDRICKS COUNTY PE 77

MOUNT PLEASANT TOWNSHIP -
DELAWARE COUNTY PE

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

NEW ALBANY TOWNSHIP - FLOYD COUNTY PE
 NOBLE TOWNSHIP - WABASH COUNTY PE
 NOBLESVILLE TOWNSHIP - HAMILTON COUNTY 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 TOWNSHIP - ALLEN COUNTY PE
 PERRY TOWNSHIP - MARION COUNTY PE 77
 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
 PIPECREEK TOWNSHIP - MADISON COUNTY PE
 PLEASANT TOWNSHIP - GRANT 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
 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
 ST JOHN TOWNSHIP - 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

Employer's Name PE JU EC 77 PA LE

SUGAR CREEK TOWNSHIP - VIGO COUNTY PE
 TAYLOR TOWNSHIP - GREENE 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 77
 WARREN TOWNSHIP - MARION COUNTY PE 77
 WARREN TOWNSHIP - ST. JOSEPH COUNTY PE
 WASHINGTON TOWNSHIP - ADAMS COUNTY PE
 WASHINGTON TOWNSHIP - GRANT COUNTY PE
 WASHINGTON TOWNSHIP - HAMILTON COUNTY PE
 WASHINGTON TOWNSHIP - MARION COUNTY PE 77
 WASHINGTON TOWNSHIP - MORGAN COUNTY PE 77
 WASHINGTON TOWNSHIP - PIKE COUNTY PE
 WASHINGTON TOWNSHIP - STARKE COUNTY PE
 WAYNE TOWNSHIP - ALLEN 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 Employers

21ST CENTURY CHARTER SCHOOL PE

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE	Employer's Name	PE	JU	EC	77	PA	LE
ADAMS CENTRAL COMMUNITY SCHOOLS	PE						CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION	PE					
ALEXANDRIA COMMUNITY SCHOOL CORPORATION	PE						CHARLES A BEARD MEMORIAL SCHOOL CORPORATION	PE					
ANDERSON COMMUNITY SCHOOL CORPORATION	PE						CHARLES A TINDLEY ACCELERATED SCHOOL	PE					
AREA 30 CAREER CENTER	PE						CHRISTEL HOUSE ACADEMY CHARTER SCHOOL	PE					
ARGOS COMMUNITY SCHOOLS	PE						CLARKSVILLE COMMUNITY SCHOOL CORPORATION	PE					
ATTICA CONSOLIDATED SCHOOL CORPORATION	PE						CLAY COMMUNITY SCHOOLS	PE					
AVON COMMUNITY SCHOOL CORPORATION	PE						CLINTON CENTRAL SCHOOL CORPORATION	PE					
BARR-REEVE COMMUNITY SCHOOLS INC	PE						CLINTON PRAIRIE SCHOOL CORPORATION	PE					
BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION	PE						CLOVERDALE COMMUNITY SCHOOL CORPORATION	PE					
BATESVILLE COMMUNITY SCHOOL CORPORATION	PE						COMMUNITY MONTESSORI SCHOOL	PE					
BAUGO COMMUNITY SCHOOLS	PE						COMMUNITY SCHOOL CORPORATION OF EASTERN HANCOCK COUNTY	PE					
BEECH GROVE CITY SCHOOLS	PE						CONCORD COMMUNITY SCHOOLS	PE					
BENTON COMMUNITY SCHOOL CORPORATION	PE						COVERED BRIDGE SPECIAL EDUCATION DISTRICT	PE					
BLOOMFIELD SCHOOL DISTRICT	PE						COVINGTON COMMUNITY SCHOOLS	PE					
BLUE RIVER CAREER PROGRAMS	PE						COWAN COMMUNITY SCHOOL CORPORATION	PE					
BLUE RIVER SPECIAL EDUCATION COOPERATIVE	PE						CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION	PE					
BLUE RIVER VALLEY SCHOOLS	PE						CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION	PE					
BLUFFTON-HARRISON METROPOLITAN SCHOOL DISTRICT	PE						CROTHERSVILLE COMMUNITY SCHOOLS	PE					
BREMEN PUBLIC SCHOOLS	PE						CROWN POINT COMMUNITY SCHOOL CORPORATION	PE					
BROWN COUNTY SCHOOL CORPORATION	PE						CULVER COMMUNITY SCHOOL CORPORATION	PE					
BROWNSBURG COMMUNITY SCHOOL CORPORATION	PE						DALEVILLE COMMUNITY SCHOOLS	PE					
BROWNSTOWN CENTRAL COMMUNITY SCHOOL CORPORATION	PE						DANVILLE COMMUNITY SCHOOL CORPORATION	PE					
CANNELTON CITY SCHOOLS	PE						DAVISS - MARTIN SPECIAL EDUCATION COOPERATIVE	PE					
CARMEL-CLAY SCHOOLS	PE						DECATUR COUNTY COMMUNITY SCHOOLS	PE					
CARROLL CONSOLIDATED SCHOOL CORPORATION	PE						DECATUR DISCOVERY ACADEMY	PE					
CASS TOWNSHIP SCHOOLS - LAPORTE COUNTY	PE						DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT	PE					
CASTON SCHOOL CORPORATION	PE						DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT	PE					
CENTER GROVE COMMUNITY SCHOOL CORPORATION	PE						DELAWARE COMMUNITY SCHOOL CORPORATION	PE					
CENTERVILLE-ABINGTON COMMUNITY SCHOOLS	PE						DELPHI COMMUNITY SCHOOL CORPORATION	PE					
CENTRAL INDIANA EDUCATIONAL SERVICE CENTER	PE						DUNELAND SCHOOL CORPORATION	PE					
CENTRAL INDIANA OPTIONS CHARTER SCHOOL	PE												

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

EAST ALLEN COUNTY SCHOOLS	PE
EAST CHICAGO SCHOOL CITY	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	PE
FLAT ROCK-HAWCREEK SCHOOL CORPORATION	PE
FRANKFORT COMMUNITY SCHOOLS	PE
FRANKLIN COMMUNITY SCHOOLS	PE
FRANKLIN COUNTY COMMUNITY SCHOOL CORPORATION	PE
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
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

Employer's Name PE JU EC 77 PA LE

GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION	PE
GREENSBURG COMMUNITY SCHOOLS	PE
GREENWOOD COMMUNITY SCHOOL CORPORATION	PE
GRIFFITH PUBLIC SCHOOLS	PE
HAMILTON COMMUNITY SCHOOLS	PE
HAMILTON SOUTHEASTERN SCHOOLS	PE
HAMMOND PUBLIC SCHOOLS	PE
HANOVER COMMUNITY SCHOOL CORPORATION	PE
HARRISON-WASHINGTON SCHOOL CORPORATION	PE
HEARTLAND CAREER CENTER	PE
HOBART SCHOOL CITY	PE
HUNTINGTON COUNTY COMMUNITY SCHOOL CORPORATION	PE
INDIANAPOLIS PUBLIC SCHOOLS EDUCATION CENTER	PE
IRVINGTON COMMUNITY SCHOOL INC.	PE
INDIANAPOLIS LIGHTHOUSE CHARTER SCHOOL	PE
J.E.S.S.E. SCHOOL CORPORATION	PE
JOSHUA ACADEMY CHARTER SCHOOL	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
KNOX COMMUNITY SCHOOL CORPORATION	PE
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
LAWRENCEBURG COMMUNITY SCHOOL CORPORATION	PE
LIBERTY-PERRY COMMUNITY SCHOOL CORPORATION	PE

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

LINTON-STOCKTON SCHOOL CORPORATION PE

LOGANSPOUT COMMUNITY SCHOOLS PE

LOOGOOTE COMMUNITY SCHOOL CORPORATION PE

MACONAQUAH SCHOOL CORPORATION PE

MADISON AREA EDUCATIONAL SPECIAL SERVICES 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 DECATUR 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 PE

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP PE

MICHIGAN CITY AREA SCHOOLS PE

Employer's Name PE JU EC 77 PA LE

MIDDLEBURY COMMUNITY SCHOOL CORPORATION PE

MILAN SCHOOLS PE

MILL CREEK COMMUNITY SCHOOL CORPORATION PE

MISSISSINAWA COMMUNITY SCHOOLS PE

MITCHELL COMMUNITY SCHOOLS PE

MONROE CENTRAL SCHOOL CORPORATION PE

MONROE COUNTY COMMUNITY SCHOOL CORPORATION PE

MONROE-GREGG SCHOOL DISTRICT PE

MOORESVILLE CONSOLIDATED SCHOOL CORPORATION PE

MT PLEASANT TOWNSHIP 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 COMMUNITY SCHOOL 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

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

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
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 INTERLOCAL	PE
PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION	PE
RANDOLPH CENTRAL SCHOOL CORPORATION	PE
RANDOLPH EASTERN SCHOOL CORPORATION	PE
RANDOLPH SOUTHERN SCHOOL CORPORATION	PE
REGION 8 EDUCATION SERVICE CENTER	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

Employer's Name PE JU EC 77 PA LE

ROCHESTER COMMUNITY SCHOOLS	PE
ROCKVILLE COMMUNITY SCHOOLS	PE
ROSSVILLE CONSOLIDATED SCHOOL DISTRICT	PE
RUSH COUNTY SCHOOLS	PE
RURAL COMMUNITY SCHOOLS, INC.	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 - NWIESC/LEA	PE
SCHOOL TOWN OF MUNSTER	PE
SCOTT COUNTY SCHOOL DISTRICT	PE
SEYMOUR COMMUNITY SCHOOLS	PE
SHELBY EASTERN SCHOOLS	PE
SHELBYVILLE CENTRAL SCHOOLS	PE
SHENANDOAH SCHOOL CORPORATION	PE
SIGNATURE SCHOOL, INC.	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 AREA VOCATIONAL SCHOOL	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

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

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
THEA BOWAN LEADERSHIP ACADEMY	PE
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 SCHOOL CORPORATION	PE
UNION SCHOOL CORPORATION	PE
UNION TOWNSHIP SCHOOL CORPORATION	PE
UNION-NORTH UNITED SCHOOL	

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

CORPORATION	PE
VALPARAISO COMMUNITY SCHOOLS	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
WEST CENTRAL INDIANA EDUCATIONAL SERVICE CENTER	PE
WEST CENTRAL SCHOOL CORPORATION	PE
WEST CLARK COMMUNITY SCHOOLS	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 - SOLID WASTE MANAGEMENT DISTRICT	PE
ADAMS - WELLS SPECIAL SERVICES COOPERATIVE	PE
AKRON PUBLIC LIBRARY	PE
ALEXANDRIAN PUBLIC LIBRARY	PE
ALLEN COUNTY PUBLIC LIBRARY	PE
ANDERSON PUBLIC LIBRARY	PE
ARGOS PUBLIC LIBRARY	PE
AURORA PUBLIC LIBRARY	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

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

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
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
CARMEL PUBLIC LIBRARY	PE
CARNEGIE PUBLIC LIBRARY	PE
CASS COUNTY SOLID WASTE DISTRICT	PE
CENTERVILLE LIBRARY	PE
CENTRAL NINE CAREER CENTER	PE
CITY OF ANDERSON - HOUSING AUTHORITY	PE
CITY OF ANDERSON - UTILITIES	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 - WATER WORKS	PE
CITY OF HAMMOND - SANITARY DISTRICT	PE
CITY OF INDIANAPOLIS - DIVISION OF HOUSING	PE
CITY OF LAWRENCE - FORT HARRISON REFUSE AUTHORITY	PE
CITY OF LOGANSPOUT - UTILITIES	PE
CITY OF MICHIGAN CITY - REDEVOLPMENT DISTRICT	PE
CITY OF MUNCIE HOUSING AUTHORITY	PE
CITY OF NEW ALBANY - FLOOD CONTROL DISTRICT	PE
CLARK COUNTY REDEVELOPMENT COMMISSION	PE

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

CLARKSVILLE SEWAGE DEPARTMENT	PE
CLAY COUNTY HOSPITAL	PE
CLAY TOWNSHIP - HAMILTON COUNTY REGIONAL WASTE	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
CORYDON PUBLIC LIBRARY	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
DECATUR COUNTY BOARD OF HEALTH	PE
DECATUR COUNTY-SOLID WASTE DISTRICT	PE
DECATUR HOUSING AUTHORITY	PE
DECATUR PUBLIC LIBRARY	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 PUBLIC LIBRARY	PE
EMPLOYMENT & TRAINING SERVICES OF ST JOSEPH COUNTY	PE
EVANSVILLE HOUSING AUTHORITY	PE
EVANSVILLE PUBLIC LIBRARY	PE
EVANSVILLE RE-DEVELOPMENT COMMISSION	PE
EVANSVILLE - VANDERBURGH AIRPORT AUTHORITY	PE
EVANSVILLE - VANDERBURGH COUNTY BUILDING AUTHORITY	PE

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE	Employer's Name	PE	JU	EC	77	PA	LE
FAYETTE COUNTY PUBLIC LIBRARY	PE						HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY	PE					
FLORA - MONROE PUBLIC LIBRARY	PE						INDIANA 15 REGIONAL PLANNING COMMISSION	PE					
FORT BRANCH - JOHNSON TOWNSHIP PUBLIC LIBRARY	PE						INDIANA STADIUM & CON BUILDING AUTHORITY	PE					
FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY	PE						INDIANAPOLIS AIRPORT AUTHORITY	PE					
FORT WAYNE AREA JOB TRAINING PROGRAM	PE						INDIANAPOLIS - MARION COUNTY BUILDING AUTHORITY						
FORT WAYNE CITY UTILITIES	PE						INDIANAPOLIS - MARION COUNTY PUBLIC LIBRARY	PE					
FORT WAYNE HOUSING AUTHORITY	PE						INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION	PE					
FORTVILLE - VERNON TOWNSHIP PUBLIC LIBRARY	PE						JACKSON COUNTY PUBLIC LIBRARY	PE					
FRANKFORT COMMUNITY PUBLIC LIBRARY	PE						JACKSON COUNTY SOLID WASTE MANAGEMENT DISTRICT	PE					
FREMONT LIBRARY	PE						JASPER COUNTY PUBLIC LIBRARY	PE					
FULTON COUNTY LIBRARY	PE						JASPER PUBLIC LIBRARY	PE					
GARRETT PUBLIC LIBRARY	PE						JAY COUNTY PUBLIC LIBRARY	PE					
GARY MUNICIPAL AIRPORT AUTHORITY	PE						JEFFERSONVILLE FLOOD CONTROL DISTRICT	PE					
GARY PUBLIC LIBRARY	PE						JEFFERSONVILLE PARK & RECREATION	PE					
GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY	PE						JEFFERSONVILLE TOWNSHIP PUBLIC LIBRARY	PE					
GOSHEN PUBLIC LIBRARY	PE						JENNINGS COUNTY PUBLIC LIBRARY	PE					
GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION	PE						JOHNSON COUNTY PUBLIC LIBRARY	PE					
GREENTOWN & EASTERN HOWARD LIBRARY	PE						KANKAKEE - IROQUOIS - REGIONAL PLANNING COMMISSION	PE					
GREENWOOD LIBRARY	PE						KENDALLVILLE PUBLIC LIBRARY	PE					
HAGERSTOWN - JEFFERSON TOWNSHIP PUBLIC LIBRARY	PE						KENTLAND PUBLIC LIBRARY	PE					
HAMILTON LAKE CONSERVANCY DISTRICT	PE						KEWANA - UNION TOWNSHIP PUBLIC LIBRARY	PE					
HAMILTON NORTH PUBLIC LIBRARY	PE						KNOX COUNTY HOUSING AUTHORITY	PE					
HAMMOND PUBLIC LIBRARY	PE						KNOX COUNTY PUBLIC LIBRARY	PE					
HANCOCK COUNTY DEPARTMENT PUBLIC WELFARE	PE						KOKOMO PUBLIC LIBRARY	PE					
HARRISON COUNTY PUBLIC LIBRARY	PE						KOSCIUSKO COUNTY HIGHWAY DEPARTMENT	PE					
HARRISON COUNTY - SOLID WASTE MANAGEMENT DISTRICT	PE						LAGRANGE COUNTY - SEWER DISTRICT	PE					
HARTFORD CITY PUBLIC LIBRARY	PE						LAGRANGE COUNTY PUBLIC LIBRARY	PE					
HEALTH & HOSPITAL CORPORATION OF MARION COUNTY	PE						LAKE COUNTY LIBRARY	PE					
HENDRICKS COUNTY - WEST CENTRAL SOLID WASTE DISTRICT	PE						LAKE LEMON CONSERVANCY DISTRICT	PE					
HILLCREST & WASHINGTON HOMES	PE						LAPORTE COUNTY SOLID WASTE MANAGEMENT DISTRICT	PE					
HOUSING AUTHORITY OF THE CITY OF KENDALIVILLE	PE						LAPORTE MUNICIPAL AIRPORT AUTHORITY	PE					
HUNTINGBURG HOUSING AUTHORITY	PE						LAPORTE PUBLIC & COUNTY LIBRARIES	PE					
HUNTINGBURG PUBLIC LIBRARY	PE						LAWRENCEBURG FLOOD CONTROL DISTRICT	PE					
HUNTINGTON PUBLIC LIBRARY	PE						LAWRENCEBURG PUBLIC LIBRARY	PE					
							LEBANON PUBLIC LIBRARY	PE					

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name PE JU EC 77 PA LE

LEO CEDARVILLE REGIONAL SEWER DISTRICT	PE
LINCOLN HERITAGE PUBLIC LIBRARY	PE
LINTON HOUSING AUTHORITY	PE
LOGANSPOUT PUBLIC LIBRARY	PE
LOWELL PUBLIC LIBRARY	PE
MADISON COUNTY - JOB SOURCE	PE
MADISON - JEFFERSON LIBRARY	PE
MARION PUBLIC LIBRARY	PE
MARKLE PUBLIC LIBRARY	PE
MELTON PUBLIC LIBRARY	PE
MICHIANA AREA COUNCIL OF GOVERNMENTS	PE
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
MONROE COUNTY PUBLIC WELFARE	PE
MONTEREY - TIPPECANOE PUBLIC LIBRARY	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 - HENRY COUNTY PUBLIC LIBRARY	PE
NEW CASTLE HOUSING AUTHORITY	PE
NEW PARIS CONSERVANCY DISTRICT COUNTY	PE
NEWPORT - VERMILLION COUNTY LIBRARY	PE
NEWTON COUNTY HIGHWAY DEPARTMENT	PE
NOBLESVILLE HOUSING AUTHORITY	PE
NOBLESVILLE - SOUTHEASTERN PUBLIC LIBRARY	PE

Employer's Name PE JU EC 77 PA LE

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
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
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
RICHMOND - MORRISON - REEVES LIBRARY	PE
RICHMOND SANITARY DISTRICT	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

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

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
SOUTHERN INDIANA DEVELOPMENT COMMISSION	PE
SOUTHEASTERN CAREER CENTER	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
STUCKER FORK CONSERVANCY DISTRICT	PE
STUEBEN COUNTY LIBRARY	PE
SULLIVAN COUNTY PUBLIC LIBRARY	PE
SWAYZEE 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
TIPPECANOE COUNTY PUBLIC LIBRARY	PE
TIPTON COUNTY LIBRARY	PE
TOWN OF SELMA - LIBERTY REGIONAL WASTE DISTRICT	PE
TWIN RIVERS VOCATIONAL AREA	PE
UNION CITY LIBRARY	PE
VIGO COUNTY - CONVENTION AND TOURISM BUREAU	PE
VIGO COUNTY - HARRISON TOWNSHIP POOR RELIEF	PE
VIGO COUNTY PUBLIC LIBRARY	PE

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

VINCENNES HOUSING AUTHORITY	PE
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 TOWNSHIP PUBLIC LIBRARY	PE
WATERLOO - GRANT TOWNSHIP PUBLIC LIBRARY	PE
WAYNE COUNTY - HIGHWAY DEPARTMENT	PE
WELLS COUNTY PUBLIC LIBRARY	PE
WEST CENTRAL CONSERVANCY DISTRICT	PE
WEST LAFAYETTE PUBLIC LIBRARY	PE
WESTCHESTER PUBLIC LIBRARY	PE
WESTFIELD PUBLIC LIBRARY	PE
WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT	PE
WHITING PUBLIC LIBRARY	PE
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

Withdrawn Employers

BYRON HEALTH CENTER	PE
CARNEGIE PUBLIC LIBRARY	PE
CENTER TOWNSHIP - UNION COUNTY	PE
CENTRAL SCHOOL DISTRICT OF GREENE COUNTY	PE
CENTRAL INDIANA AREA LIBRARY SERVICE AUTHORITY	PE
CITY OF WOODBURN	PE
CLARK TOWNSHIP MONTGOMERY COUNTY	PE
COLFAX PUBLIC LIBRARY	PE

Schedule of Participating Employers

Year Ended June 30, 2006

Employer's Name	PE	JU	EC	77	PA	LE
-----------------	----	----	----	----	----	----

EASTERN INDIANA LIBRARY SERVICE AUTHORITY	PE					
FAIRPLAY TOWNSHIP - GREENE COUNTY	PE					
GEORGE ADE MEMORIAL HOSPITAL	PE					
GREENDALE	PE					
HEALTHWIN HOSPITAL	PE					
HILLCREST SPECIAL EDUCATION SCHOOL	PE					
INDIANAPOLIS MASS TRANSIT AUTHORITY	PE					
JEFFERSON COUNTY REGIONAL SEWER DISTRICT NO 1	PE					
KIRKLAND TOWNSHIP - ADAMS COUNTY	PE					
LADOGA - CLARK TOWNSHIP PUBLIC LIBRARY	PE					
MCCRAY MEMORIAL HOSPITAL	PE					
MARSHALL COUNTY PARKVIEW HOSPITAL	PE					
MONROE TOWNSHIP - ADAMS COUNTY	PE					
NORTHERN INDIANA WORKFORCE OF ST. JOSEPH COUNTY	PE					
OUABACHE REGIONAL DEVELOPMENT COMMISSION	PE					
REGION IX DEVELOPMENT COMMISSION	PE					
ROANN PUBLIC LIBRARY	PE					
SOUTHEASTERN INDIANA AREA LIBRARY SERVICE AUTHORITY	PE					
SPRINGFIELD TOWNSHIP - ALLEN COUNTY	PE					
ST MARYS TOWNSHIP - ADAMS COUNTY	PE					
STONE HILLS AREA LIBRARY SERVICE AUTHORITY	PE					
TOWN OF CLAY CITY	PE					
TRI-ALSA - REGION 3	PE					
UNION	PE					
WABASH VALLEY AREA LIBRARY SERVICE AUTHORITY	PE					
WASHINGTON STAFFORD CONSOLIDATED SCHOOL CORPORATION	PE					
WASHINGTON TOWNSHIP SCHOOLS	PE					
WESTCHESTER TOWNSHIP - PORTER COUNTY	PE					
WORTHINGTON - JEFFERSON CONSOLIDATED SCHOOLS	PE					
TOWN OF SUMMITVILLE	PE					
VALLEY VIEW HOUSING AUTHORITY	PE					
WELLS COMMUNITY HOSPITAL	PE					

