



2007

Indiana
PERF
Public Employees' Retirement Fund

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

For the Fiscal Year Ended June 30, 2007

Your goals ... our commitment.

A Discretely Presented Component Unit of the State of Indiana.



2007 COMPREHENSIVE ANNUAL FINANCIAL REPORT

What does retirement mean? The strict definition denotes “a removal or withdrawal from service” or even “withdrawal into privacy or seclusion.” In truth, there are many answers to this question. To some people, it signifies moving on to a second career, while others choose to pursue philanthropic interests or resolve to spend more time with loved ones. No matter where your interests lie, PERF retirement benefits offer members the means to get what they want from this stage in their lives. On the section head pages within this report, you can read about actual PERF retirees and how they have chosen to spend their retirements.

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

– Defined Contribution Plan

State Employees' Death Benefit Fund

Public Safety Officers' Special Death Benefit Fund

Pension Relief Fund

PREPARED BY

Public Employees' Retirement Fund
143 West Market Street
Indianapolis, IN 46204
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www.perf.in.gov

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Public Employees' Retirement Fund of Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



Chloe S. Cox

President

Jeffrey R. Emer

Executive Director



Public Pension Coordinating Council
Public Pension Standards
2007 Award

Presented to

Indiana Public Employees' Retirement Fund

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

Presented by the Public Pension Coordinating Council, a confederation of

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

A handwritten signature in dark blue ink, reading 'Alan H. Winkle'.

Alan H. Winkle
Program Administrator



2007 COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Introductory Section

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Velma Bright's diminutive frame contrasts greatly with her work history. She has been employed with the Akron Public Library in Fulton County for 66 years, longer than most people have been alive.

After she graduated from high school in 1941, Velma applied for a job at the Akron library at her father's suggestion. Unfortunately, there were no open positions at that time. Six weeks later, however, her hometown library called and offered her a job. In 1950 she became director, and has been in that position ever since.

Velma's roots in Akron run deep. Her mother's family has lived there since the town was founded in 1836, while her father's family moved there in 1837. She has always called it home and has devoted her career to maintaining the library.

"I'm not retired, I still work for the Akron Public Library," she said. This statement is true. Even at the age of 84, Velma has never stopped working. Due to her age and number of years on the job, she falls under a provision that allows her to continue working and also collect a PERF benefit.

"I'm grateful that PERF called this technical rule to my attention because I have no desire to retire. I love my job and intend to stay here as long as I can," she said.

Her life story sets her apart in a modern age where many people have several different careers over their lifetimes. Velma's hard work and devotion to her profession have kept her young at heart, even after all these years.

Letter of Transmittal



Terren B. Magid
Executive Director

December 2007

Dear Board Members:

It is my pleasure to provide this Comprehensive Annual Financial Report of the Public Employees' Retirement Fund of Indiana (PERF) for the fiscal year ended June 30, 2007.

The 2007 fiscal year was one of progress in our commitment to excellent customer service, responsible management and prudent investing. Evidence of this progress includes the following:

Customer Service: PERF reached a significant customer service milestone in December 2006, with 100 percent of retirements processed without payment interruption. Two years prior, this data was not tracked at PERF. Today, we can assure retirees who follow our process that they will have little or no interruption between their last paycheck and first retirement benefits.

Management Initiatives: In February, we announced a \$100 million emerging managers initiative that would place investments with small investment management firms in Indiana, and across the nation, including minority- and women-owned firms.

Accountability: In the front of this publication you'll see a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. This certification for PERF's 2006 annual report marks the first time since 2002 that a PERF annual report has achieved this recognition. We're proud of this achievement and will strive to continue to meet the high standards reflected by this certification.

Asset Allocation: In August 2006, PERF's Board of Trustees approved a revised asset allocation aimed at managing investment volatility, maintaining the plan's soundness and, in the longer term, stabilizing or reducing employer contributions. Under the new target allocation, the equity commitment remained at 65 percent, while the commitment to fixed income decreased from 30 percent to 20 percent and the commitment to alternative investments increased from 5 percent to 15 percent. Our investments team worked diligently throughout the year on a prudent implementation of this allocation.

Investment Return: PERF net assets grew by nearly \$2.5 billion, while its investments delivered a 17.8 percent annualized return in the fiscal year. The annualized return beat a 17.6 percent overall benchmark and exceeded the targeted 7.25 percent actuarial rate of return. The plan grew to the 85th largest pension system in the United States, according to Pensions & Investments, and ended the fiscal year with approximately \$17.2 billion in assets.

National Recognition: PERF's approach to increasing its allocation to alternative investments, as well as significant improvements in customer service were noted as factors in its being named among three finalists for a national award recognizing excellence in public pension funds. Money Management Letter, an industry publication, announced PERF's nomination for Large Public Plan of the Year in December 2006.



— 143 West Market Street ■ Indianapolis, Indiana 46204 ■ www.perf.in.gov —

Letter of Transmittal (continued)

National Excellence: On the inside of the front cover, you'll see an Achievement Award from the Public Pension Coordinating Council recognizing PERF's excellence in meeting professional standards for plan design and administration. This recognition rates PERF's system management and administration among an exclusive handful of public retirement systems in the nation. The Public Pension Coordinating Council is a coalition of three national associations that represent public retirement systems and administrators. Combined, these associations serve retirement systems that provide pension coverage for most of the nation's 16 million employees of state and local government.

Background Information

As of June 30, 2007, PERF was responsible for the investment of approximately \$17.2 billion in combined assets. In total, PERF paid monthly retirement, disability and survivor benefits to 60,868 benefit recipients, served 153,336 members actively employed in public service and worked in partnership with 1,180 participating employers statewide.

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

- *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*
- *Legislators' Retirement System*
- *Prosecuting Attorneys' Retirement Fund*

PERF also administers two special death benefit funds for public safety officers and state employees who die in the line of duty. In addition, PERF manages the Pension Relief Fund, which was created by the Indiana General Assembly to address the unfunded pension obligations of the police officers' and firefighters' pension systems of Indiana's cities and towns. PERF is not responsible for the administration of those local pension funds, which have been closed to new membership

since the creation of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. However, PERF makes disbursements 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

PERF's management prepared the financial statements included in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. PERF's management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of PERF's operations.

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

The Indiana State Board of Accounts completed their review of PERF's financial statements for the fiscal year ending June 30, 2007, on Sept. 29, 2007. The resulting reports show PERF had made significant progress in improving the quality of its financial statements.

The findings of the Indiana State Board of Accounts showed real progress at PERF. 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.

Reporting Financial Information

PERF's management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization.

Letter of Transmittal (continued)

Management also is charged with recording these transactions as necessary to maintain accountability for assets, and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes the written policies and procedures of the Board of Trustees.

For financial reporting purposes, PERF 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 PERF are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplementary Information following the Notes to the Financial Statements.

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

Economic Condition

PERF's economic condition is based primarily upon investment results and contributions from members and employers. Mercer Investment Consulting evaluated the year-end investment portfolio. The return comparison begins on page 63.

Investments

Positive investment performance for the Consolidated Retirement Investment Fund (CRIF) helped increase PERF's assets in the fiscal year ending June 30, 2007.

The Investment Section includes an in-depth discussion of the CRIF and the investment policies guiding the Board of Trustees in their decision making. The Board of Trustees continues to make progress in diversifying the assets of PERF and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

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 PERF's return objectives, while maintaining appropriate diversification and risk control. PERF continues to incorporate traditional assets (cash, domestic and international stocks, and domestic fixed income) while also incorporating nontraditional assets (such as real estate and private equity) into the target asset mix.

The investment portfolio mix at fair value for fiscal year ended June 30, 2007, was approximately 22.2 percent fixed income, 76.2 percent equities and 1.6 percent in alternative investments. Of the total portfolio as of June 30, 2007, the equity portfolio was comprised of 48.0 percent domestic equity, 10.6 percent global equity, and 17.6 percent international equity.

Funding

The health of a retirement system is measured in its ability to fund 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 CRIF returns of 17.8 percent were well above actuarial assumptions of 7.25 percent.

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

The actuarial accrued liability of PERF is a measure of the present value of actuarial accrued liabilities estimated to be payable in the future to all current retirees, beneficiaries and employees for service earned to date. The funding ratio is the percentage computed by dividing the actuarial value of net assets available for benefits by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan and generally, the greater this percentage, the stronger the plan.

Letter of Transmittal (continued)

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

Acknowledgements

In the compilation of this report, PERF's staff and advisors have worked to demonstrate a constructive spirit of full disclosure to clearly communicate our financial story and to motivate interested individuals to read this document. It is intended to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

We appreciate and respect the trust bestowed on us by the people of the state of Indiana. On behalf of PERF, I wish to thank Governor Mitch Daniels, the members of the Pension Management Oversight Commission, the General Assembly, the Board of Trustees and the many public employees and employers who have provided us this opportunity to serve. And I would especially like to thank David J. Adams, who served as PERF's executive director through the majority of the fiscal year.

Sincerely,



Terren B. Magid
Executive Director

Administrative Organization

Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Administrative Staff

Terren Magid
Executive Director

Steven Barley
Deputy Director
Chief Operations Officer

David Huffman
Deputy Director
Chief Technology Officer

Patricia Bush
Chief Financial Officer

Jeffrey Hutson
Director of Outreach
and Communication

Andrea Unzicker
General Counsel

Shawn Wischmeier
Chief Investment Officer

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

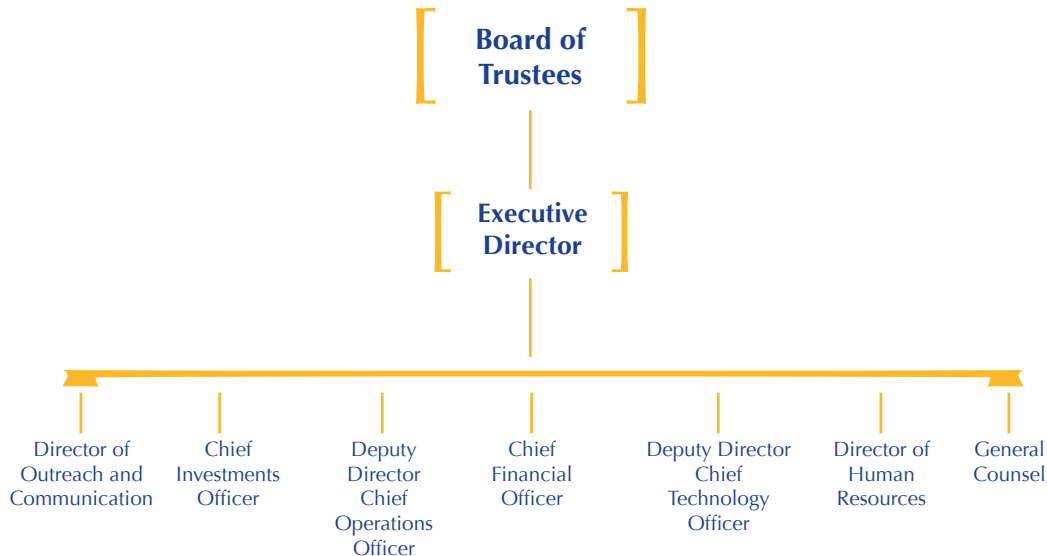
Strategic Investment Solutions, Inc.
333 Bush Street, Suite 2000
San Francisco, CA 94104

PERF ADMINISTRATIVE STAFF



Executive Team

PERF ORGANIZATIONAL CHART



PERF Board of Trustees & Executive Team

BOARD OF TRUSTEES



Ken Cochran
Chair



Kevin Boehnlein
Vice Chairman



Kathy Ettensohn



Ryan Kitchell



Matt Murphy



Robert Welch, Jr.

EXECUTIVE TEAM



Terren Magid
Executive Director



Steven Barley
*Deputy Director
Chief Operations Officer*



David Huffman
*Deputy Director
Chief Technology Officer*



Patricia Bush
Chief Financial Officer



Jeffrey Hutson
*Director of Outreach
and Communication*



Andrea Unzicker
General Counsel



Shawn Wischmeier
Chief Investment Officer

Fund Highlights: Public Employees' Retirement Fund

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

¹A member who has at least eight years of PERF 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

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

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

Cost of Living Allowance

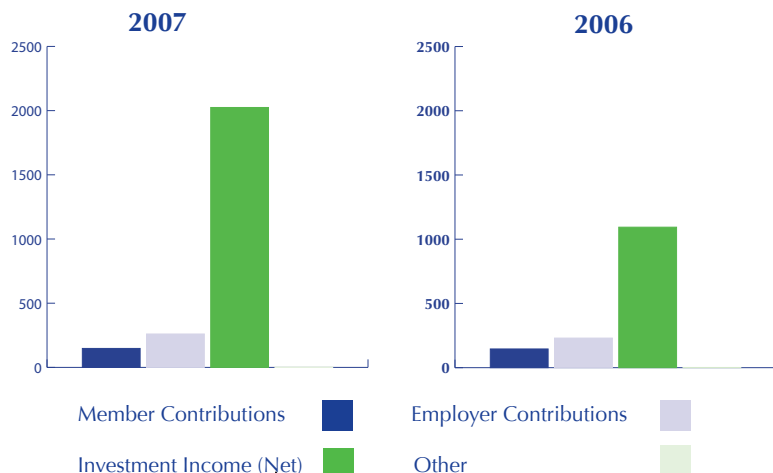
Cost of living allowances are passed by the Indiana General Assembly on an ad-hoc basis.

Contribution Rates

- 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 3 percent 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 PERF's actuary.

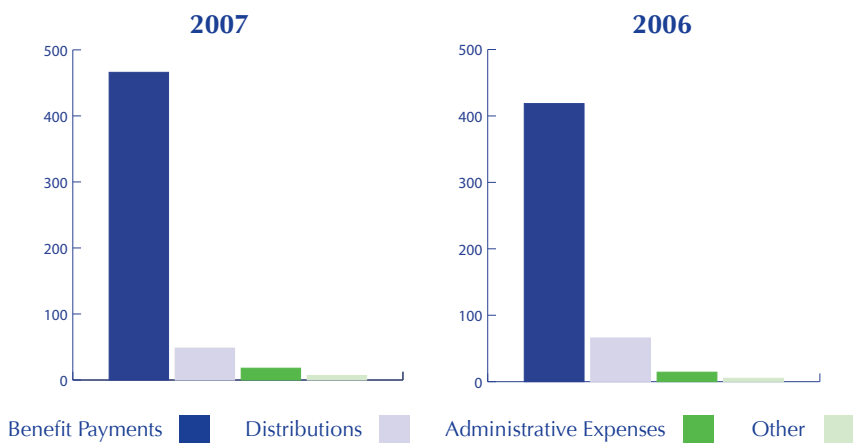
Fund Highlights: Public Employees' Retirement Fund (continued)

Additions by Source
For fiscal year ended June 30 (in millions)



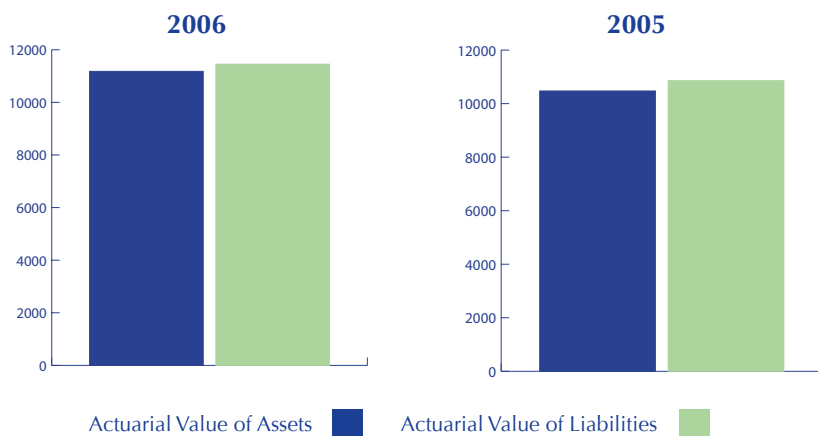
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Member Contributions	\$ 147.7	\$ 145.7
Employer Contributions	260.2	230.4
Investment Income (net)	2,024.5	1,093.7
Other	2.8	1.5
Totals	\$2,435.2	\$1,471.3

Deductions by Type
For fiscal year ended June 30 (in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$ 466.0	\$ 418.6
Distributions	48.3	65.8
Administrative Expenses	17.9	14.3
Other	6.8	5.1
Totals	\$ 539.0	\$ 503.8

Funding Progress
Actuarial study as of July 1 (in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$11,178.0	\$10,471.9
Actuarial Value of Liabilities	11,450.9	10,858.3
Funding Ratios	97.6%	96.4%

Fund Highlights: Judges' Retirement System

Membership and Eligibility

The Judges' Retirement System includes any person who has served, is serving or shall serve as a regular judge of the Supreme Court of the state of Indiana, circuit court of any judicial circuit, Indiana Tax Court or county courts including: circuit, superior, criminal, probate, juvenile, municipal and county court.

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

Annual Benefit = Salary at Retirement¹ x Percentage Below

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

¹Benefit calculations for the 1977 System 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

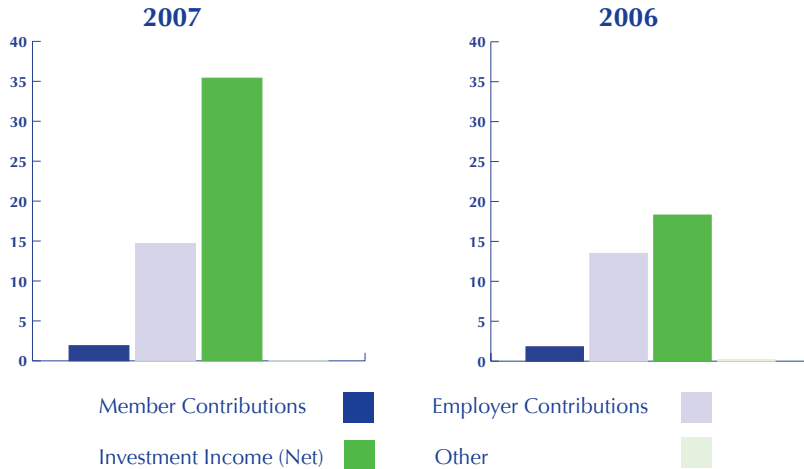
For the 1977 System, the cost of living allowance is a percentage increase equal to the increase in the salary of the judges' position from which the judge retired. For the 1985 system, a 2 percent cost-of-living adjustment (COLA) is payable Jan. 1, 2008, and Jan. 1, 2009, to participants, survivors and beneficiaries.

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.

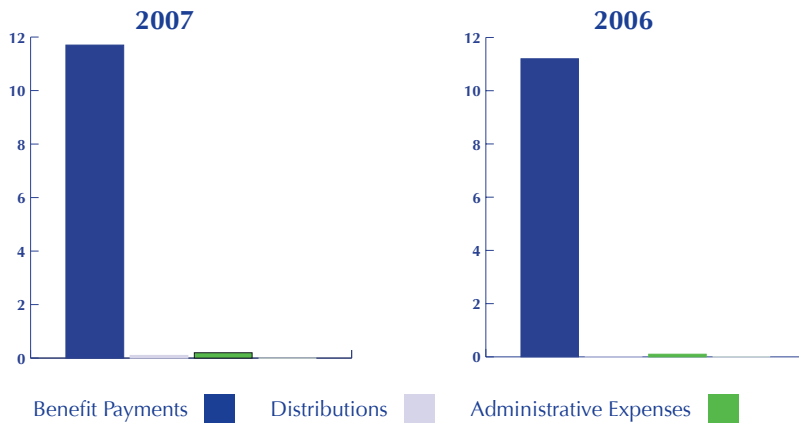
Fund Highlights: Judges' Retirement System

Additions by Source
For fiscal year ended June 30 (in millions)



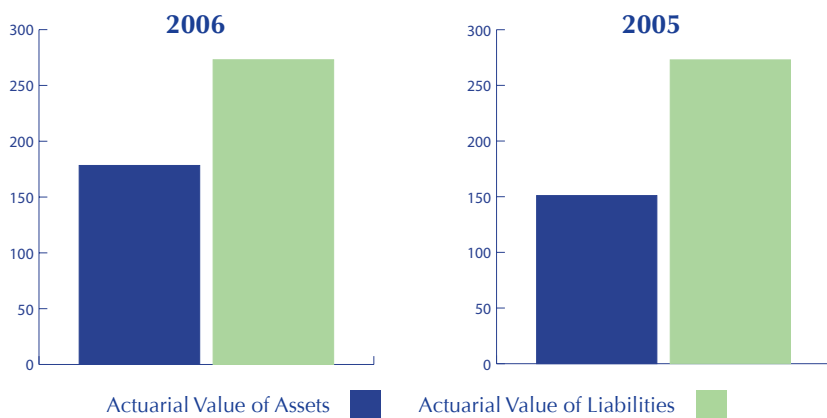
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Member Contributions	\$1.9	\$1.8
Employer Contributions	14.7	13.5
Investment Income (net)	35.4	18.3
Other	-	0.2
Totals	\$52.0	33.7

Deductions by Type
For fiscal year ended June 30 (in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$ 11.7	\$11.2
Distributions	0.1	-
Administrative Expenses	0.2	0.1
Totals	\$12.0	\$11.3

Funding Progress
Actuarial study as of July 1 (in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$178.3	\$151.0
Actuarial Value of Liabilities	273.0	272.9
Funding Ratios	65.3%	55.3%

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

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

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

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

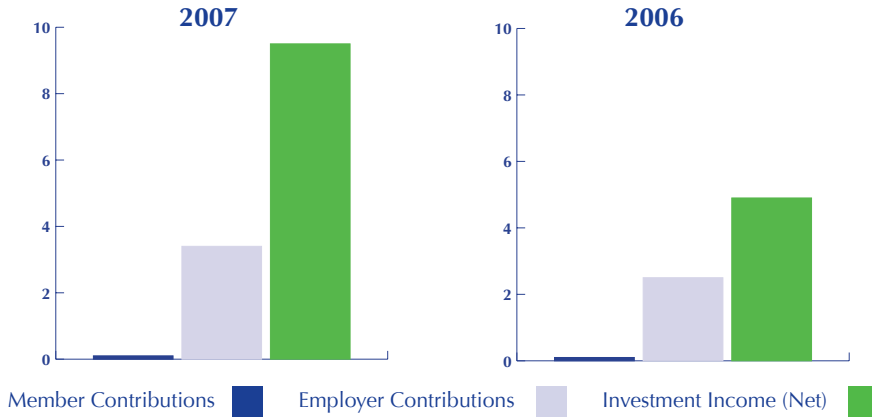
Cost of living allowance is equal to any ad-hoc cost of living allowance enacted for PERF.

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.

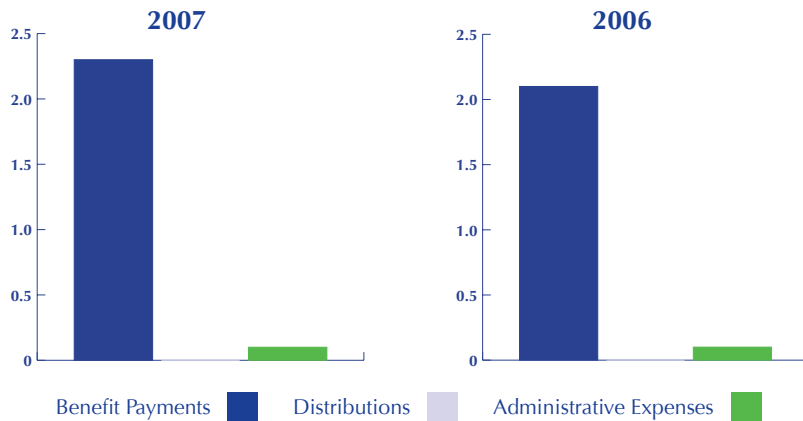
Fund Highlights: State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan (continued)

Additions by Source
For fiscal year ended June 30 (in millions)



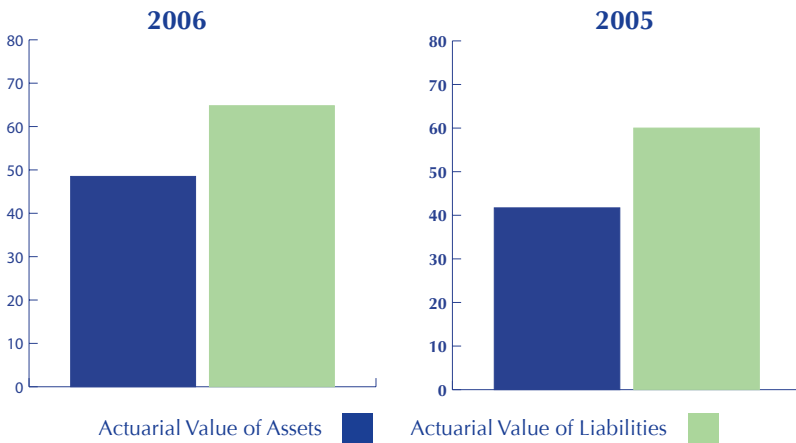
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Member Contributions	\$0.1	\$0.1
Employer Contributions	3.4	2.5
Investment Income (net)	9.5	4.9
Totals	\$13.0	\$7.5

Deductions by Type
For fiscal year ended June 30 (in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$2.3	\$2.1
Distributions	-	-
Administrative Expenses	0.1	0.1
Totals	\$2.4	\$2.2

Funding Progress
Actuarial study as of July 1 (in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$48.5	\$41.7
Actuarial Value of Liabilities	64.8	60.0
Funding Ratios	74.9%	69.5%

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

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

Age	Years of Service	Actuarial Reduction
50	20 or more	Actuarial reduction of 86 percent to 100 percent of the pension payable at age 52
52	20 or more	None

BENEFIT FORMULA

Annual Benefit:

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

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

Cost of Living Allowance

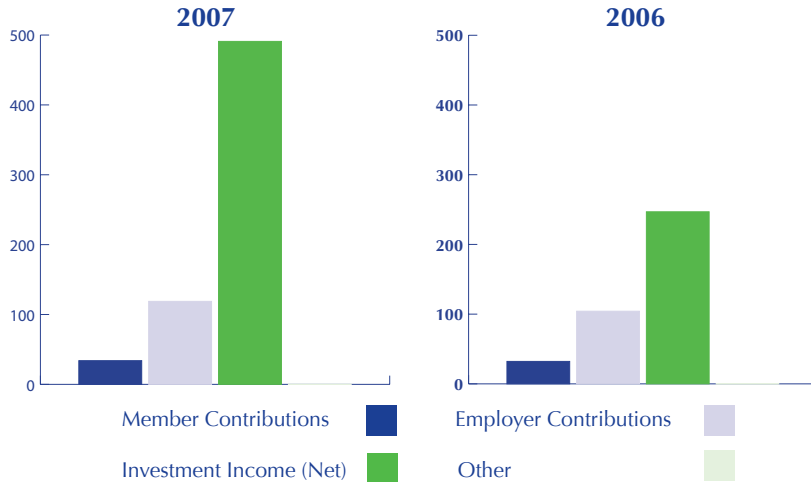
Cost of living allowance is a percentage determined by statute equal to the change in the Consumer Price Index, but not in excess of a 3 percent increase.

Contribution Rates

- Members contribute 6 percent of first-class salary for the term of their employment up to 32 years. Employers have the option of making all or part of this contribution on behalf of the member.
- Employers contribute 21 percent of first-class salary.
- Employer contribution rates are adopted by the Board of Trustees based on recommendations by the Fund's actuary.

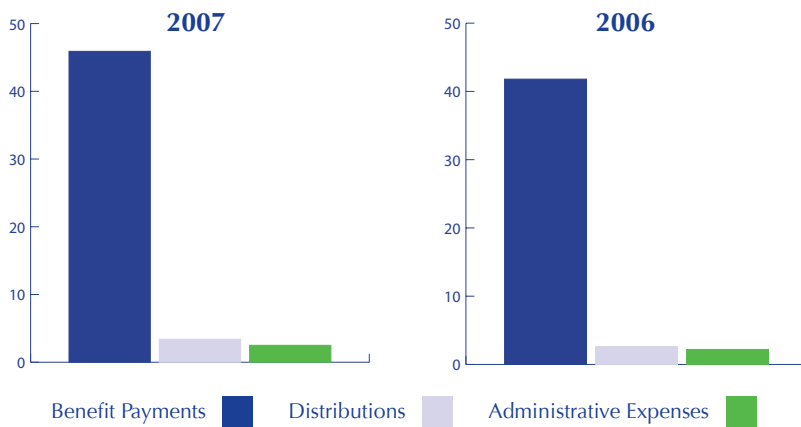
Fund Highlights: 1977 Police Officers' and Firefighters' Pension and Disability Fund (continued)

Additions by Source
For fiscal year ended June 30 (in millions)



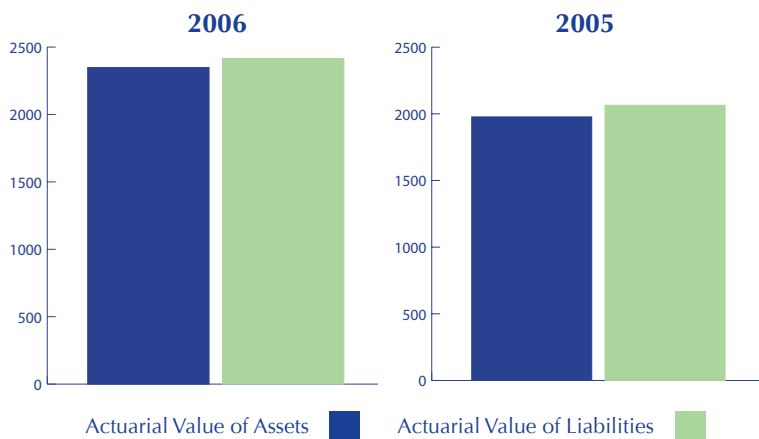
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Member Contributions	\$33.9	\$32.2
Employer Contributions	118.8	104.2
Investment Income (net)	490.9	246.8
Other	0.1	0.1
Totals	\$643.7	\$383.3

Deductions by Type
For fiscal year ended June 30 (in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$45.9	\$41.8
Distributions	3.4	2.6
Administrative Expenses	2.5	2.2
Totals	\$51.8	\$46.6

Funding Progress
Actuarial study as of July 1 (in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$2,348.0	\$1,976.9
Actuarial Value of Liabilities	2,415.1	2,064.1
Funding Ratios	97.2%	95.8%

Fund Highlights: Prosecuting Attorneys' Retirement Fund

Membership and Eligibility

The Prosecuting Attorneys' Retirement Fund (PARF) includes prosecuting attorneys, chief deputy prosecuting attorneys and other deputy prosecuting attorneys 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.

MEMBERS RECEIVING RETIREMENT BENEFITS¹

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

¹Benefits are reduced by 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 8	0%	15	53%
8	24	16	54
9	27	17	55
10	30	18	56
11	33	19	57
12	50	20	58
13	51	21	59
14	52	22 or more	60

Cost of Living Allowance

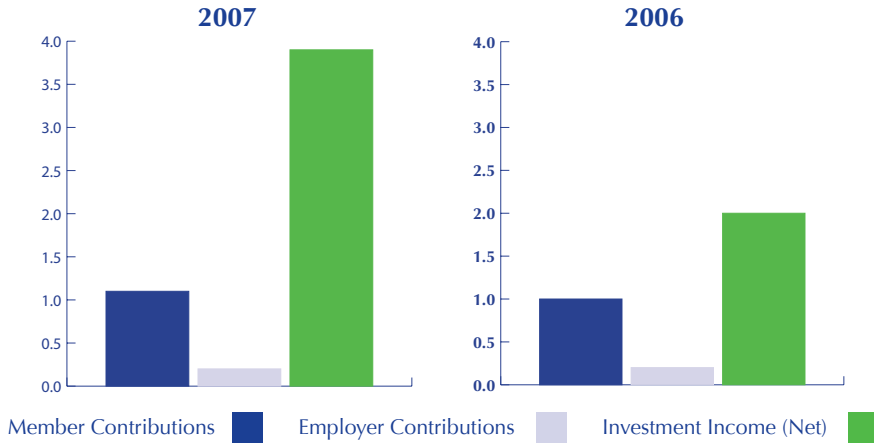
No cost of living allowance is available.

Contribution Rates

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

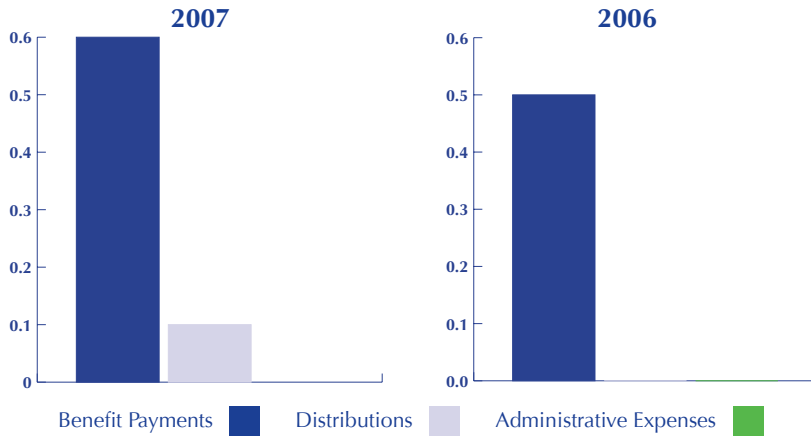
Fund Highlights: Prosecuting Attorneys' Retirement Fund (continued)

Additions by Source
For fiscal year ended June 30 (in millions)



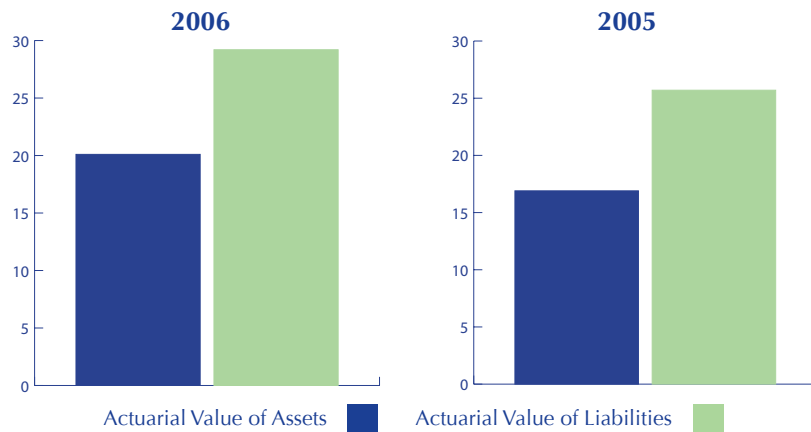
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Member Contributions	\$1.1	\$1.0
Employer Contributions	0.2	0.2
Investment Income (net)	3.9	2.0
Totals	\$5.2	\$3.2

Deductions by Type
For fiscal year ended June 30 (in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$0.6	\$0.5
Distributions	0.1	-
Administrative Expenses	-	-
Totals	\$0.7	\$0.5

Funding Progress
Actuarial study as of July 1 (in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$20.1	\$16.9
Actuarial Value of Liabilities	29.2	25.7
Funding Ratios	68.7%	65.6%

Fund Highlights: Legislators' Retirement System – Defined Benefit Plan¹

Membership and 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 Defined Contribution Plan.

MEMBERS RECEIVING RETIREMENT BENEFITS

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

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

³Early 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.

⁴Have 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 FORMULA⁵

Lesser of:

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

⁵Legislators elected or appointed after April 30, 1989, participate in the Legislators' Defined Contribution Plan.

Cost of Living Allowance

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

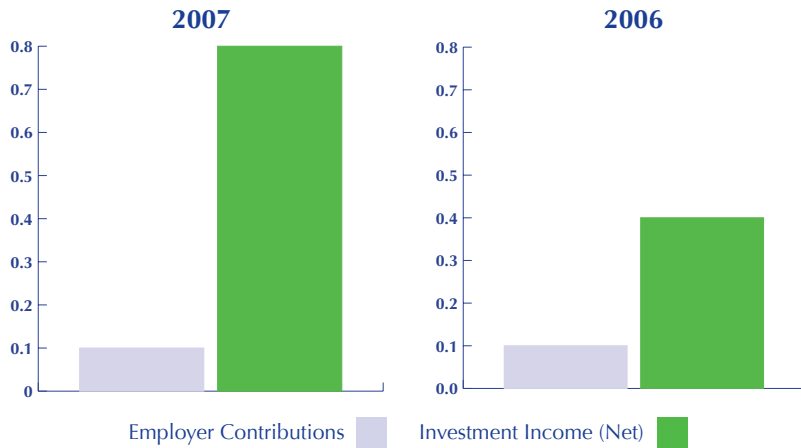
Contribution Rates

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

¹The Legislators' Retirement System also includes a defined contribution plan available to all legislators of the state of Indiana who serve 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 their members' annual salaries per diem for service after June 30, 1989.

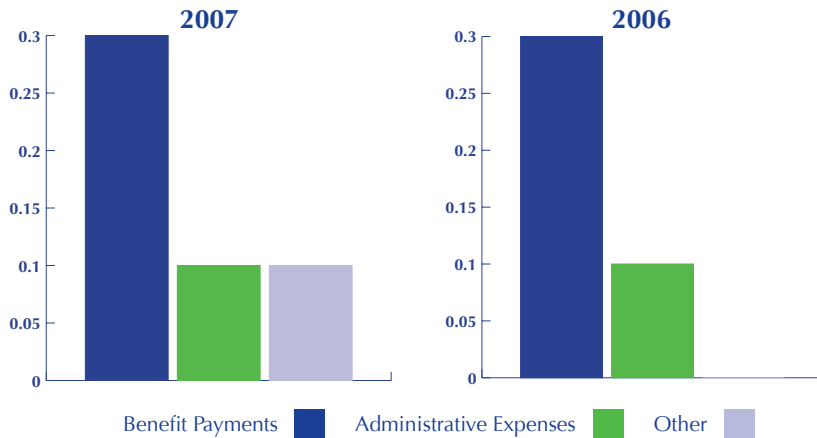
Fund Highlights: Legislators' Retirement System – Defined Benefit Plan (continued)

Additions by Source
(in millions)



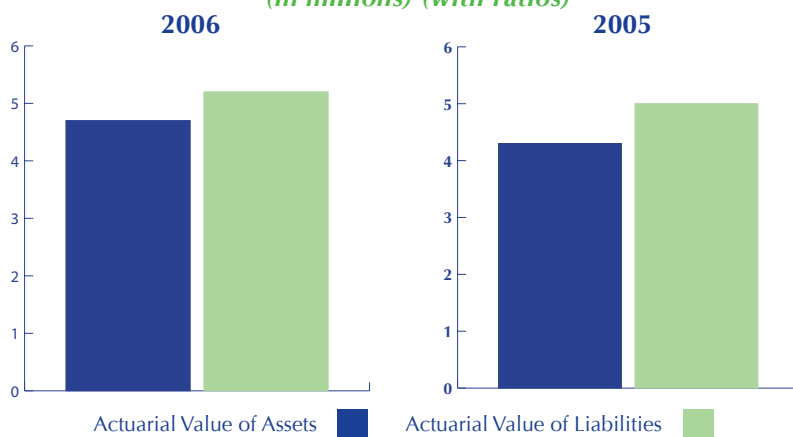
For fiscal year ended June 30 (in millions)	2007	2006
Additions by Source		
Employer Contributions	\$0.1	\$0.1
Investment Income (net)	0.8	0.4
Totals	\$0.9	\$0.5

Deductions by Type
(in millions)



For fiscal year ended June 30 (in millions)	2007	2006
Deductions by Type		
Benefit Payments	\$0.30	\$0.30
Administrative Expenses	0.1	0.1
Other	0.1	-
Totals	\$ 0.5	\$ 0.4

Funding Progress
(in millions) (with ratios)



Actuarial study as of July 1 (in millions)	2006	2005
Funding Progress		
Actuarial Value of Assets	\$4.7	\$4.3
Actuarial Value of Liabilities	5.2	5.0
Funding Ratios	90.2%	86.8%



Financial Section

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- 55 Investment Expenses
- 56 Contractual and Professional Services Expenses

Tom Schmidt has kept his engine in overdrive throughout retirement. A member of the Jasper City Council for 32 years, he retired from that but now has decided to run for office again in 2007. In addition to his political ambitions, he owns and works for Schmidt Contracting, a Jasper heating, cooling and plumbing company.

"I'm just not the kind of person who can retire in the traditional sense of the word," he said. "I love my community and enjoy my job of citizenship, both as a city councilperson and a local business owner."

Tom's stake in the community may stem from birth. Born and raised in Jasper, he began working for Spindler Contracting in 1961. He bought the company in 1982 and renamed it Schmidt Contracting. When he's not working, he lists motorcycle riding as one of his favorite pastimes.

"I've been riding for around 42 years," he said. "Especially during the Fall, I love riding through Brown County, Indiana, and through the Garden of the Gods in southern Illinois."

Independent Auditors' Report
STATE OF INDIANA
 AN EQUAL OPPORTUNITY EMPLOYER

 STATE BOARD OF ACCOUNTS
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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, 2007. 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, 2007, 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. The Administrative Expenses, Investment Expenses, and Contractual and Professional Service Expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

State Board of Accounts
 STATE BOARD OF ACCOUNTS

September 29, 2007

Management's Discussion and Analysis

This section presents Management's Discussion and Analysis (MD&A) of the Public Employees' Retirement Fund of Indiana (PERF) financial statements for the year ended June 30, 2007. 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 also should be read in conjunction with the Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information.

The following retirement plans are included in the PERF Financial Statements: Public Employees' Retirement Fund; 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 and the Legislators' Defined Contribution Plan. Also included in the Financial Statements are other non-retirement funds managed by PERF: the Public Safety Officers' Special Death Benefit Fund, the State Employees' Death Benefit Fund and the Pension Relief Fund. See Notes to the Financial Statements for descriptions of these retirement plans and non-retirement funds.

Financial Highlights

- The net assets of PERF were \$17.2 billion as of June 30, 2007. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were \$16.9 billion as of June 30, 2007.
- The net assets of PERF increased by \$2.5 billion, or 17 percent from the prior year. The increase was due primarily to investment earnings.
- Net assets of the Pension Relief Fund, which are held in trust for pool participants, were \$246.7 million as of June 30, 2007, compared to \$297.2 million as of June 30, 2006. Pension Relief Fund distributions are mandated by state law and continue to outpace revenues.
- Substantially, all of the investments for the retirement plans and funds administered by PERF are pooled in the Consolidated Retirement Investment Fund (CRIF). The CRIF rate of return on investments for the year was 17.8 percent (net of fees) on a market value basis, compared to last year's return of 10.4 percent. Domestic, international and global equity had strong returns over the period, driving solid overall returns to the fund.

- As of July 1, 2006, the date of the most recent actuarial valuation, the Public Employees' Retirement Fund, the largest pension plan administered by PERF, is funded actuarially at 97.6 percent, which is greater than the 96.4 percent funded level as of July 1, 2005. Employer contributions are adjusted each year based on actuarial computations to fund the plan.

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) 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 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 benefits, death benefits and gives a snapshot at a particular point in time.

The Statement of Changes in Fiduciary Net Assets presents information showing how PERF's net assets held in trust for pension benefits, employee death benefits and pool participants changed during the years ended June 30, 2007 and 2006. 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 in PERF's Financial Statements.

3) Required Supplementary Information

The Required Supplementary Information consists of Schedule of Funding Progress, Schedule of Employer Contributions and notes for these schedules that provide additional information as of the latest actuarial valuation.

Management's Discussion and Analysis (continued)

4) Other Supplementary Information

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

Financial Analysis

Total assets of PERF were \$21.6 billion as of June 30, 2007, compared to \$18.4 billion as of June 30, 2006. The increase in total assets was due primarily to investment gains during the year.

Total liabilities were \$4.4 billion as of June 30, 2007, compared to \$3.7 billion as of June 30, 2006. The increase was mainly in accounts payable, investments payable due to investment sales where settlement had not occurred by June 30, 2007, 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, 2007	June 30, 2006	% Change
Assets			
Cash and Cash Equivalents	\$ 490,389	\$ 400,280	22.5%
Securities Lending Collateral	3,283,955	2,808,460	16.9
Receivables	704,148	592,783	18.8
Investments	17,082,039	14,606,277	16.9
Capital Assets (Net)	3,087	3,090	(0.1)
Total Assets	\$21,563,618	\$18,410,890	17.1%
Liabilities			
Securities Lending Collateral	\$ 3,283,955	\$ 2,808,460	16.9%
Other Current Liabilities	1,098,093	919,504	19.4
Long-Term Liabilities	275	251	9.6
Total Liabilities	\$ 4,382,323	\$ 3,728,215	17.5%
Total Net Assets	\$ 17,181,295	\$14,682,675	17.0%

As the above table shows, plan net assets were \$17.2 billion as of June 30, 2007, an increase of \$2.5 billion, or 17 percent, compared to the prior year. This increase was due primarily to higher investment income from 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, 2007	June 30, 2006	% Change
Public Employees' Retirement Fund	\$ 13,262,414	\$ 11,366,226	16.7%
Judges' Retirement System	233,386	193,310	20.7
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	63,172	52,616	20.1
1977 Police Officers' and Firefighters' Pension and Disability Fund	3,310,171	2,718,365	21.8
Prosecuting Attorneys' Retirement Fund	26,189	21,645	21.0
Legislators' Defined Benefit Plan	5,498	5,121	7.4
Legislators' Defined Contribution Plan	25,729	20,869	23.3
Public Safety Officers' Special Death Benefit Fund	2,232	1,800	24.0
State Employees' Death Benefit Fund	5,797	5,508	5.2
Pension Relief Fund	246,707	297,215	(17.0)
Total	\$ 17,181,295	\$ 14,682,675	17.0%

Substantially, all of the investments for the retirement plans and funds administered by PERF are pooled in the CRIF. The investments of the non-retirement funds administered by PERF are not included in the CRIF. The following table presents PERF's investment allocation in the CRIF compared to PERF's target investment allocation and the prior year allocation.

	June 30, 2007 Actual	June 30, 2007 Target	Allowable Range ¹	June 30, 2006 Actual
Domestic Equity	48.0%	40%	35 to 50%	49.2%
International Equity	17.6	15	10 to 20	15.6
Fixed Income	15.3	15	10 to 20	16.9
Global Equity	10.6	10	5 to 15	9.2
TIPS	6.6	5	0 to 10	8.3
Alternative Investments	1.6	15	0 to 25	0.7
Cash	0.3	-	-	0.1
Total	100%	100%		100%

¹See Notes to the Financial Statements Note 5 for additional information.

Management's Discussion and Analysis (continued)

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

Changes in Net Assets (dollars in thousands)

	FY Ended June 30, 2007	FY Ended June 30, 2006	% Change
Additions			
Member Contributions	\$ 186,293	\$ 182,422	2.1%
Employer Contributions	397,277	350,909	13.2
Contributions to Pension Relief Fund:			
From Cities and Towns	–	–	–
From the state of Indiana	63,993	63,051	1.5
Other Contributions from the state	485	307	58.0
Net Investment Income/ (Loss)	2,597,926	1,375,018	88.9
Transfers from Teachers' Retirement Fund	3,087	1,513	104.0
All Other	290	167	73.7
Total Additions	\$3,249,351	\$1,973,387	64.7%
Deductions			
Benefits	\$ 527,301	\$ 474,746	11.1%
Death Benefits and Distributions	52,481	69,173	(24.1)
Transfers to Teachers' Retirement Fund	6,928	5,122	35.3
Pension Relief Distributions	140,727	125,075	12.5
Local Unit Withdrawals ¹	2,267	3,072	(26.2)
Administrative Expenses	21,027	16,937	24.1
Total Deductions	\$ 750,731	\$ 694,125	8.2%
Increase (Decrease) in Net Assets	\$2,498,620	\$1,279,262	95.3%
Change in Net Assets Held in Trust for:			
Pension Benefits	\$2,548,407	\$1,337,557	90.5%
State and Local Units ¹	(50,508)	(58,379)	13.5
Future Death Benefits ²	721	84	758.3

¹Pension Relief Fund only.

²Other Employee Benefit Trust Funds.

Additions

Additions needed to fund benefits are accumulated through member contributions, employer contributions and returns on invested funds. Member contributions for the year ended June 30, 2007, totaled \$186.3 million. This represents an increase of \$3.9 million, or 2.1 percent, compared to the prior year. Employer contributions were \$397.3 million, an increase of \$46.4 million or 13.2 percent. Employer contributions are adjusted each year based on actuarial computations to fund the plan.

PERF recognized a net investment income of \$2.6 billion for the year ended June 30, 2007, compared to a net investment income of \$1.4 billion the prior year. The total rate of return on the CRIF was 17.8 percent (net of fees) compared to 10.4 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, 2007. The state of Indiana makes contributions to the Pension Relief Fund. These contributions totaled \$64 million and \$63.1 million in the fiscal years ended June 30, 2007 and 2006, respectively.

Deductions

The deductions from PERF's net assets held in trust for pension benefits include retirement, disability and survivor benefits, distributions of contributions and interest/earnings or losses to former members, and administrative expenses. For the year ended June 30, 2007, benefits amounted to \$527.3 million, an increase of \$52.6 million or 11.1 percent from the prior year. The increase in benefits was due primarily to an increase in the number of retirees. Distributions paid out to former members were \$52.5 million, which represents a decrease of \$16.7 million or 24.1 percent from the prior year. This decrease was due primarily to: 1) procedural changes implemented in the prior year to process distributions of members' annuity savings account balances immediately upon receipt of their retirement application; 2) distributions of account balances for members who previously could not be located; and 3) termination of state employees due to privatization of their employers. These changes contributed to the higher amount of distributions in the prior year.

Administrative expenses were \$21 million, an increase of \$4.1 million, or 24.1 percent, compared to the prior year. The increase was due primarily to an increase in staffing and computer services to improve operations.

*Management's Discussion and Analysis (continued)***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:

	<u>July 1, 2006</u>	<u>July 1, 2005</u>
Public Employees' Retirement Fund	97.6%	96.4%
Judges' Retirement System	65.3	55.3
State Excise Police, Gaming Agent, and Conservation Enforcement Officers' Retirement Plan	74.9	69.5
Prosecuting Attorneys' Retirement Fund	68.7	65.6
Legislators' Retirement System - Defined Benefit Plan	90.2	86.8
	<u>January 1, 2006</u>	<u>January 1, 2005</u>
1977 Police Officers' and Firefighters' Pension and Disability Fund	97.2%	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 of the Financial Section.

Statement of Fiduciary Net Assets

As of June 30, 2007 (with Comparative Totals as of June 30, 2006)*

(dollars in thousands)	Pension Trust Funds			
	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
Assets				
Cash and Cash Equivalents	\$ 381,940	\$ 7,077	\$ 1,931	\$ 93,767
Securities Lending Collateral	2,545,000	47,436	12,815	666,401
Receivables				
Contributions	85,435	75	132	38,247
Investment Income	31,525	586	158	8,227
Due From Other Funds	16,998	-	-	-
Investment and Contract Sales	404,159	7,572	2,046	106,378
Member Loans	-	-	-	-
Miscellaneous Receivable	1	-	-	-
Due From Teachers' Retirement Fund	6	-	-	-
Advance to IPSI	-	-	-	-
Total Receivables	538,124	8,233	2,336	152,852
Investments				
Debt Securities	2,927,881	54,856	14,820	770,639
Equity Securities	6,345,594	117,528	31,750	1,651,080
Mutual Funds and Collective Trust Funds	3,710,009	58,445	15,789	821,060
Other	197,594	3,700	1,000	51,986
Total Investments	13,181,078	234,529	63,359	3,294,765
Capital Assets				
Land	546	-	-	-
Building	2,893	-	-	-
Office Equipment	87	-	-	-
Accumulated Depreciation	(439)	-	-	-
Total Capital Assets	3,087	-	-	-
Total Assets	16,649,229	297,275	80,441	4,207,785
Liabilities				
Accounts Payable	15,006	(4)	-	34
Salaries and Benefits Payable	528	-	-	-
Death Benefits Payable	-	-	-	-
Investments Payable	823,907	15,436	4,170	216,847
Due To Teachers' Retirement Fund	2,099	-	-	-
Securities Lending Collateral	2,545,000	47,436	12,815	666,401
Due to Other Funds	-	1,021	284	14,332
Total Current Liabilities	3,386,540	63,889	17,269	897,614
Compensated Absences Liability-Long Term	275	-	-	-
Total Liabilities	3,386,815	63,889	17,269	897,614
Net Assets Held in Trust for:				
Pension Benefits (See Schedule of Funding Progress on page 51)	13,262,414	233,386	63,172	3,310,171
Future Death Benefits	-	-	-	-
State and Local Units	-	-	-	-
Total Net Assets Held in Trust	\$13,262,414	\$233,386	\$63,172	\$3,310,171

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

2007 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Pension Trust Funds			Other Employee Benefit Trust Funds			Investment Trust Fund		
Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System		Public Safety Officers' Special Death Benefit Fund	State Employees' Death Benefit Fund	Pension Relief Fund	2007 Totals	2006 Totals	
	Defined Benefit Plan	Defined Contribution Plan						
\$ 775	\$ 160	\$ 2,523	\$ 170	\$ 88	\$ 1,958	\$ 490,389	\$ 400,280	
5,320	1,147	2,820	1,208	1,808	-	3,283,955	2,808,460	
44	-	63	-	-	-	123,996	115,350	
66	14	43	30	78	4	40,731	41,290	
-	-	-	-	-	-	16,998	11,862	
849	183	450	9	50	-	521,696	423,129	
-	-	720	-	-	-	720	652	
-	-	-	-	-	-	1	-	
-	-	-	-	-	-	6	-	
-	-	-	-	-	-	-	500	
959	197	1,276	39	128	4	704,148	592,783	
6,152	1,325	3,261	2,033	5,630	-	3,786,597	3,663,156	
13,180	2,839	6,986	-	-	2	8,168,959	8,895,221	
6,554	1,412	12,383	-	-	245,795	4,871,447	1,981,459	
415	89	220	-	-	32	255,036	66,441	
26,301	5,665	22,850	2,033	5,630	245,829	17,082,039	14,606,277	
-	-	-	-	-	-	546	546	
-	-	-	-	-	-	2,893	2,792	
-	-	-	-	-	-	87	87	
-	-	-	-	-	-	(439)	(335)	
-	-	-	-	-	-	3,087	3,090	
33,355	7,169	29,469	3,450	7,654	247,791	21,563,618	18,410,890	
-	13	2	1	4	10	15,066	12,574	
-	-	-	-	-	-	528	477	
-	-	-	-	-	-	-	-	
1,731	373	918	-	20	-	1,063,402	893,765	
-	-	-	-	-	-	2,099	826	
5,320	1,147	2,820	1,208	1,808	-	3,283,955	2,808,460	
115	138	-	9	25	1,074	16,998	11,862	
7,166	1,671	3,740	1,218	1,857	1,084	4,382,048	3,727,964	
-	-	-	-	-	-	275	251	
7,166	1,671	3,740	1,218	1,857	1,084	4,382,323	3,728,215	
26,189	5,498	25,729	-	-	-	16,926,559	14,378,152	
-	-	-	2,232	5,797	-	8,029	7,308	
-	-	-	-	-	246,707	246,707	297,215	
\$26,189	\$5,498	\$25,729	\$2,232	\$5,797	\$246,707	\$17,181,295	\$14,682,675	

Statement of Changes in Fiduciary Net Assets

For the year ended June 30, 2007 (with Comparative Totals for the year ended June 30, 2006)*

(dollars in thousands)	Pension Trust Funds			
	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
Additions				
Contributions:				
Members	\$ 147,740	\$ 1,925	\$ 129	\$ 33,898
Employers	260,150	14,662	3,359	118,816
Additions from Cities and Towns	-	-	-	-
Other Contributions from State of Indiana:				
Cigarette Tax	-	-	-	-
Alcohol Tax	-	-	-	-
Bail Bond and Private University Fees	-	-	-	-
Lottery Proceeds	-	-	-	-
Total Contributions	407,890	16,587	3,488	152,714
Investment Income:				
Investment Income	2,059,334	36,205	9,721	501,906
Securities Lending Income	111,443	2,068	556	28,747
Less Investment Expenses:				
Securities Lending Expenses	(103,975)	(1,929)	(519)	(26,817)
Other Investment Expenses	(42,263)	(925)	(250)	(12,979)
Net Investment Income (Loss)	2,024,539	35,419	9,508	490,857
Other Additions:				
Intergovernmental Transfers -				
Other Retirement Funds	2,658	-	-	-
Late Fees and Miscellaneous Income	182	-	-	76
Total Other Additions	2,840	-	-	76
Total Additions	2,435,269	52,006	12,996	643,647
Deductions				
Pension and Disability Benefits	466,009	11,664	2,373	45,917
Death Benefits	-	-	-	72
Distributions of Contributions and Interest	48,334	72	3	3,293
Intergovernmental Transfers -				
Other Retirement Funds	6,795	-	-	-
Pension Relief Distributions	-	-	-	-
Local Unit Withdrawals	-	-	-	-
Administrative Expenses	17,943	194	64	2,559
Total Deductions	539,081	11,930	2,440	51,841
Net Increase (Decrease)	1,896,188	40,076	10,556	591,806
Beginning Net Assets Held in Trust for:				
Pension Benefits	11,366,226	193,310	52,616	2,718,365
State and Local Units	-	-	-	-
Future Death Benefits	-	-	-	-
Ending Net Assets Held in Trust	\$13,262,414	\$233,386	\$63,172	\$3,310,171

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

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Pension Trust Funds			Other Employee Benefit Trust Funds			Investment Trust Fund	2007 Totals	2006 Totals
Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System		Public Safety Officers' Special Death Benefit Fund	State Employees' Death Benefit Fund	Pension Relief Fund			
	Defined Benefit Plan	Defined Contribution Plan						
\$ 1,133	\$ -	\$ 1,468	\$ -	\$ -	\$ -	\$ 186,293	\$ 182,422	
190	100	-	-	-	-	397,277	350,909	
-	-	-	-	-	-	-	-	
-	-	-	-	-	31,682	31,682	30,362	
-	-	-	-	-	2,311	2,311	2,689	
-	-	-	485	-	-	485	307	
-	-	-	-	-	30,000	30,000	30,000	
1,323	100	1,468	485	-	63,993	648,048	596,689	
4,036	908	3,638	106	314	29,655	2,645,823	1,407,192	
231	52	124	41	112	1,243	144,617	114,935	
(215)	(48)	(116)	(39)	(107)	(1,171)	(134,936)	(106,951)	
(104)	(113)	(7)	(10)	(26)	(901)	(57,578)	(40,158)	
3,948	799	3,639	98	293	28,826	2,597,926	1,375,018	
-	-	429	-	-	-	3,087	1,513	
-	-	32	-	-	-	290	167	
-	-	461	-	-	-	3,377	1,680	
5,271	899	5,568	583	293	92,819	3,249,351	1,973,387	
633	333	-	-	-	-	526,929	474,537	
-	-	-	150	-	150	372	209	
71	-	708	-	-	-	52,481	69,173	
-	133	-	-	-	-	6,928	5,122	
-	-	-	-	-	140,727	140,727	125,075	
-	-	-	-	-	2,267	2,267	3,072	
23	56	-	1	4	183	21,027	16,937	
727	522	708	151	4	143,327	750,731	694,125	
4,544	377	4,860	432	289	(50,508)	2,498,620	1,279,262	
21,645	5,121	20,869	-	-	-	14,378,152	13,040,596	
-	-	-	-	-	297,215	297,215	355,593	
-	-	-	1,800	5,508	-	7,308	7,224	
\$26,189	\$5,498	\$25,729	\$2,232	\$5,797	\$246,707	\$17,181,295	\$14,682,675	

Notes to the Financial Statements – June 30, 2007

Note 1. Summary of Significant Accounting Policies

Listed below are the significant accounting policies adhered to by the Public Employees' Retirement Fund of Indiana (PERF) Board of Trustees.

(A) Reporting Entity

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

The following funds are included in the financial statements: Public Employees' Retirement Fund; 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 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, two death benefit funds accounted for as other employee benefit trust funds, and an investment trust fund.

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 funds, other employee benefit trust funds and an investment trust fund, account for assets held by the government in a trustee capacity or as an agent on behalf of others. These 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 detailed 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 in Investment Unit Trust Accounting in Section J.

(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 contributions receivable at year-end for each of the retirement funds were determined on the basis that best represents that fund's receivable. The different bases include actual third quarter contributions received during the quarter ended June 30, 2007, actual contributions received in July for workdays in June or a combination of the two.

(F) Benefits and Distributions

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

(G) Administrative Expenses

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

The Public Employees' Retirement Fund (PERF plan) pays the administrative expenses of all the funds. At June 30, a

Notes to the Financial Statements (continued)– June 30, 2007

receivable is established in the PERF plan and a payable in the other funds for the amount due to the PERF plan for the other funds' administrative expenses. Although not legally required, the Legislators' Defined Benefit Plan covers the costs of the Legislators' Defined Contribution Plan.

(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 contracts 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 the prudent investor standards. The investment policy statement adopted by the Board of Trustees and the asset allocation approved 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; collective trust funds (CTF), which are regulated by the Office of the Comptroller of the Currency; repurchase agreements secured by U.S. Treasury obligations; mortgage securities; commercial paper; banker's acceptances and other such investments. See Note 5 for more information.

(I) Method Used to Value Investments

GASB statement 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. CTFs' fair values are determined by the fair value per share of the pool's underlying portfolio as provided by the trustee. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Values for limited partnership interests are those most recently provided by the general manager plus or minus cash flows transacted since the valuation date.

(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 has directed that investment unit trust accounting be implemented and that the investments be commingled as allowed by state statutes. Unit trust accounting involves assigning units to each fund based on the share of the fund's investment fair value to the total fair value of the consolidated investments. The custodian bank prepares

consolidated bank statements and fund statements that show the unit trust accounting activity. Investment earnings and appreciation increase the per unit value of all participating funds. Deposits and withdrawals for each fund change the number of units held by each fund. These changes are recorded at the unit value on the transaction date. Investment earnings or losses and fees for the total consolidated fund are allocated to each of the pension funds on a monthly basis using the pro rata fair value share at month end.

The 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 includes all investments and transactions of the pension funds, except for the PERF plan members' annuity savings accounts directed outside the guaranteed fund and a short-term investment account. The 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 are 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 plan members' annuity savings accounts directed to the S&P 500 Stock Index Fund and International Equity Index Fund are commingled and included with those portfolios maintained for the consolidated fund investments. The Pension Relief Fund also invests in the S&P 500 Stock Index Fund. The unit trust method is used to separately account for the transactions and balances owned by the CRIF, those owned by the PERF plan members' annuity savings accounts and the Pension Relief Fund.

(K) Advance to IPSI

Indiana Pension Systems, Incorporated (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 part of the Indiana Office of Technology. At June 30, 2006, PERF's investment of \$500,000 was classified from Other Investments to Receivables. This amount was received on September 1, 2006.

Notes to the Financial Statements (continued) – June 30, 2007

(L) Investment and Contract Sales Receivables and Investments Payable

Investment and contract sales receivables and investments payable consists primarily of forward currency contracts, spot currency contracts, and receivables or payables for securities purchased or sold but not settled as of June 30, 2007.

(M) Other Investments

Other Investments includes warrants, overdrafts and investment in shares of limited liability partnerships.

(N) Building

PERF owns the building in which it resides at 143 W. Market Street. The building is depreciated over 20 years using the straight-line method. At June 30, 2007 the accumulated depreciation on the building was \$420,033. This includes a one-time adjustment of \$61,490 due to reclassifying the land value from the building assets. The chiller system was replaced during the year increasing the cost of the building by \$101,193.

(O) Equipment

Equipment with a cost of \$20,000 or more is capitalized at its original cost and depreciation is recognized in administrative expenses. Depreciation is computed on the straight-line method over the estimated useful life of the assets and accumulated depreciation as of June 30, 2007, was \$18,912. No new equipment was capitalized during the year.

(P) 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.

(Q) Reserves and Designations

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

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

2. Employer Reserve – This reserve consists of the accumulated employer contributions, plus earnings, less transfers made to the benefits in force reserve of the actuarial pension cost. The funding status of the employer reserve is outlined in 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 who elect to annuitize their annuity savings accounts and the actuarial pension cost are transferred to the reserve upon retirement or disability. This reserve is fully funded based on the latest actuarial valuation.

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

5. Administrative Expense – This designation represents the following fiscal year's administrative budget in the PERF plan, which initially pays all administrative expenses. The budget for the fiscal year ending June 30, 2008, is approximately \$111.5 million.

<i>(dollars in thousands)</i>	Member Reserve	Employer Reserve	Benefits in Force	Undistributed Income
Public Employees' Retirement Fund	\$2,707,176.3	\$6,824,439.0	\$3,619,308.3	\$ -
Judges' Retirement System	21,275.6	78,700.8	133,409.0	-
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	3,526.4	36,597.5	23,048.3	-
1977 Police Officers' and Firefighters' Pension and Disability Fund	482,713.2	2,276,123.5	551,334.2	-
Prosecuting Attorneys' Retirement Fund	16,013.9	6,131.6	4,043.8	-
Legislators' Retirement System – Defined Benefit Plan	N/A	3,197.6	2,301.0	-
Defined Contribution Plan	25,729.1	N/A	N/A	-

Notes to the Financial Statements (continued)– June 30, 2007

(R) 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.

(S) 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:

Annual Pension Cost and Net Pension Obligation (Asset)

(dollars in thousands)

Annual required contribution	\$ 87,947
Interest on net pension obligation	(5,541)
Adjustment to annual required contribution	6,314
Annual pension cost	88,720
Contributions made	72,890
Increase in net pension obligation	\$ 15,830
Net pension obligation, beginning of year	(76,421)
Net pension obligation, end of year	\$(60,591)
 Contribution rate	 6.3%

Three-Year Trend Information

(dollars in thousands)

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
July 1, 2006	\$ 88,720	82.2%	\$ (60,591)
July 1, 2005	70,498	89.0	(76,421)
July 1, 2004	55,063	164.7	(83,416)

(T) Transfers to and from Teachers' Retirement Fund

If a member was last employed in a PERF-covered position, PERF will use the member's TRF service and annuitized 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 annuitized 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 which is located in the liabilities section of the Statement of Fiduciary Net Assets.

Note 2. Retirement Plans

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

(A) Public Employees' Retirement Fund

The PERF plan 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 Board of Trustees by Indiana Code (IC) 5-10.2 and IC 5-10.3, this trust fund provides a retirement program for most officers and employees of the state of Indiana who are not eligible for another program.

The PERF plan also covers many officers and employees of municipalities of the state, including counties, cities, towns, townships and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the 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 1,000 hours of service during a year. School corporation employees, however, as well as those hired before July 1, 1982 must occupy positions requiring service of 600 hours during a year.

Notes to the Financial Statements (continued) – June 30, 2007

At June 30, 2007, the number of participating political subdivisions was 1,180. The PERF plan membership at July 1, 2006 consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	58,283
Terminated employees entitled to benefits but not yet receiving them	11,552
Active employees: vested and non-vested	140,563
Total	210,398
Total covered payroll (dollars in thousands)	\$ 4,322,180

The PERF plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. The mandatory employer contribution is a percentage of payroll, determined by PERF's actuary (actuaries), 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/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. In addition, certain 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 the related pension benefit. The pension benefits vests after 10 years of creditable service. The vesting period is eight years for certain elected 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 plan covered employment. The average annual compensation in this calculation is an average of the member's highest 20 calendar quarters' salaries during PERF plan covered employment. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's salary.

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

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

The PERF plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. Upon the death in service of 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 Board of Trustees by IC 33-38-6, IC 33-38-7, and IC 33-38-8. Coverage is for any person who has served, is serving or shall serve as a regular judge of the 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. Indiana Code 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 benefit, payable monthly for life, in an amount calculated in accordance with statutes.

Notes to the Financial Statements (continued)– June 30, 2007

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 if the participant had qualified to receive a retirement or disability benefit, or had completed at least eight years of service and was in service as a judge.

The annual retirement benefit for a participant equals the product of the salary that was paid to the participant at the time of separation from service, multiplied by a percentage for years of service as defined in the statute. The statute provides for the percentage to be prorated for partial years of service. If the annual retirement benefit of a participant who began service as a judge before July 1, 1977, as computed per IC 33-38-7-11, is less than the amount the participant would have received under IC 33-38-6 as in effect on June 30, 1977, the participant is entitled to receive the greater amount as the participant’s annual retirement benefit. The benefits of the retired judges that were former participants in the 1977 Judges’ Fund are increased by the same percentage increase as the active judges salary.

At July 1, 2006, the Judges’ Retirement System membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	269
Terminated employees entitled to benefits but not yet receiving them	98
Active employees: vested and non-vested	274
Total	641
Total covered payroll (dollars in thousands)	\$ 34,065

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

Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state’s General Fund. Indiana Code 33-38-6-17 provides that this appropriation 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 statute also provides for remittance of docket fees and court fees which are considered employer contributions.

Effective July 1, 2007, provisions for purchasing service credit were changed in the Judges’ Retirement System. A 2 percent Cost-of-Living Adjustment (COLA) is payable Jan. 1, 2008 and Jan. 1, 2009 to participants, survivors and beneficiaries of the 1985 Judges’ Retirement System.

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

The State Excise Police, Gaming Agent and Conservation Enforcement Officers’ Retirement Plan (E, G & C Plan) was established in 1972 and is governed by IC 5-10-5.5, as amended. The retirement fund is a single employer defined benefit plan. The retirement fund is for employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana state excise police officer, Indiana state conservation enforcement officer 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.

The surviving spouse or the parent(s) is 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 E, G & C 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 PERF’s medical authority.

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

Notes to the Financial Statements (continued) – June 30, 2007

est, 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 benefits.

At July 1, 2006, the E, G & C Plan's membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	132
Terminated employees entitled to benefits but not yet receiving them	9
Active employees: vested and non-vested	310
Total	451
Total covered payroll (dollars in thousands)	\$ 14,892

Effective July 1, 2007, the E, G & C plan became the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan. Additionally, changes to the plan effective July 1, 2007, are as follows:

- (1) participants with one year of creditable service may purchase service credit for the participant's prior service in a position covered by a public retirement fund,
- (2) may elect full retirement benefits at age 50 with 25 years of service;
- (3) are entitled to receive creditable service for the time the participant receives disability benefits under a disability plan established under IC 5-10-8-7,
- (4) the retirement benefit is increased 1 2/3 percent of the participant's average annual salary for each year of service over 10 years;
- (5) Gaming Control Officers become members of the fund; and
- (6) the new employee contribution rate is 4 percent of salary.

(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 1977 Fund was established in 1977 and is governed by IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

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 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 salary of a first class officer, as determined by the employer in the year the 1977 Fund member ended service 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 1977 Fund also provides disability and survivor benefits. If an active member has a covered impairment, the member is entitled to file an application for disability. The statute defines 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. The member's surviving spouse is entitled to a monthly benefit equal to 60 percent during the spouse's lifetime. 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 or age 23 if a full-time student. If there is no eligible surviving spouse or children, a dependent parent(s) may receive 50 percent of the member's monthly benefit during their lifetime.

Each year, the Board of Trustees, or its designee, determines the COLA. To calculate the COLA, PERF 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 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 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 member or survivor. In computing a member's benefit, the increase or decrease is based

Notes to the Financial Statements (continued)– June 30, 2007

only on those years for which the 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 member or survivor.

At June 30, 2007, the number of participating employer units totaled 161 (253 police and fire departments). Membership of the 1977 Fund at Jan. 1, 2006, consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	2,127
Terminated employees entitled to benefits but not yet receiving them	172
Active employees: vested and non-vested	11,728
Total	14,027
Total covered payroll (dollars in thousands)	\$ 522,227

Indiana Code 36-8-8-9 was amended effective July 1, 1998, allowing firefighters and police officers who elected to convert 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 statutory provisions of the 1977 Fund. The individuals were then considered members of the 1977 Fund for the purposes of paying benefits effective Oct. 1, 1998. Due to this law change, 1,256 individuals became payees of the 1977 Fund.

(E) Prosecuting Attorneys’ Retirement Fund

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

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

The amount of the annual retirement benefit for a participant who is at least 65 years of age is the product of the highest annual salary that was paid to the participant, multiplied by a percentage based on the participant’s years of service. The percentages range from 24 percent for eight years of service to 60 percent for 22 or more years of service.

If the participant is at least 62 years of age, the participant is entitled to receive a reduced annual retirement benefit that equals the benefit, as calculated above, reduced by 0.25 percent for each month that the participant’s age at retirement precedes the participant’s 65th birthday.

Members contribute 6 percent of their salary. They receive annual interest 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 PERF plan if the participant had retired from the PERF plan on the date the participant’s retirement from the PARF occurred. Members of this fund also are participating members of the PERF plan. The state of Indiana has elected to pay the 3 percent employee contributions.

PARF also provides disability and survivor benefits. A participant who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the participant has qualified for social security disability benefits and has furnished proof of the qualification. The amount of the annual benefit payable to a participant for disability benefits is equal to the product of the annual salary that was paid to the participant at the time of separation from service multiplied by a percentage based on the participant’s years of service. The percentages range from 40 percent for five 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 PARF and benefits payable to a surviving spouse or dependent children are reduced by the amounts, if any, that would be payable under the PERF plan.

Notes to the Financial Statements (continued) – June 30, 2007

At July 1, 2006, the PARF membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	18
Terminated employees with accrued creditable service	260
Active employees: vested and non-vested	218
Total	496
Total covered payroll (dollars in thousands)	\$ 19,225

(F) Legislators' Retirement System

The Legislators' Retirement System was established in 1989 by IC 2-3.5-3-2. The retirement system is for certain members of the General Assembly of the state of Indiana as specified by the provisions of the statute.

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

Legislators' Defined Benefit Plan

The Legislators' Defined Benefit Plan (LDB Plan) provides retirement, disability and survivor benefits. Members of the General Assembly who began service after April 30, 1989, are not members of this plan. A participant is entitled to a monthly retirement benefit if: (1) the participant is at least 65 years of age (55 years for reduced benefits); or (2) 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 (3) is at least 60 years of age and has at least 15 years of service; (4) has terminated service as a member of the General Assembly; (5) has at least 10 years of service as a member of the General Assembly and (6) is not receiving, nor is entitled to receive, compensation from the state of Indiana for work in any capacity.

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

A participant who has reached at least age 55 and meets the other requirements stated above is eligible for early retire-

ment 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 LDB Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service may retire for the duration of the disability if the member has qualified for social security disability and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. 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 the participant was receiving at the time of death or 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 the actuary, is to be appropriated from the state of Indiana General Fund for each biennium.

Legislators' Defined Contribution Plan

A participant of the Legislators' Defined Contribution Plan (LDC Plan) who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LDC Plan. The amount available for withdrawal is the fair market value of the participant's account on the 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, installments as provided in the statute 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 LDC 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.

Notes to the Financial Statements (continued)– June 30, 2007

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 of Indiana 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 CRIF, Bond Fund, Money Market Fund, Small Cap Stock Fund, S&P 500 Stock Index Fund and International Equity Index Fund. Members may make changes to their investment directions daily. Investments of the plan are reported at fair value.

At July 1, 2006, the Legislators’ Retirement System’s membership consisted of:

	Defined Benefit	Defined Contribution
Retirees, disabilitants and beneficiaries receiving benefits	39	-
Terminated employees entitled to benefits but not yet receiving them	30	-
Active employees: vested and non-vested	46	197
Total	115	197
Total covered payroll (dollars in thousands)		\$5,875

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

Note 3. Description of Non-Retirement Funds

Listed below is a brief description of the non-retirement funds administered by PERF.

(A) Pension Relief Fund

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

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

Distributions are made from the PR Fund to cities and towns on June 30 and Sept. 30 based on a statutory formula. The distribution is based on two separate computations, the “K portion” and the “M portion.” The “K portion” is based on the number of retirees and amount of benefits projected to be paid during the current year and the “M portion” is based on the maximum ad valorem tax levy established for each participating municipality. In addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first class patrolman or a first class firefighter.

The PR Fund also pays a lump sum line of duty death benefit of \$150,000. The benefit is paid to the surviving spouse or, if there is no surviving spouse, to the surviving 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(s) in equal shares.

Cities and towns are permitted to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to those cities and towns at their request. As of June 30, 2007, cities and towns had investments with a market value of approximately \$13.8 million on deposit in the PR Fund. In the fund’s financial statements, the earmarked relief payments are reflected as distributions and the deferred amounts are reflected as additions from 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 5-10-10-4) who dies in the line of duty. If there is no surviving spouse or children, the benefit is paid to the parent(s) in equal shares. The fund consists of bail bond fees remitted under IC 35-33-8-3.2, payments under IC 5-10-10-4.5, and investment earnings of the fund.

(C) 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 of Indiana employee who dies in the line of duty as defined in the statute.

The statute did not establish a method to fund the program. It stated that: “The state shall provide these benefits by pur-

Notes to the Financial Statements (continued) – June 30, 2007

chasing 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

Listed below 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 plan 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. Effective July 1, 2002, the amortization period for all employers is 30 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. Under this method as supplied to the PERF plan, a normal cost is determined for each active participant which is the level percentage of compensation needed as an annual contribution from entry age to retirement age to fund projected benefits.

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

The actuary calculates actuarial assets using an asset smoothing method for the determination of the employer actuarially required contribution. Under the smoothing method, actuarial assets are equal to 75 percent of the

expected actuarial assets plus 25 percent of the market value of assets. The expected actuarial value of assets is equal to the preceding year's actuarial assets adjusted for non-investment related transactions and increased by interest at the actuarially assumed rate.

Based on the actuarial valuation at July 1, 2006, employer required contributions were approximately \$278.2 million, which included normal cost of approximately \$257.2 million and \$21 million for amortization of the unfunded actuarial accrued liability. Contributions made by employers for the year ended June 30, 2007, were approximately \$260.2 million or 6 percent of covered payroll.

The required contribution levels are determined under the assumption that a 1.5 percent COLA will be granted in each future year, applying not only to then current retirees, but also to active employees who have yet to retire. The full effect of a 1.5 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 33-38-6-17) and appropriations. There is an appropriation from the state of Indiana General Fund for each biennium to the Judges' Retirement System based on the recommendation of the actuary.

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

The funding policy provides for biennial appropriations authorized by the Indiana General Assembly, which when combined with anticipated member contributions are sufficient to actuarially fund benefits (normal cost), amortize the unfunded accrued liability over 30 years and prevent the state's unfunded accrued liability from increasing. State of Indiana statute defines the funding policy. Member contributions, defined by statute as 3 percent of the first \$8,500 of annual salary, are remitted to the fund upon each payroll. Effective July 1, 2007, members are required to contribute 4 percent of annual salary.

The significant actuarial assumptions used to determine contribution requirements include: (1) rate of return on the investment of present and future assets of 7.25 percent per year, compounded annually, (2) projected salary increases of 4.5 percent per year, compounded annually and (3) assets valued by smoothed market value basis.

Notes to the Financial Statements (continued)– June 30, 2007

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

The funding policy for the 1977 Fund is mandated by statute that requires quarterly remittances of member and employer contributions based on percentages of locally established estimated salary rates rather than actual payroll. The member contribution rate is not actuarially determined but was established by statute at 6 percent of the salary of a first class officer or firefighter.

The employer contribution rate is actuarially determined using the entry age normal cost method. The total required to actuarially fund normal cost is reduced by the total estimated member contributions.

As the 1977 Fund is a cost sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. All participating employers are required to contribute 21 percent of the salary of a first class officer or firefighter during the fiscal year.

The significant actuarial assumptions used to determine the actuarially required employer contribution for the 1977 Fund include: (1) investment earnings of 7.25 percent per year, compounded annually, (2) salary increases of 4 percent per year, (3) benefit increases of 2.75 percent per year while the benefit is in payment status and (4) no recoveries from disabilities.

(E) Legislators’ Retirement System

For the LDC Plan, each participant is required to contribute 5 percent of annual salary. In addition, the state of Indiana is required to contribute 20 percent of the member’s annual salary on behalf of the participant. For the LDB Plan, the amount required to actuarially fund participants’ retirement benefits, as determined by the Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund.

(F) Prosecuting Attorneys’ Retirement Fund

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

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. 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 also is required to diversify such investments in accordance with the prudent investor standard.

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 accounts, mutual funds or other structures acceptable to the Board of Trustees.

The Board of Trustees approved a new asset allocation for the CRIF on Aug.18, 2006. This asset allocation remained unchanged through June 30, 2007:

Asset Classes	Target Norm	Allowable Ranges
Equities - Domestic	40%	35% - 50%
Equities - International	15	10 - 20
Equities - Global	10	5 - 15
Fixed Income - Core	15	10 - 20
Fixed Income - TIPS	5	0 - 10
Alternatives – Private Equity	8	0 - 10
Alternatives – Real Estate	3	0 - 5
Alternatives – Commodities	2	0 - 5
Alternatives – Total Return Strategies	2	0 - 5

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

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

- Short sales of any kind.
- Repurchase agreements that may create any kind of leverage in the portfolio.

Notes to the Financial Statements (continued) – June 30, 2007

- Purchases of letter or restricted stock.
- Buying or selling on margin.
- Purchases of futures and options.
- Purchases of derivative securities which have any of the following characteristics; leverage, indexed principal payment or links to indices representing investments.
- Purchases of interest only or principal only collateralized mortgage obligations.
- Purchases of guaranteed investment contracts (GICs), excluding securities lending cash collateral investment, 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 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 or the counterparty trust department’s agent, but not in PERF’s name.

There was no custodial credit risk for investments including investments related to securities lending collateral as of June 30, 2007. Per IC 5-10.3-5-4(a) 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 Indiana 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 not collateralized 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 Indiana Treasurer of State are entirely insured. Deposits held with the investment custodian are collateralized with securities on loan that are held by the pledging financial institution.

Cash Deposits
(dollars in thousands)

	Total	JPMorgan Chase Bank	National City Bank
Demand deposit account – carrying value	\$ 7,048.5	\$ 6,615.3	\$ 433.2
Demand deposit account – bank balance	72,790.1	69,629.3	3,160.8
Held with Treasurer of State	6,930.3	-	-
Held with investment custodian:			
Cash	12,122.9	-	-
Time Deposits – Cash Collateral (nonnegotiable)	418,500.0	-	-

Credit Risk

PERF’s IPS sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and as outlined in each portfolio manager contract. The guidelines and benchmarks are as follows: (1) the fixed income portfolio (excluding TIPS) must maintain an average credit quality rating of at least A1 (Moody’s) or the equivalent, (2) securities must be rated at least Baa3 (Moody’s) or the equivalent at the time of purchase unless specifically approved by the Board, (3) the benchmark for the fixed income portfolio is the Lehman Brothers Aggregate Bond Index and (4) the Treasury Inflation Protection Securities (TIPS) portfolio must substantially match the quality of its benchmark, the Lehman Brothers TIPS US Index. The quality rating of investments in debt securities as described by the Nationally Recognized Statistical Rating Organization (NRSRO) Standard and Poor’s at June 30, 2007 is as follows (dollars in millions):

Quality Rating	Fair Value	% of Portfolio
AAA	\$ 3,196.1	71.9 %
AA	91.0	2.0
A	124.9	2.8
A-1	34.1	0.8
BBB	165.9	3.7
BB	44.5	1.0
B	21.2	0.5
CCC	2.5	0.1
Not Rated	765.0	17.2
Total	\$ 4,445.2	100 %

The credit risk schedule includes debt securities, short-term money market funds, bond mutual funds and bond com-

Notes to the Financial Statements (continued)– June 30, 2007

mingled funds. Of the total fair value reported, approximately \$2.6 billion (58.8 percent) is AAA rated US Treasury, US Agency or US Agency Mortgage Backed Securities. The remaining balance of approximately \$1.8 billion (41.2 percent) consists of corporate debt, short-term custodial money market funds, commingled or mutual funds, and asset-backed and mortgage-backed securities of various credit quality ratings.

Of the \$765 million not rated by Standard & Poor's, approximately \$98.8 million (12.9 percent of Not Rated), are rated by Moody's (another NRSRO) as follows: approximately \$88.6 million are rated A3 or better, approximately \$9.5 million are rated B3 through Baa2 and the balance of approximately \$0.7 million are rated Ca through Caa1. Included in the Not Rated category are approximately \$658.6 million (86.1 percent of Not Rated) in money market funds, mutual funds or commingled funds. The remaining balance of approximately \$7.6 million (1 percent) is not rated by either 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. PERF's IPS limits the purchase of securities of any one issuer, with the exception of the US Government and its agencies, to an initial cost of 5 percent of the market value of an investment manager's portfolio. Through capital appreciation, no such holding should exceed 7.5 percent of the market value of the total holdings of such investment manager's portfolio.

For investment managers contracted to manage concentrated portfolios, exposure to the securities issued by a single issuer, with the exception of the U.S. Government and its agencies, is limited to 7.5 percent of the investment manager's portfolio 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, 2007, there was no concentration of credit risk 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 IPS sets duration guidelines for the fixed income investment portfolio that are linked directly, or indirectly, to the benchmark indices for each of its sub-asset classes and as outlined in each investment manager portfolio 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 (dollars in millions):

Investment Type	Net Asset Fair Value	% of Net Asset Fair Value	Duration
Short-Term Investment Fund	\$ 450.3	10.1%	0.01
Government & Agency Obligations	1,661.6	37.1	6.28
Residential & Commercial Mortgage-Backed Securities	1,480.7	33.1	3.74
Corporate Bonds	481.7	10.8	5.73
Asset-Backed	186.9	4.2	0.41
Municipal Securities	0.8	0.0	0.76
Debt Securities Mutual Funds	208.3	4.7	3.82
Total Net Asset Fair Value	\$4,470.3	100 %	4.39

PERF investments are directly, or indirectly, sensitive to changes in the interest rate environment. Some derivative products, identified in the derivatives financial instruments section, are also sensitive to interest rate risk. Debt securities, debt securities mutual funds and commingled funds, and short-term cash and cash-equivalents represent the portions of the portfolio most sensitive to interest rate risk and are included in the duration information. Fair value of debt securities includes all debt securities, debt securities mutual funds and commingled funds, and short-term cash and equivalents, gross of pending transactions, was approximately \$4.5 billion at June 30, 2007.

Foreign Currency Risk

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

Notes to the Financial Statements (continued) – June 30, 2007

PERF's IPS refers to foreign currency guidelines that are linked directly, or indirectly, to the benchmark indices for each sub-asset class or as outlined in each portfolio manager contract. 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.

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

Currency	Equity Securities	Debt Securities	Contracts, Currencies, or Money Market Securities	Total Fair Value	% of Foreign Currency	% of Total Investments (USD)
Euro	\$1,086.2	\$ 14.8	\$(46.6)	\$1,054.4	36.7%	6.1%
Japanese Yen	499.8	4.7	22.9	527.4	18.3	3.0
Pound Sterling	541.1	-	(49.5)	491.6	17.1	2.9
Australian Dollar	203.4	-	(6.3)	197.1	6.9	1.2
Swiss Franc	138.2	-	(3.7)	134.5	4.7	0.8
Swedish Krone	98.5	-	(2.3)	96.2	3.3	0.6
Other	320.6	2.8	49.8	373.2	13.0	2.2
Total	\$2,887.8	\$ 22.3	\$(35.7)	\$2,874.4	100%	16.8%

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 CRIF's total assets may be lent at one time. The custodian bank and/or its securities lending subagents provide 100 percent indemnification to

the Board of Trustees and the CRIF against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold by the 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 are subject to the investment guidelines specified by PERF's IPS. It states that the maximum weighted average days to maturity may not exceed 60. The average term to maturity of the cash collateral portfolio was approximately 18 days at June 30, 2007. The securities lending agent matches the maturities of the cash collateral investments with stated securities loans' termination dates. Cash collateral received for open-ended loans that can be terminated on demand are invested with varying maturities.

The fair value of securities lent for cash collateral at June 30, 2007 was (dollars in millions):

The credit quality of the cash collateral investments at June 30, 2007 was (dollars in millions)¹:

Investment Type	Loan Value	Cash Collateral Investments Quality Rating	Fair Value	Percent of Portfolio
Government Obligation	\$ 1,247.6	AAA	\$ 55	1.7%
Corporate Bonds	52.2	AA	105	3.2
Equities	1,918.4	A-1 and A-1+ A2	3,044 31	92.7 0.9
Total Fair Value	\$ 3,218.2	Not Rated	49	1.5
		Total	\$ 3,284	100%

¹Standard and Poor's

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. The Not Rated collateral investments are commercial paper.

At June 30, 2007, PERF had loaned approximately \$188.7 million US Treasury and government agency obligations for securities collateral. The securities collateral value was approximately \$192.5 million which represented 102 percent coverage.

Notes to the Financial Statements (continued)– June 30, 2007

At fiscal year end, PERF has no credit risk exposure to borrowers because the amount it owes to the borrowers exceeds the amount owed by the borrowers.

Derivative Financial Instruments

PERF invested in derivative financial investments as authorized by PERF's IPS. A derivative security is an investment in which the payoff depends on 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 buy a put option), the reference security is held in the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. During the year, PERF's derivative investments included foreign currency forward contracts, collateralized mortgage obligations (CMOs), real estate mortgage investment conduits (REMICs), treasury inflation protected securities (TIPS) and futures.

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

At June 30, 2007, PERF's investments included the following currency forwards balances (dollars in millions):

Forward Currency Contract Receivables	\$ 265.4
Forward Currency Contract Payables	\$ 265.1

PERF's debt securities managers invest in CMOs/REMICs to improve the yield or adjust the duration of the debt securities portfolio. As of June 30, 2007, the carrying value of the PERF's CMO/REMIC holdings was approximately \$237.3 million.

TIPS are used by PERF's debt securities managers to provide a real return against inflation (as measured by the Consumer Price Index). As of June 30, 2007, the carrying value of the PERF's TIPS holdings was approximately \$1.1 billion.

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

Note 6. Commitments for Alternative Investments

PERF had entered into agreements to fund limited liability partnerships of approximately \$1 billion as of June 30, 2007. PERF has disbursed approximately \$254 million toward the commitments as of June 30, 2007. The expected funding dates for these commitments extend through 2026. These amounts include three Euro denominated commitments to limited liability partnerships converted to United States dollars at the closing exchange rate as of June 30, 2007.

As of June 30, 2007, five commitments were approved by the Board of Trustees which have been subsequently signed and finalized, representing \$159 million in commitments.

Note 7. Risk Management

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

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

Notes to the Financial Statements (continued) – June 30, 2007

of Trustees administers the state of Indiana's risk financing activity for the state employees' death benefits.

Note 8. Required and Other Supplementary Information

The historical trend information designed to provide information about PERF's progress in accumulating sufficient assets to pay benefits when due is required supplementary information. 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 Financial Statements.

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) ¹	Annual Covered Payroll (c)	Unfunded AAL or Funding Excess as a Percentage of Covered Payroll (b-a)/c) ¹
Public Employees' Retirement Fund						
7/1/2001	\$ 8,723,304	\$8,305,672	\$ (417,632)	105.0%	\$ 3,587,080	(11.6%)
7/1/2002	8,994,854	9,066,132	71,278	99.2	3,785,242	1.9
7/1/2003	9,293,952	9,034,573	(259,379)	102.9	3,952,230	(6.6)
7/1/2004	9,853,976	9,844,353	(9,623)	100.1	4,198,942	(0.2)
7/1/2005	10,471,937	10,858,322	386,385	96.4	4,318,450	8.9
7/1/2006	11,177,971	11,450,928	272,957	97.6	4,322,180	6.3
Judges' Retirement System						
7/1/2001	115,040	188,610	73,570	61.0	29,748	247.3
7/1/2002	121,155	188,434	67,279	64.3	25,805	260.7
7/1/2003	126,152	206,846	80,694	61.0	25,400	317.7
7/1/2004	135,798	209,992	74,194	64.7	25,693	288.8
7/1/2005	151,003	272,855	121,852	55.3	32,231	378.1
7/1/2006	178,276	272,997	94,721	65.3	34,065	278.1
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan						
7/1/2001	36,921	52,024	15,103	71.0	12,486	121.0
7/1/2002	37,360	55,884	18,524	66.9	12,654	146.4
7/1/2003	37,286	52,006	14,720	71.7	11,944	123.2
7/1/2004	38,772	50,010	11,238	77.5	10,209	110.1
7/1/2005	41,663	59,964	18,301	69.5	13,223	138.4
7/1/2006	48,496	64,765	16,269	74.9	14,892	109.2
1977 Police Officers' and Firefighters' Pension and Disability Fund						
1/1/2001	1,491,030	1,620,294	129,264	92.0	389,200	33.2
1/1/2002	1,615,245	1,808,754	193,509	89.3	396,246	48.8
1/1/2003	1,660,445	1,766,846	106,401	94.0	432,954	24.6
1/1/2004	1,797,124	1,875,518	78,394	95.8	469,750	16.7
1/1/2005	1,976,905	2,064,171	87,266	95.8	493,707	17.7
1/1/2006	2,347,986	2,415,053	67,067	97.2	522,227	12.8
Prosecuting Attorneys' Retirement Fund						
7/1/2001	11,073	20,417	9,344	54.2	13,636	68.5
7/1/2002	11,957	22,386	10,429	53.4	14,438	72.2
7/1/2003	12,758	15,685	2,927	81.3	13,159	22.2
7/1/2004	14,655	22,588	7,933	64.9	15,149	52.4
7/1/2005	16,876	25,744	8,868	65.6	16,659	53.2
7/1/2006	20,053	29,184	9,131	68.7	19,225	47.5
Legislators' Retirement System						
7/1/2001	4,666	5,508	842	84.7	N/A ²	N/A ²
7/1/2002	4,446	5,503	1,057	80.8	N/A ²	N/A ²
7/1/2003	4,200	4,948	748	84.9	N/A ²	N/A ²
7/1/2004	4,206	4,856	650	86.6	N/A ²	N/A ²
7/1/2005	4,339	4,999	660	86.8	N/A ²	N/A ²
7/1/2006	4,721	5,232	511	90.2	N/A ²	N/A ²

¹ For consistency with current year reporting, prior year percentages have been rounded to a tenth of a percent.

² Benefit formula is primarily based on service, rather than compensation.

See accompanying notes to required supplementary information.

**Required Supplementary Information
Schedule of Employer Contributions**

(dollars in thousands)

Public Employees' Retirement Fund

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2002	\$175,820	118.3%
2003	217,077	98.3
2004	166,574	141.0 ¹
2005	202,631	101.8
2006	249,669	92.3
2007	278,190	93.5

Judges' Retirement System

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2002	\$10,320	121.5%
2003	9,561	138.9
2004	10,488	123.6
2005	10,064	134.5
2006	14,932	90.7
2007	12,249	119.7

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

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2002	\$2,047	93.0%
2003	2,324	84.0
2004	2,190	96.8
2005	1,867	116.0
2006	2,710	92.2
2007	3,128	107.4

**1977 Police Officers' and Firefighters'
Pension and Disability Fund**

Year Ended Dec. 31	Annual Required Contributions	Percentage Contributed
2001	\$ 91,914	97.9% ¹
2002	98,687	87.1 ¹
2003	87,253	108.9 ¹
2004	92,833	110.8 ¹
2005	97,286	111.8 ¹
2006	102,964	157.6

Prosecuting Attorneys' Retirement Fund

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2002	\$ 907	48.1%
2003	1,129	39.5
2004	144	647.9
2005	889	108.1
2006	952	17.9
2007	1,044	18.2

**Legislators' Retirement System
Defined Benefit Plan**

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2002	\$206	90.8%
2003	234	79.9
2004	95	216.8
2005	89	231.5
2006	91	109.9
2007	120	83.3

¹ Percentages have been restated to correct prior year data.

See accompanying notes to required supplementary information.

Notes to Required Supplementary Information – June 30, 2007

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	Judges' Retirement System	State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan
Valuation Date	July 1, 2006	July 1, 2006	July 1, 2006
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 Method ¹	30 Years	30 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	4%	4%	4.5%
Post-retirement Benefit Increases ²	N/A	4%	N/A
Cost of Living Increases	1.5%	N/A	1.5%

	1977 Police Officers' and Firefighters' Pension and Disability Fund	Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System – Defined Benefit Plan
Valuation Date	Jan. 1, 2006	July 1, 2006	July 1, 2006
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 Method ¹	30 Years	30 Years	16 Years
Asset Valuation Method	Smoothed Market Value Basis	Smoothed Market Value Basis	Smoothed Market Value Basis
Actuarial Assumptions:			
Investment Rate of Return	7.25%	7.25%	7.25%
Projected Salary Increases	4%	4%	3%
Post-retirement Benefit Increases	N/A	N/A	N/A
Cost of Living Increases	2.75%	N/A	1.5%

¹For PERF only, a new amortization base is determined each year and amortized over 30 years. All prior amortization bases are maintained and amortized over their remaining 30-year period. If the equivalent single amortization period for all amortization bases ever exceeds 30 years, then the total unfunded liability shall be re-amortized over a fresh 30-year period. For all other plans except the 1977 Police Officers' and Firefighters' Pension and Disability Fund (which uses an open 30-year amortization period), the total unfunded liability is amortized over the remaining 30-year period (30-year period commences July 1, 2006).

²The 4 percent post-retirement benefit increase in the July 2006 valuation for the Judges' Retirement System only applies to the 1977 Benefit System, not the 1985 Benefit System (which has no post-retirement benefit increase).

Other Supplementary Information
Administrative Expenses – Year Ended June 30, 2007

(dollars in thousands)

Personal Services:

Salaries and Wages	\$ 6,339
Employee Benefits	2,307
Supplemental Services	521
Total Personal Services	9,167

Contractual and Professional Services:

Actuarial	252
Legal	171
Consultants	3,525
Contractual Services	636
Information System Development Services	4,674
Total Contractual and Professional Services	9,258

Communications:

Telephone	97
Postage	782
Printing Expense	433
Other	15
Total Communications	1,327

Miscellaneous:

Data Processing	299
Travel	125
Training	54
Supplies & Maintenance	127
Dues & Subscriptions	33
Offices Supplies	96
Office Equipment	36
Operating Expenses and Other Expenses	505
Total Miscellaneous	1,275

Total Administrative Expenses

\$21,027

Allocation of Administrative Expenses:

Public Employees' Retirement Fund	\$17,943
Judges' Retirement System	194
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	64
1977 Police Officers' and Firefighters' Pension & Disability Fund	2,559
Prosecuting Attorneys' Retirement Fund	23
Legislators' Retirement System - Defined Benefit Plan	56
Public Safety Officers' Special Death Benefit Fund	1
State Employees' Death Benefit Fund	4
Pension Relief Fund	183

Total Administrative Expenses Allocation

\$21,027

Other Supplementary Information

Investment Expenses – Year Ended June 30, 2007

(dollars in thousands)

Investment Expenses

Custodial and Consulting		
JPMorgan Chase Bank N.A.	Custodial Fees	\$ 445
Plexus Group, Inc.	Investment Analysis	48
Strategic Investment Solutions	Investment Consulting	199
Mercer Investment Consulting	Investment Consulting	264
CEM Benchmarking Inc.	Investment Consulting	20
Domestic Equity		
Barclays Global Investors	Equity - Large Cap Core	6,494
Brandes Investment Partners	Equity - Mid Cap Value	2,903
Hotchkis & Wiley Capital Management, LLC	Equity - Large Cap Value	1,451
Jacobs Levy Equity Management, Inc.	Equity - Small Cap Growth	2,743
Numeric Investors, LP	Equity - Small Cap Value	3,090
Osprey Partners Investment Management, LLC	Equity - Small and Large Cap Value	4,015
Sands Capital Management	Equity - Large Cap Growth	1,097
Times Square Capital Management	Equity - Small Cap Growth	1,832
Turner Investment Partners	Equity - Large Cap Growth	3,055
Wells Capital Management	Equity - Mid Cap Growth	2,164
International Equity		
Baillie Gifford and Company	Equity - International Growth	3,397
Barclays Global Investors	Equity - International Core	2,752
Mondrian Investment Partners Limited	Equity - International Value	1,978
Global Equity		
Brandes Investment Partners	Equity - Global Value	2,020
Capital Guardian Trust Company	Equity - Global Growth	2,064
Invesco	Equity - Global Core	1,825
Fixed Income		
Allegiant (formerly National City)	Fixed Income - Core Active	12
Barclays Global Investors	Fixed Income - Core	30
BlackRock Financial Management, Inc.	Fixed Income - Core Opportunistic	911
Hughes Capital Management, Inc.	Fixed Income - Core Active	200
Lehman Brothers Asset Management, LLC	Fixed Income - Core Enhanced and TIPS Enhanced	294
Northern Trust Company	Fixed Income - Core and TIPS Index	208
Reams Asset Management Co.	Fixed Income - Core Active	442
Seix Investment Advisors	Fixed Income - Core Opportunistic	356
Taplin, Canida & Habacht	Fixed Income - Core Active	398
Western Assets Management Co.	Fixed Income - Core Opportunistic and TIPS Active	1,046
Alternative Investments		
Arch Venture Fund VI, LP	Private Equity	235
Cerberus Institutional Partners, Series Four	Private Equity	725
Energy Capital Partners I, LP	Private Equity	805
Greenpark International Investors III, LP	Private Equity	324
Hellman and Friedman Capital Partners VI, LP	Private Equity	186
Horsley Bridge Growth VII, LP	Private Equity	15
Horsley Bridge International IV, LP	Private Equity	194
House Investments - Real Estate Opportunity Fund III, LP	Real Estate	182
House Real Estate Opportunities Fund IV, LP	Real Estate	43
Indiana Future Fund, LP	Private Equity	69
Indiana Investment Fund, LP	Private Equity	1,373
Lehman Crossroads Fund XVIII - Venture Capital, LP	Private Equity	408
Lexington Capital Partners VI-B, LP	Private Equity	341
Lindsay Goldberg & Bessemer I, LP	Private Equity	95
Lindsay Goldberg & Bessemer II, LP	Private Equity	1,458
Merit Mezzanine Fund IV, LP	Private Equity	390
OCM Asia Fund I, LP	Private Equity	600
OCM Opportunities Fund VI, LP	Private Equity	375
OCM Opportunities Fund VII, LP	Private Equity	186
PACVEN Walden International Venture Fund VI, LP	Private Equity	200
Technology Partners Fund	Private Equity	147
Terra Firma Capital	Private Equity	998
Short-Term Investments		
JPMorgan Chase Bank N.A.	Sweep fees — Benefits	11
JPMorgan Chase Bank N.A.	Sweep fees — Investments	465
Total Investment Expenses		\$ 57,578

Other Supplementary Information
Contractual and Professional Services Expenses
 Year Ended June 30, 2007

(dollars in thousands)

Individual or Firm	Fee	Nature of Services
Indiana Office of Technology	\$ 4,673	IT System Development and Network Support
Clifton Gunderson	2,659	Processing and Reconciling Services
KPMG	405	SIRIS Replacement Services
Ernst & Young	286	Accounting and Process Documentation Services
McCready and Keene, Inc.	252	Actuarial Services
The Anderson Group Consulting, LLC	175	Data Entry Services
Ryan Consulting Group	143	Report Development and Processing
Information Builders	123	Web Reporting
Baker & Daniels	87	Legal Services
The Berwyn Group	78	Address Search Services
Omkar Markand, M.D.	54	Medical Consulting - Police & Fire Fund
Walker Information	49	Retiree Surveys
Ice Miller Legal & Business Advisors	44	Legal Services
Sungard Availability Services	37	Computer Backup Services
Haverstick Consulting	32	Technical Writer
Barada Associates, Inc.	30	Background Checks
CEM Benchmarking Inc.	30	Benchmarking Services
Kreig Devault, LLP	19	Legal Services
Great-West Life and Annuity	15	Recordkeeping
Stephenson Morow & Semler	9	Legal Services
Mercer Investment Consulting	9	Board Governance Consulting Services
Groom Law Group	8	Legal Services
Various State Agencies	8	Death Certificates
Indiana State Police	7	Background Checks
State Budget Agency	6	PERF Peoplesoft Implementation
Central Security & Communications, Inc.	5	Security Monitoring
Recall-Total Information	4	Document Security Services
TransUnion	4	Death Services
Palagy & Associates	4	Security Survey
Wayne E. Uhl	2	Legal Services
GuideSoft Incorporation	1	Technical Writer
Total Contractual and Professional Services Expense	\$ 9,258	



Investment Section

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The human resources division of the Department of Corrections kept Carolyn Bullock gainfully employed for six years. And for the 16 years before that, she worked for the National Guard as a state employee. After taking her PERF retirement in April of 2007, she was finally able to embrace her life-long passion of working with youth.

“I’ve always wanted to do this, all my life,” Carolyn said. “I’ve worked with young adults in the church setting in one form or another for 27 years, and working with young adults naturally encompasses counseling.”

Now that she has retired from her job, she pursues her calling two to three days a week at the Mooresville Church of God, where she volunteers to counsel teenagers and young adults.

“Now I am able to devote more time to where my heart really lays – this truly evolved from my heart,” she said. “It makes me happy to help young people deal with their challenges. It’s very fulfilling.”

Report on Investment Activity

MERCER

Investment Consulting

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

July 20, 2007

Board of Trustees
Indiana PERF
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, 2007.

As of June 30, 2007, the CRIF had a market value of \$16.1 billion, an increase of \$2.4 billion since June 30, 2006. 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 2006 and first half of 2007 despite volatile energy prices and a weakening housing market. A boom in mergers and acquisitions helped fuel strong gains in the US equity markets. Rising bond yields and oil prices over \$70 per barrel in June led to a slight sell-off at the end of the fiscal year. Despite the sell-off, US equity markets performed well as the S&P 500 experienced all-time highs in late May and early June.
- The US equity markets generated strong returns over the trailing one-year period. The S&P 500 Index, an index of domestic large capitalization stocks, gained 20.6% while smaller capitalization stocks, as measured by the Russell 2000 Index, advanced 16.4%. Value outperformed growth in the large cap space, but growth outperformed value in the small cap arena. Telecom (+34.3%), materials (+26.5%), and energy (+26.0%) were the strongest performing sectors in the S&P 500 as financials (+11.8%) and consumer staples (+12.2%) lagged the greater market.
- Developed international equity markets continued to beat their domestic counterparts during the period, returning 27.5%, as measured by the MSCI EAFE (Europe, Australia, and Far East) Index. Germany (+49.6%) and Australia (+45.3%) were among the top performing developed markets while Japan (+7.3%) underperformed. Emerging markets continued to soar and led the developed markets, returning 45.5% over the same time period, as measured by the MSCI Emerging Markets Index.
- Despite poor performance in the second quarter of 2007, the investment grade fixed income market performed well over the trailing one-year period, returning 6.1% as measured by the Lehman Brothers Aggregate Index. Longer-term bonds (+7.0%) outperformed inter-

Report on Investment Activity (continued)

mediate-term issues (+5.8%). High yield bonds outpaced investment grade issues over the same period, returning 11.6%, as measured by the Lehman Brothers High Yield Bond Index. The mortgage sector, as measured by the Lehman Brothers Mortgage-Backed Securities Index, returned 6.4% and slightly outperformed the greater fixed income market.

Within this environment, the CRIF increased 17.8% (net of fees) during the one-year period ended June 30, 2007, surpassing the 17.6% Target Reference Index return. The Fund's outperformance was primarily attributable to the international equity segment, which experienced strong absolute and relative results. 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 18.4% (net of fees) during the trailing year, falling short of the 20.1% return of the Russell 3000 Index. Underperformance can be attributed to the poor returns from the Fund's large cap equity managers. The Fund's mid and small cap equity managers moderately outperformed their benchmarks. Despite the recent underperformance, the CRIF's domestic equity managers collectively outperformed the Russell 3000 Index over the trailing five-year period.

The Fund's international equity segment returned 32.9% (net of fees) for the trailing twelve months, significantly outpacing the MSCI ACWI Ex-US Index by 3.3%. The global equity portion was up 24.9% (net of fees), lagging the MSCI ACWI Index by 0.3%. Over the trailing three-year period, both segments exceeded their respective benchmarks.

The fixed income portion of the Fund, excluding Treasury Inflation Protection Securities (TIPS), returned 6.1% (net of fees) over the trailing one-year period, equaling the Lehman Brothers Aggregate Index. The Fund's TIPS managers returned 3.9% (net of fees) over the same one-year period,

lagging the Lehman Brothers US TIPS Index by 0.2%. Longer term results for the Fund's total fixed income segment remain ahead of the benchmark.

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 PERF. The Board of Trustees is comprised of six members. Five members are appointed by the governor of Indiana and the sixth is the director of the state's budget agency or his/her designee. One must be a member of the PERF plan with at least 10 years of creditable service. Not more than three of the trustees may be of the same political affiliation. The Board of Trustees appoints the executive director of PERF for approval by the governor.

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

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

The investment policy statement (PERF's IPS) and corresponding addenda 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 PERF, legal requirements applicable to PERF and to direct investment of 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 investments of PERF.
- Demonstrate that the Board of Trustees is fulfilling its fiduciary responsibilities in the management of the investments of PERF solely in the interests of members and their beneficiaries.

Maintenance of adequate funding to provide for the payments of the plans' actuarially determined liabilities over time, at a reasonable cost to the members, the employers and the taxpayers of the state, is of primary consideration. In order to determine the appropriate asset allocation and diversification of PERF to meet the objectives described above, the Board of Trustees periodically conducts asset and liability modeling studies.

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

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

The Guaranteed Fund provides a guarantee of the value of an individual's contributions plus any interest credited. As set by the 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 based on a uniform methodology. The interest-crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section on page 64.

Investment Highlights

Investment Summary

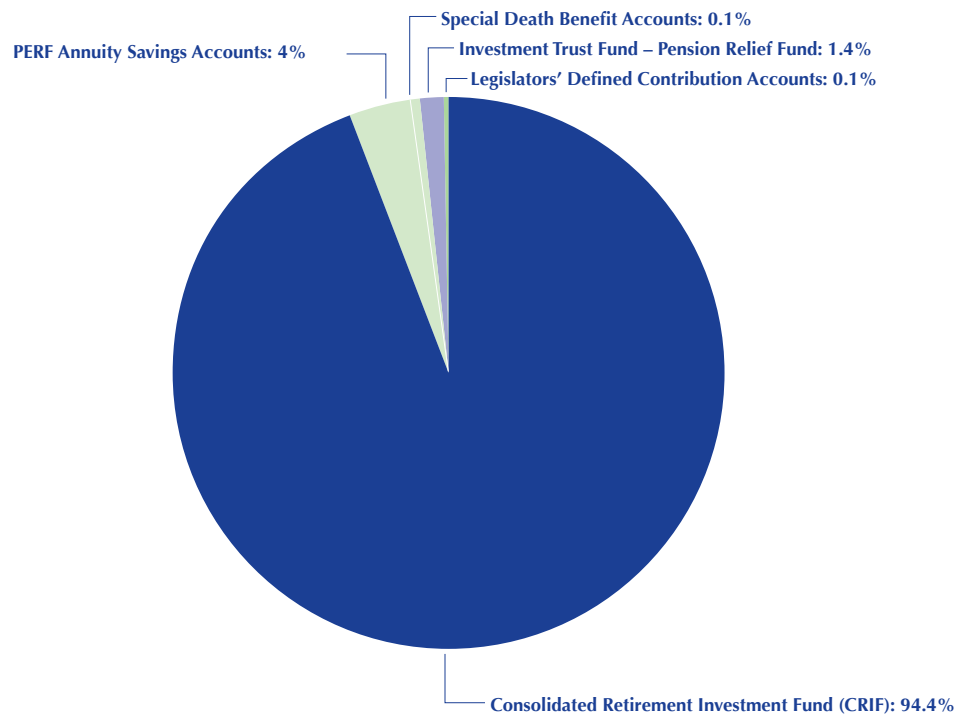
*June 30, 2007
(dollars in millions)*

Consolidated Retirement Investment Fund (CRIF)	\$16,114.3
PERF Annuity Savings Accounts ¹	678.7
Legislators' Defined Contribution Accounts ²	11.0
Investment Trust Fund - Pension Relief Fund	245.9
Special Death Benefit Accounts	8.0
Total Investments, Cash and Cash Equivalents³	\$17,057.9

¹Balances directed outside the Guaranteed Fund.

²Balances directed outside the Legislators' CRIF Option.

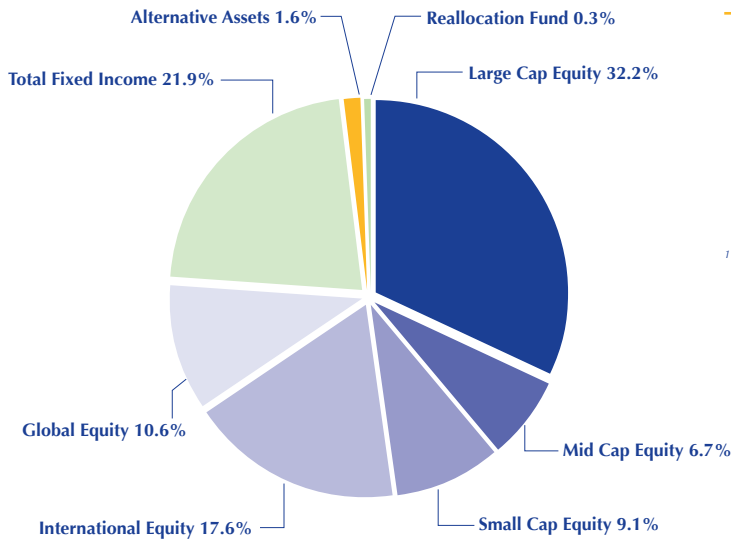
³Includes investment income receivable, from investment sales and investment purchase payable.



Investment Highlights (continued)

Consolidated Retirement Investment Fund (CRIF) Asset Allocation Summary

June 30, 2007
(in percent)

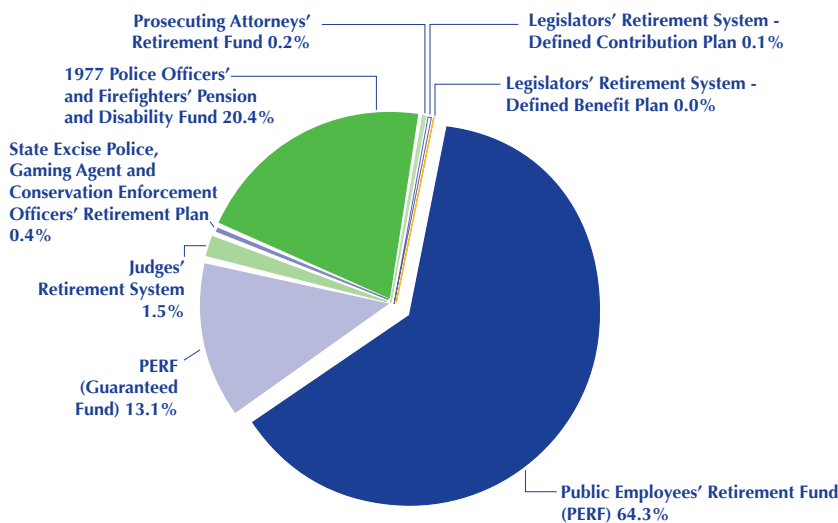


	June 30, 2007	June 30, 2006
Total Equities	76.2%	74.0%
Total Fixed Income	21.9	25.3
Alternative Investments	1.6	0.6
Reallocation Account ¹	0.3	0.1
Total Fund	100 %	100 %

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

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2007



	Assets (in millions)	Percent of Consolidated Fund
Public Employees' Retirement Fund (PERF)	\$10,373.1	64.3%
PERF (Guaranteed Fund)	2,112.1	13.1
Judges' Retirement System	233.9	1.5
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	63.2	0.4
1977 Police Officers' and Firefighters' Pension and Disability Fund	3,286.2	20.4
Prosecuting Attorneys' Retirement Fund	26.2	0.2
Legislators' Retirement System - Defined Benefit Plan	5.7	0.0
Legislators' Retirement System - Defined Contribution Plan	13.9	0.1
Total Consolidated Fund	\$16,114.3	100 %

Investment Highlights (continued)

**Comparative Investment Results
for Periods Ended June 30, 2007**
(percent return)⁵

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

	1 yr ⁴	3 yr ⁴	5 yr ⁴		Market Value	Actuarial Basis	Rate of Return	Actuarial Assumed Rate
Total CRIF¹ Fund	18.2%	12.8%	11.8%	1998	\$ 6,346.2	9.3%	13.4%	7.25%
vs. Mercer Public Funds Universe median ²	17.9	13.3	12.2	1999	8,492.6	9.5	11.3	7.25
Target Reference Index ³	17.6	11.9	10.8	2000	9,315.1	8.5	6.7	7.25
Total CRIF Domestic Equity	18.8	12.4	12.4	2001	9,883.0	5.8	-2.5	7.25
vs. Mercer Equity Universe median	20.2	14.4	13.6	2002	9,627.8	3.1	-4.5	7.25
Russell 3000 Index	20.1	12.4	11.5	2003	9,704.1	4.2	4.7	7.25
S&P 500 Index	20.6	11.7	10.7	2004	11,338.2	6.3	16.3	7.25
Total CRIF Global Equity	25.3	18.6	14.4	2005	12,435.3	7.0	9.8	7.25
vs. Mercer Global Equity Universe median	25.7	19.2	15.7	2006	13,694.9	7.9	10.7	7.25
MSCI ACWI Free Index	25.2	18.0	14.9	2007	16,114.3	N/A ¹	18.2	7.25
Total CRIF International Equity	33.3	27.1	19.8					
vs. Mercer International Equity Universe median	28.4	23.5	18.7					
ACWI Ex-US Index	29.6	24.5	19.5					
MSCI EAFE Index	27.5	22.7	18.2					
Total CRIF Fixed Income	5.5	4.2	4.9					
vs. Mercer Core Investment Grade Universe median	6.3	4.3	4.9					
LB Aggregate Index	6.1	4.0	4.5					

¹N/A denotes not available

¹CRIF = Consolidated Retirement Investment Fund.

²Universe of Public Funds.

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

⁴Gross of Fees.

⁵Investment 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, 2007.

Investment Summary

June 30, 2007
(dollars in millions)

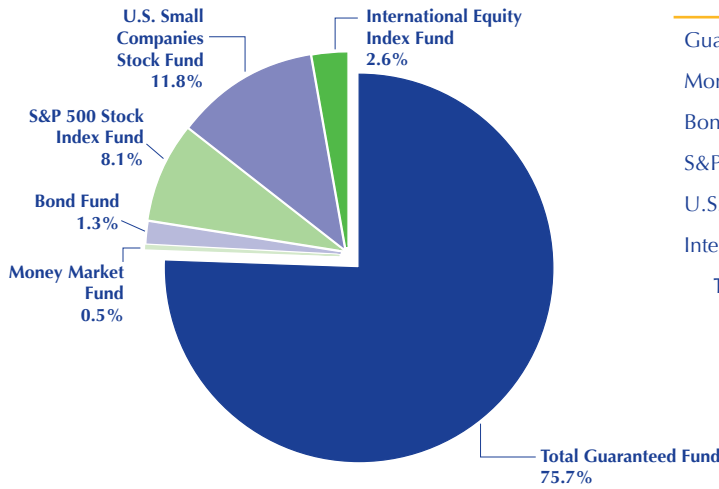
	Beginning Account Balance	Ending Account Balance	Percentage of Total Fair Value
Domestic Equity	\$ 6,736.9	\$ 7,750.8	48.0%
Global Equity	1,264.2	1,701.2	10.6
International Equity	2,128.3	2,836.2	17.6
Total Equity	10,129.4	12,288.2	76.2
Alternative Investments	87.7	253.1	1.6
Fixed Income ¹	3,477.8	3,573.0	22.2
Total CRIF	\$ 13,694.9	\$ 16,114.3	100 %

¹Includes Reallocation Account for cash flow and allocation purposes.

Investment Highlights (continued)

PERF Annuity Savings Account Investment Highlights by Dollar Amount

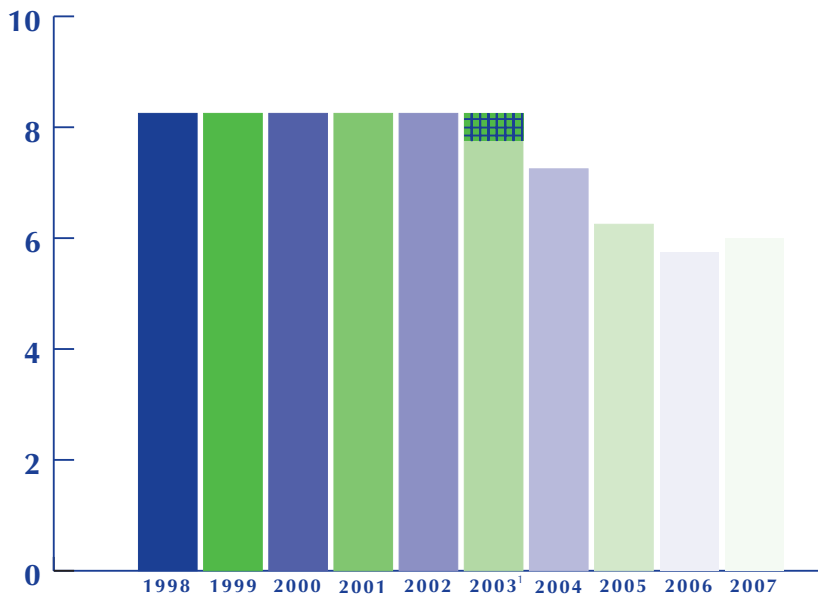
June 30, 2007
(dollars in millions)



	Assets	Percent of Self-Directed Investments
Guaranteed Fund	\$ 2,112.1	75.7%
Money Market Fund	14.9	0.5
Bond Fund	37.8	1.3
S&P 500 Stock Index Fund	224.8	8.1
U.S. Small Companies Stock Fund	328.2	11.8
International Equity Index Fund	73.0	2.6
Total Assets	\$ 2,790.8	100 %

PERF Guaranteed Fund Interest Crediting Rates for Past 10 Years

As of June 30



Year	Interest Crediting Rate
1998	8.25%
1999	8.25
2000	8.25
2001	8.25
2002	8.25
2003 ¹	8.25/7.75
2004	7.25
2005	6.25
2006	5.75
2007	6.00

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

Investment Highlights (continued)

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

For Period Ended June 30, 2007

	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
Money Market Fund	5.5%	4.0%	2.9%	4.9%
Bond Fund	7.0	4.3	4.7	7.7
S&P 500 Stock Index Fund	20.6	11.7	10.7	6.2
U.S. Small Companies Stock Fund	17.1	16.4	18.3	19.1
International Equity Index Fund	27.2	22.5	18.1	16.7

¹Gross of Fees.

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

For Period Ended June 30, 2007

	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
Consolidated Retirement Investment Fund (CRIF)	18.2%	12.8%	11.8%	8.6%
Money Market Fund ²	5.5	4.0	N/A	3.1
Bond Fund ³	6.2	N/A	N/A	2.9
S&P 500 Stock Index Fund ³	20.7	N/A	N/A	12.5
International Equity Index Fund ³	27.0	N/A	N/A	24.6
Royce Small Cap Stock Fund ³	19.4	N/A	N/A	16.7

¹Gross of Fees.

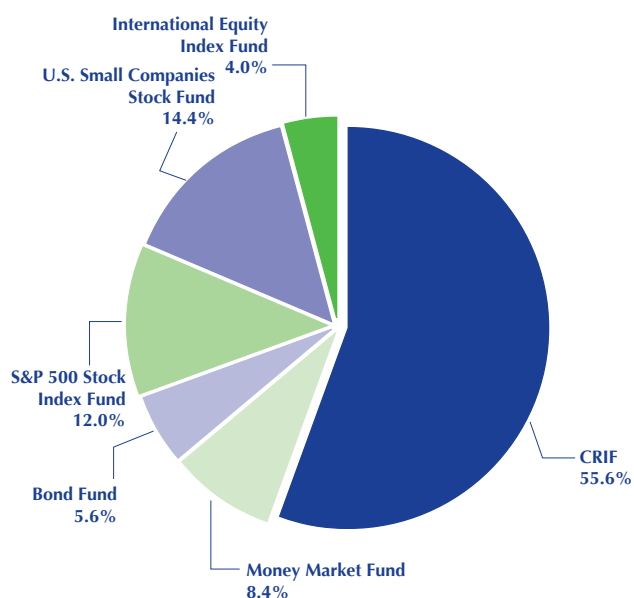
²Made available to plan participants on Feb. 1, 2003.

³Made available to plan participants on Sept. 1, 2004.

Legislators' Retirement Defined Contribution Plan Investment Highlights by Dollar Amount

June 30, 2007

(dollars in millions)



	Assets	Percent of Self-Directed Investments
Consolidated Retirement Investment Fund (CRIF)	\$ 13.9	55.6%
Money Market Fund	2.1	8.4
Bond Fund	1.4	5.6
S&P 500 Stock Index Fund	3.0	12.0
U.S. Small Companies Stock Fund	3.6	14.4
International Equity Index Fund	1.0	4.0
Total Assets	\$ 25.0	100 %

List of Largest Assets Held

Largest Equity Holdings¹ (dollars in thousands)

Description	Shares	Market Value
Google, Inc.	125,970	\$65,930
Apple, Inc.	446,240	54,459
Microsoft Corp	1,637,000	48,242
Novartis AG	799,208	44,995
Royal Dutch Shell	1,078,791	43,986
America Movil	707,600	43,822
Chicago Mercantile Exchange	81,680	43,647
Intesa Sanpaolo	5,839,763	43,615
GlaxoSmithKline	1,636,360	42,845
Cannon, Inc.	716,900	41,971
Telefonica	1,876,141	41,909
Dell, Inc.	1,465,247	41,833
Nestle	105,663	40,175
Bank of America Corp	812,904	39,743
Total S.A.	488,326	39,742

Largest Bond Holdings¹ (dollars in thousands)

Description	CUSIP	Coupon Rate	Par Value	Market Value
Federal National Mortgage Association	01F052672	5.50	\$112,055	\$108,063
Federal National Mortgage Association	01F050676	5.00	113,155	106,012
US Treasury Inflation Note	912810FH6	3.88	54,283	82,363
Federal National Mortgage Association	01F060675	6.00	79,210	78,344
US Treasury Inflation Note	912828CZ1	0.88	74,835	77,505
US Treasury Inflation Note	912828AF7	3.00	58,310	68,299
US Treasury Inflation Bond	912810FR4	2.38	60,195	63,439
US Treasury Inflation Bond	912810FD5	3.63	42,640	63,099
US Treasury Inflation Note	912828BD1	1.88	56,220	60,661
US Treasury Inflation Note	912828CP3	2.00	56,530	59,475
US Treasury Inflation Note	912828FB1	2.38	57,445	59,138
US Treasury Inflation Note	912828BW9	2.00	53,280	57,251
US Treasury Inflation Bond	912828EA4	1.88	56,380	56,590
US Treasury Inflation Note	912828DH0	1.63	54,295	54,606
US Treasury Inflation Bond	912828FL9	2.50	52,285	52,890

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

Schedule of Commission Fees

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

Broker	Commission Fee
Barclays Global Investors	\$ 1,238
Investment Technology Group, Inc.	768
Liquidnet, Inc.	539
Instinet	497
Goldman Sachs & Co.	435
Morgan Stanley & Co., Inc.	399
Merrill Lynch, Pierce, Fenner & Smith	386
Credit Suisse First Boston, LLC	358
UBS Warburg, LLC	315
Lehman Bros, Inc.	302
Total of Top Ten Commission Fees	5,237
Other Brokers	5,811
Total	\$11,048

Investment Professionals

Custodian

JPMorgan Chase Bank N.A.
3 Chase MetroTech Center, Floor 6
Brooklyn, NY 11245

Consultants

CEM Benchmarking Inc.
80 Richmond Street West, Suite 1300
Toronto, Ontario, Canada, M5H 2A4

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

Plexus Group
11150 Olympic Blvd, Suite 1000
Los Angeles, CA 90064

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

CRIF

Domestic Equity

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

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

Hotchkis & Wiley Capital Management
725 South Figueroa Street, 39th Floor
Los Angeles, CA 90017

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

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

Osprey Partners Investment Mgt., LLC
Shrewsbury Executive Center II
1040 Broad Street
Shrewsbury, NJ 07702

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

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

Domestic Equity, cont.

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

Wells Capital Management
450 East 96th Street, Suite 210
Indianapolis, IN 46240

Global Equity

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

Capital Guardian Trust Company
630 Fifth Avenue, 36th Floor
New York, NY 10111

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

International Equity

Barclays Global Investors
45 Fremont Street
San Francisco, CA 94105

Baillie Gifford & Company
Calton Square
1 Greenside Row
Edinburgh EH1 3AN
Scotland, United Kingdom

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

Fixed Income

BlackRock Financial Mgt., Inc.
40 East 52nd Street, 6th Floor
New York, NY 10022

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

Lehman Brothers Asset Mgt., LLC
190 South LaSalle Street, Suite 2400
Chicago, IL 60603

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

Fixed Income, cont.

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

Seix Investment Advisors, Inc.
10 Mount View Road, Suite C-200
Upper Saddle River, NJ 07438

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

Western Asset Global Management, Inc.
385 East Colorado Blvd.
Pasadena, CA 91101

Alternative Investments

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

Avenue Capital Partners
535 Madison Avenue, 15th Floor
New York, NY 10022

Cerberus Institutional Partners
299 Park Avenue
New York, NY 10171

Credit Suisse Securities, LLC
11 Madison Avenue, 16th Floor
New York, NY 10010

Court Square Capital Partners
399 Park Avenue
New York, NY 10022

Energy Capital Partners
51 John F. Kennedy Parkway, Suite 200
Short Hills, NJ 07078

Greenpark Capital Ltd.
2-5 Old Bond Street
London W1S 4PD
United Kingdom

Hellman & Friedman Investors
One Maritime Plaza, 12th Floor
San Francisco, CA 94111

Horsley Bridge Partners
505 Montgomery Street
San Francisco, CA 94111

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

*Investment Professionals (cont.)***Alternative Investments, cont.**

Lehman Crossroads Fund Venture Capital, LP
c/o Lehman Brothers
325 North St. Paul Street, Suite 4900
Dallas, TX 75201

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

Lion Capital, LLP
21 Grosvenor Place
London SW1X 7HF
United Kingdom

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

New Mountain Capital Partners
787 Seventh Avenue, 49th Floor
New York, NY 10019

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

Pacven Walden Ventures
361 Lytton Avenue, 2nd Floor
Palo Alto, CA 94301

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

Technology Partners
Five Palo Alto Square
3000 El Camino Real
Palo Alto, CA 94306-2155

Terra Firma Capital Partners
P.O. Box 543, 1st Floor
Dorey Ct., Admiral Pk.
St. Peter Port, Guernsey
GY1 6HJ
United Kingdom

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

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

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

JPMorgan Chase Bank N.A.
3 Metro Tech Center, Fl. 5
Brooklyn, NY 11245

Police and Fire Pension Relief

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



Actuarial Section

- 72 Actuary's Certification Letter
- 74 Summary of Actuarial Assumptions and Methods
- 77 Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities
- 78 Solvency Test
- 80 Schedules of Active Member Valuation Data
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Like so many modern retirees, Phyllis Barton has continued pursuing her career during retirement. Previously, Phyllis worked for the Family and Social Services Administration (FSSA) as a Human Services Consultant. After nearly 26 years with the agency, she decided to leave her position and join the private sector. This allowed her to take her PERF retirement.

"It just made sense to me financially to draw my benefit and pursue another job. I'm really fortunate to be able to utilize the knowledge and skills I've acquired through my years of service to the state in a way that benefits me now, and also allows me to put away more money for my family's future," said Phyllis.

Born in Indianapolis, Phyllis received a degree in social work from Ball State University in 1970. After working as a homemaker for several years, she decided to return to the workforce. The FSSA offered her the opportunity to be of service to families and children, while also supporting her own children.

Now she has the best of both worlds. She can pursue a fulfilling career and supplement the vacations she often dreamed of taking. "I'm planning to travel a bit now that I've retired with PERF," she said. "I've always wanted to see more of this country and revisit Canada, and now I can. My first trip will probably be to beautiful Mackinac Island, in Michigan, which is sort of a theme park for grown-ups."

Actuary's Certification Letter**McCready and Keene, Inc.**

7941 Castleway Drive

PO Box 50460

Indianapolis, Indiana 46250-0460

July 20, 2007

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 Jan. 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, 2006, actuarial valuation will be used by the Board when certifying the employer contribution rates for the year beginning Jan. 1, 2008, (or for the year beginning July 1, 2007, for state employees). If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Funding Objectives and Funding Policy

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

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

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.

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 increased from the preceding year due primarily to favorable actuarial experience gains.

Benefit Provisions

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

*Actuary's Certification Letter***Assumptions and Methods**

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

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 2006 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.



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, 2006

- Note 1:** Prior to July 1, 2003, the COLA assumption was assumed to be 2 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2003, the time period for the actuarial assumption for COLA was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. This change was applied to the Indiana Public Employees' Retirement Fund (PERF); the State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan; and the Legislators' Defined Benefit Plan.
- Note 2:** Effective July 1, 2004, the COLA assumption was assumed to be 0.5 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2005, the COLA assumption was assumed to be 1 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2006, the COLA assumption was assumed to be 1.5 percent for the remaining lifetime of the benefit recipient. These changes were applied to the Indiana PERF; the State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan; and the Legislators' Defined Benefit Plan. PERF plans to maintain the COLA assumption at 1.5 percent for the remaining lifetime of the benefit recipient.
- Note 3:** All systems are using the 1994 U.S. UP-94 (sex distinct) for post-retirement.
- Note 4:** Actuarial funding method for all systems is Entry Age Normal Cost, except for the Accrued Benefit (Unit Credit) funding method that is used for the Legislators' Defined Benefit Plan. Actuarial experience gains and losses are amortized on a level dollar basis for all systems. The amortization period is closed for all systems except the 1977 Police Officers' and Firefighters' Pension and Disability Fund which has an open amortization period.
- Note 5:** Actuarial asset valuation method phases in the difference between expected investment return and actual investment return over a 4-year period for all systems except PERF where valuation assets are equal to 75 percent of expected actuarial value plus 25 percent of market value.

Public Employees' Retirement Fund
July 1, 2006 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale		Retirement Rates		Disability Rates			Termination Rates		
7.25%	1.5%	Based on PERF Exp. 2000-2005 Sample Rates:		Based on PERF Exp. 2000-2005 Sample Rates:		Based on PERF Exp. 2000-2005 Sample Rates:			Based on PERF Exp. 2000-2005 Ultimate Sample Rates:		
		Age	Rate	Age	Rate	Age	Male Rate	Female Rate	Age	Male Rate	Female Rate
		25	4%	60	10%	45	0.11%	0.09%	25	2%	2%
		35	4	62	22	50	0.20	0.16	30	2	2
		45	4	65	33	55	0.35	0.28	35	2	2
		60	4	70	30	60	0.62	0.49	45	2	2

Judges' Retirement System
July 1, 2006 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25%	4% for 1977 System None for 1985 System	4%	Based on Experience, Sample Rates:		1964 OASDI Sample Rates:		Based on Experience, Sample Rates:	
			Age	Male and Female	Age	Male and Female	Age	Male and Female
			62	25%	40	0.22%	30	4%
			64	10	50	0.61	40	4
			65	25	60	1.63	50	4
			75	100	64	2.32	55	4

Summary of Actuarial Assumptions and Methods as of July 1, 2006

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

July 1, 2006 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25%	1.5%	4.5%	Based on Experience of Current Retirees Sample Rates:		150% of 1964 OASDI Sample Rates:		Sarason T-1 Sample Rates:	
			Age	Male and Female	Age	Rate	Age	Male and Female
			50	3%	40	0.33%	30	3.7%
			53	3	50	0.91	40	1.1
			56	6	60	2.44	50	0.0
			60	100	64	3.48	55	0.0

1977 Police Officers' and Firefighters' Pension and Disability Fund

Jan. 1, 2006 Actuarial Valuation

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

Prosecuting Attorneys' Retirement Fund

July 1, 2006 Actuarial Valuation

Investment Return	Post-Retirement COLA	Salary Scale	Retirement Rates	Disability Rates			Termination Rates
7.25%	None	4%	Later of (a) age 65 or (b) 8 years of service	Based on PERF Exp. 2000-2005 Sample Rates:			10% per year
				Age	Male Rate	Female Rate	
				45	0.11%	0.09%	
				50	0.2	0.16	
				55	0.35	0.28	
				60	0.62	0.49	

Summary of Actuarial Assumptions and Methods as of July 1, 2006

Legislators' Defined Benefit Plan

July 1, 2006 Actuarial Valuation

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

Reconciliation of Changes in Unfunded Actuarial Accrued Liabilities

(dollars in thousands)

System	July 1, 2005 (UAAL) ²	Amortized Payments	Interest for Year	Liability (Gain)/Loss	Asset (Gain)/Loss	Change in Benefit Provisions or Assumption	July 1, 2006 UAAL
Public Employees' Retirement Fund	\$386,385	\$(29,604)	\$25,867	\$(32,257)	\$(62,751)	\$(14,683)	\$272,957
Judges' Retirement System	121,852	(9,588)	8,139	3,075	(10,554)	(18,203)	94,721
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	18,301	(1,431)	1,223	3,215	(2,910)	(2,129)	16,269
1977 Police Officers' and Firefighters' Pension and Disability Fund ¹	87,266	(11,719)	5,477	90,510	(104,467)	0	67,067
Prosecuting Attorneys' Retirement Fund	8,869	(683)	593	4,924	(1,081)	(3,492)	9,130
Legislators' Retirement System	661	(64)	43	(8)	(304)	183	511

¹Beginning date of 1-1-2005 rather than 7-1-2005, and ending date of 1-1-2006 rather than 7-1-2006.

²UAAL = Unfunded Actuarial Accrued Liability.

Solvency Test

(dollars in thousands)

System	As of July 1	Actuarial Accrued Liabilities			
		(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities
Public Employees' Retirement Fund	2001 ¹	\$1,728,972	\$2,426,062	\$4,150,638	\$8,305,672
	2002 ¹	1,886,124	2,582,149	4,597,859	9,066,132
	2003 ¹	1,971,864	2,764,974	4,297,735	9,034,573
	2004 ¹	2,211,326	2,927,884	4,705,143	9,844,353
	2005 ¹	2,382,280	3,301,265	5,174,777	10,858,322
	2006 ¹	2,515,984	3,648,764	5,286,181	11,450,928
Judges' Retirement System	2001	\$ 15,661	\$ 96,854	\$ 76,095	\$ 188,610
	2002	16,892	86,997	84,545	188,434
	2003 ¹	12,595	111,781	82,470	206,846
	2004	18,415	105,922	85,655	209,992
	2005	19,515	137,631	115,709	272,855
	2006 ^{1,2}	20,861	134,272	117,865	272,997
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	2001	\$ 3,026	\$ 17,116	\$ 31,882	\$ 52,024
	2002	3,102	18,770	34,012	55,884
	2003 ¹	3,103	17,630	31,274	52,006
	2004 ¹	3,613	17,788	28,608	50,010
	2005 ¹	3,488	18,907	37,569	59,964
	2006 ^{1,2}	3,644	20,870	40,251	64,765
1977 Police Officers' and Firefighters' Pension and Disability Fund (As of 1-1 instead of 7-1)	2001	\$ 238,840	\$ 384,128	\$ 997,326	\$1,620,294
	2002	273,787	447,042	1,087,925	1,808,754
	2003 ¹	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
	2006	403,643	503,498	1,507,912	2,415,053
Prosecuting Attorneys' Retirement Fund	2001 ²	\$ 8,203	\$ 2,162	\$ 10,052	\$ 20,417
	2002	9,361	1,965	11,060	22,386
	2003 ¹	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
	2006 ¹	14,893	2,252	12,039	29,184
Legislators' Defined Benefit Plan	2001	\$ 0	\$ 2,431	\$ 3,077	\$ 5,508
	2002	0	2,326	3,177	5,503
	2003 ¹	0	2,278	2,670	4,948
	2004 ¹	0	2,128	2,728	4,856
	2005 ¹	0	2,121	2,878	4,999
	2006 ¹	0	2,270	2,962	5,232

¹Actuarial assumptions and/or methods revised.

²Improvement 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	\$8,723,304	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
	11,177,971	100.0	100.0	94.8	97.6
Judges' Retirement System	\$ 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
	178,276	100.0	100.0	19.6	65.3
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	\$ 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
	48,496	100.0	100.0	59.6	74.9
1977 Police Officers' and Firefighters' Pension and Disability Fund	\$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
	2,347,986	100.0	100.0	95.6	97.2
Prosecuting Attorneys' Retirement Fund	\$ 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
	20,053	100.0	100.0	24.2	68.7
Legislators' Defined Benefit Plan	\$ 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
	4,721	N/A	100.0	82.8	90.2

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	2001	145,019	\$3,587,080	\$24,735	4.1%
	2002	143,234	3,785,242	26,891	8.7
	2003	143,082	3,952,230	28,226	5.0
	2004	142,913	4,198,942	29,489	4.5
	2005	141,428	4,318,450	30,535	3.5
	2006	140,563	4,322,180	30,749	4.3
Judges' Retirement System	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
	2006	274	34,065	124,323	8.8
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2006	310	14,892	48,039	(4.8)
1977 Police Officers' and Firefighters' Pension and Disability Fund	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	493,707	43,217	3.4
	2006	11,728	522,227	44,528	3.0
Prosecuting Attorneys' Retirement Fund	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
	2006	218	19,225	88,188	16.5
Legislators' Defined Benefit Plan¹	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
	2006	46	N/A	N/A	N/A

¹Benefits 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 ¹	Average Annual Allowances ¹
		No.	Annual Allowances ¹	No.	Annual Allowances ¹	No.	Annual Allowances ¹		
Public Employees' Retirement Fund	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
	2005	3,403	29,572	2,241	14,440	58,283	377,611	6.6	6,479
1977 and 1985 Judges' Retirement System	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
	2005	12	867.8	7	474.4	269	12,983.4	5.8	48,266
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2005	5	126.9	1	26.0	132	1,888.1	5.6	14,304
1977 Police Officers' and Firefighters' Pension and Disability Fund (As of 1-1 instead of 7-1)	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	33,705.7 ²	(1.5)	17,759 ²
	2005	257	5,492.7	28	553.6	2,127	38,647.7	14.7	18,170
Prosecuting Attorneys' Retirement Fund	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	0 ²	0.0 ²	0 ²	0.0	18	249.0	(3.0)	13,831
	2005	0	0.0	0	0.0	18	249.3	0.1	13,850
Legislators' Defined Benefit Plan	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	0 ²	0.0	0	0.0	39 ²	244.4	(0.5) ²	6,268
	2005	2	11.5	2	9.1	39	259.7	6.2	6,658

¹For PERF only, this includes employee annuities.

²Prior data has been restated.



Statistical Section

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Retirement rewarded Kay Lowry with her most valuable possession: family time. She, her fiancé, her children and grandchildren take particular pride in holiday celebrations.

During the Christmas season, Kay and her fiancé often dress as Mr. and Mrs. Claus to spread holiday cheer. They usually visit Wishard Hospital, where Kay worked as a clerk until she retired, to sing Christmas carols. In 2006, they also took a trip to Monument Circle with her family.

"We thought it would be fun to visit the Christmas tree on the circle," she said. "While we were there, a little girl and her mother approached me and gave me a letter for Santa. I secretly talked to the mother about what I should say and then wrote and mailed a reply to that little girl."

Taking the time to write to a child she didn't know exemplifies Kay's deep appreciation for family. "I love spending time with my family, all the kids and grandkids," she said. "They give me so much joy; they have blessed my life and I don't know what I'd do without them."

I'm sure her family would say the same about her, a woman who relishes the value of close relationships and takes the time to show it.

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 funds' 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	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
	2007	147,740	260,150	6.0	2,024,539	2,658	183	2,435,270
Judges' Retirement System	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
	2007	1,925	14,662	43.0	35,419	-	-	52,006
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2007	129	3,359	22.6	9,508	-	-	12,996
1977 Police Officers' and Firefighters' Pension and Disability Fund	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
	2001	25,229	82,643	21.0	(45,778)	-	37	62,131
	2002	23,840	85,062	21.0	(70,509)	-	-	38,393
	2003	30,350	94,920	21.0	79,234	-	-	204,504
	2004	28,029	98,489	21.0	278,248	-	141	404,907
	2005	32,622	117,678	21.0	201,043	-	132	351,475
	2006	32,231	104,247	21.0	246,767	-	78	383,323
	2007	33,898	118,816	21.0	490,857	-	76	643,647

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

(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
Prosecuting Attorneys' Retirement Fund	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
	2007	1,133	190	1.0	3,948	-	-	5,271
Legislators' Retirement System - Defined Benefit Plan	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
	2007	-	100	-	799	-	-	899
Legislators' Retirement System - Defined Contribution Plan	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
	2007	1,468	-	-	3,728	429	41	5,666

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	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 ¹	322,754	29,637	3,847	9,247	365,485
	2004	361,454	32,906	2,781	13,418	410,559
	2005	375,843	35,009	3,973	15,605	430,430
	2006	418,567	65,804	5,110	14,273	503,754
	2007	466,009	48,334	6,795	17,943	539,081
Judges' Retirement System	1998	\$ 6,921	\$ 45	\$ -	\$ 155	\$ 7,121
	1999	7,333	4	-	200	7,537
	2000	7,721	21	-	156	7,898
	2001	8,201	59	-	199	8,459
	2002 ¹	8,355	2	-	250	8,607
	2003	8,611	46	-	110	8,767
	2004	9,041	45	-	197	9,283
	2005	9,487	119	-	134	9,740
	2006	11,215	6	-	149	11,370
	2007	11,664	72	-	194	11,930
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2007	2,373	3	-	64	2,440
1977 Police Officers' and Firefighters' Pension and Disability Fund	1998	\$ 3,316	\$ 1,915	\$ -	\$ 551	\$ 5,782
	1999	18,698	2,125	-	1,534	22,357
	2000	26,083	1,972	-	580	28,635
	2001	28,463	1,574	-	656	30,693

¹Dollar amounts have been restated to correct prior year data.

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

(dollars in thousands)

System	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
1977 Police Officers' and Firefighters' Pension and Disability Fund (cont.)	2002	\$ 30,547	\$ 2,091	\$ -	\$ 1,409	\$ 34,047
	2003	32,073	2,321	-	1,510	35,904
	2004	34,717	2,465	-	2,405	39,587
	2005	37,134	2,475	-	1,777	41,386
	2006	41,825	2,642	-	2,153	46,620
	2007	45,989	3,293	-	2,559	51,841
Prosecuting Attorneys' Retirement Fund	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
	2007	633	71	-	23	727
Legislators' Retirement System - Defined Benefit Plan	1998	\$ 169	\$ 5	\$ -	\$ 81	\$ 255
	1999	187	-	-	83	270
	2000	211	-	-	76	287
	2001	223	-	-	107	330
	2002	231	-	-	133	364
	2003	328	-	-	23	351
	2004	263	-	-	24	287
	2005	283	-	-	23	306
	2006	306	-	-	65	371
	2007	333	-	133	56	522
Legislators' Retirement System - Defined Contribution Plan	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
	2007	-	806	-	-	806

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	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
	2007	433,463	32,546	-	466,009
Judges' Retirement System	1998	\$ 6,756	\$ 165	\$ -	\$ 6,921
	1999	7,135	198	-	7,333
	2000	7,513	208	-	7,721
	2001	7,974	227	-	8,201
	2002	8,176	179	-	8,355
	2003	8,491	120	-	8,611
	2004	9,004	37	-	9,041
	2005	9,393	94	-	9,487
	2006	11,102	113	-	11,215
	2007	11,554	110	-	11,664
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2007	2,309	64	-	2,373

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

(dollars in thousands)

System	Year	Pension Benefits	Disability Benefits	Funeral Benefits	Total Benefits
1977 Police Officers' and Firefighters' Pension and Disability Fund	1998	\$ 703	\$ 2,589	\$ 24	\$ 3,316
	1999	12,918	5,679	101	18,698
	2000	18,995	6,993	96	26,084
	2001	20,583	7,724	156	28,463
	2002	22,089	8,359	99	30,547
	2003	23,002	8,765	306	32,073
	2004	30,538	4,121	58	34,717
	2005	26,967	10,158	9	37,134
	2006	30,427	11,389	9	41,825
	2007	33,661	12,256	72	45,989
Prosecuting Attorneys' Retirement Fund	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
	2007	614	19	-	633
Legislators' Retirement System - Defined Benefit Plan	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
	2007	330	3	-	333

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

(dollars in thousands)

System	Amount of Monthly Benefit	Number of Benefit Recipients by Benefit Option									Total
		1	2	3	4	5	6	7	8	9	
Public Employees' Retirement Fund	\$1-500	14,761	6,738	10,774	1,229	1,941	292	1,178	1,223	0	38,136
	501-1,000	5,517	3,293	4,155	770	1,288	121	766	360	0	16,270
	1,001-1,500	1,390	942	1,267	299	502	35	277	68	0	4,780
	1,501-2000	385	326	429	118	153	21	91	18	0	1,541
	2,001-3000	167	172	191	82	88	13	77	6	0	796
	over 3,000	25	26	28	14	17	3	9	1	0	123
	Total	22,245	11,497	16,844	2,512	3,989	485	2,398	1,676	0	61,646
Judges' Retirement System	\$1-1000	0	0	0	0	29	0	0	0	0	29
	1001-2,000	0	0	0	0	52	0	0	0	0	52
	2,001-3,000	0	0	0	0	35	0	0	0	0	35
	3,001-4,000	0	0	0	0	10	0	0	0	0	10
	4,001-5,000	0	0	0	0	33	0	0	0	0	33
	over 5,000	0	0	0	0	105	0	0	0	0	105
	Total	0	0	0	0	264	0	0	0	0	264
State Excise Police Gaming Agent and Conservation Enforcement Officers' Retirement Plan	\$1-500	0	0	0	0	26	0	0	0	0	26
	501-1,000	0	0	0	0	33	0	0	0	0	33
	1,001-1,500	0	0	0	0	23	0	0	0	0	23
	1,501-2000	0	0	0	0	17	0	0	0	0	17
	2,001-3000	0	0	0	0	39	0	0	0	0	39
	over 3,000	0	0	0	0	3	0	0	0	0	3
	Total	0	0	0	0	141	0	0	0	0	141
1977 Police Officers' and Firefighters' Pension and Disability Fund	\$1-500	0	0	0	0	0	0	0	0	123	123
	501-1,000	0	0	0	0	0	0	0	0	254	254
	1,001-1,500	0	0	0	0	0	0	0	0	698	698
	1,501-2000	0	0	0	0	0	0	0	0	785	785
	2,001-3000	0	0	0	0	0	0	0	0	510	510
	over 3,000	0	0	0	0	0	0	0	0	3	3
	Total	0	0	0	0	0	0	0	0	2,373	2,373
Prosecuting Attorneys' Retirement Fund	\$1-500	0	0	0	0	27	0	0	0	0	27
	501-1,000	0	0	0	0	16	0	0	0	0	16
	1,001-1,500	0	0	0	0	6	0	0	0	0	6
	1,501-2000	0	0	0	0	2	0	0	0	0	2
	2,001-3000	0	0	0	0	2	0	0	0	0	2
	over 3,000	0	0	0	0	1	0	0	0	0	1
	Total	0	0	0	0	54	0	0	0	0	54
Legislators' Retirement System - Defined Benefit Plan	\$1-500	0	0	0	0	2	0	0	0	0	2
	501-1,000	0	0	0	0	3	0	0	0	0	3
	1,001-1,500	0	0	0	0	10	0	0	0	0	10
	1,501-2000	0	0	0	0	2	0	0	0	0	2
	2,001-3000	0	0	0	0	2	0	0	0	0	2
	over 3,000	0	0	0	0	1	0	0	0	0	1
	Total	0	0	0	0	20	0	0	0	0	20

- 1 – Monthly benefit for life. If retiree receives benefits for at least five years prior to their death, there is no benefit payable to a designated beneficiary. If retiree dies prior to receiving benefits for five years, the beneficiary will receive the remainder of those five years of monthly benefits or the present value of those remaining payments in a lump sum.
- 2 – Monthly benefit for retiree's life. Upon retiree's death, no benefit payable to beneficiary.
- 3 – Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives the same monthly benefit for life.
- 4 – Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives two-thirds of the monthly benefit for life.
- 5 – Monthly benefit for retiree's life. Upon retiree's death, beneficiary receives one-half of the monthly benefit for life.
- 6 – Monthly benefit for retiree between the ages 50 and 62 who elects to integrate social security with the PERF benefit. At age 62, PERF benefit is reduced or terminated depending on the estimated monthly benefit from social security at age 62.
- 7 – Monthly benefit for retiree's life. If retiree dies prior to receiving benefit for five years, beneficiary receives either a monthly benefit of the pension amount only for the remainder of the five years, or the present value of those pension payments in a lump sum. Beneficiary also receives a single payment of any residual balance remaining in retiree's Annuity Savings Account, if not already depleted.
- 8 – Denotes members who are receiving a survivor benefit from this particular fund.
- 9 – Monthly benefit for retiree's life. Upon retiree's death, surviving spouse receives 60 percent of monthly benefit for life and each surviving child receives 20 percent of monthly benefit until age 18 or 23 if enrolled in a secondary school or accredited college or university.

*Schedule of Average Benefit Payments Year Ended June 30 (continued)
(amounts in dollars)*

	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund¹	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	18,862	20,092	23,691	22,024	21,930	28,912
		Number of Benefit Recipients	20	279	222	305	204	188
	2001	Average Monthly Defined Benefit	100	219	330	413	605	964
		Average Monthly Annuity	40	92	131	161	223	355
		Average Final Average Salary	16,582	20,783	23,691	22,597	26,717	31,823
		Number of Benefit Recipients	11	220	222	210	157	154
	2002	Average Monthly Defined Benefit	134	192	302	388	505	867
		Average Monthly Annuity	40	84	134	159	210	364
		Average Final Average Salary	19,717	20,278	23,903	22,435	24,229	31,447
		Number of Benefit Recipients	31	262	280	218	149	123
2003	Average Monthly Defined Benefit	136	248	341	453	612	994	
	Average Monthly Annuity	30	76	112	138	188	268	
	Average Final Average Salary	18,492	20,986	23,385	24,026	26,228	31,972	
	Number of Benefit Recipients	75	380	427	328	209	260	
2004	Average Monthly Defined Benefit	151	249	340	491	650	1,127	
	Average Monthly Annuity	48	93	124	177	234	398	
	Average Final Average Salary	17,976	18,941	21,873	25,337	26,288	33,592	
	Number of Benefit Recipients	61	423	500	383	346	564	
2005	Average Monthly Defined Benefit	134	257	378	494	658	1,027	
	Average Monthly Annuity	39	106	149	189	261	382	
	Average Final Average Salary	17,570	22,404 ⁴	24,371	25,748	27,534 ⁴	32,644	
	Number of Benefit Recipients	55	333 ⁴	429 ⁴	346 ⁴	306 ⁴	373 ⁴	
2006	Average Monthly Defined Benefit	124	253	392	559	689	1,008	
	Average Monthly Annuity	39	109	156	226	275	424	
	Average Final Average Salary	18,213	21,193	26,040	27,899	28,258	33,756	
	Number of Benefit Recipients	49	401	569	370	355	429	
2007	Average Monthly Defined Benefit	167	262	401	533	708	1,053	
	Average Monthly Annuity	69	116	160	233	294	464	
	Average Final Average Salary	21,898	23,477	26,348	27,749	29,535	35,162	
	Number of Benefit Recipients	84	457	616	446	365	442	
Public Employees' Retirement Fund²	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
	2000	Average Monthly Defined Benefit	126	218	218	437	594	953
		Average Monthly Annuity	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

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

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

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

⁴Prior year data has been restated.

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

	Year		5-9 ¹	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund²	2001	Average Monthly Defined Benefit	\$ 110	\$ 217	\$ 217	\$ 446	\$ 597	\$ 1,035
		Average Monthly Annuity	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
	continued 2002	Average Monthly Defined Benefit	113	191	294	402	530	840
		Average Monthly Annuity	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 Monthly Annuity	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 Monthly Annuity	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 Monthly Annuity	6,376 ³	10,788 ³	16,423 ³	18,158 ³	22,763 ³	29,051 ³	
	Average Final Average Salary	21,333	22,108	27,920	28,587 ³	31,503 ³	35,383 ³	
	Number of Benefit Recipients	66	270	394	251	232 ³	275	
2006	Average Monthly Defined Benefit	248	297	474	729	955	1,499	
	Average Monthly Annuity	7,158	11,961	18,694	22,715	28,879	44,937	
	Average Final Average Salary	23,026	23,492	28,518	31,459	30,514	37,335	
	Number of Benefit Recipients	50 ³	223 ³	420 ³	256 ³	241 ³	354 ³	
2007	Average Monthly Defined Benefit	193	318	438	621	884	1,312	
	Average Monthly Annuity	4,495	7,929	12,538	15,469	21,939	29,065	
	Average Final Average Salary	21,564	24,300	29,078	30,182	32,080	36,101	
	Number of Benefit Recipients	100	455	744	521	502	696	
Judges' Retirement System	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	60,000 ³	90,000	90,000	
	Number of Benefit Recipients	1	1	1	3	1	–	
2005	Average Monthly Defined Benefit	1,840	2,237	2,024	4,599	4,599	4,599	
	Average Final Average Salary	91,976 ³	30,659 ³	–	91,976 ³	90,000	91,976 ³	
	Number of Benefit Recipients	1	3	1	2	1	1	

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

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

³Prior year data has been restated.

*Schedule of Average Benefit Payments Year Ended June 30 (continued)
(amounts in dollars)*

	Year		5-9	10-14	15-19	20-24	25-29	30+
Judges' Retirement System continued	2006	Average Monthly Defined Benefit	\$ -	\$ 4,470	\$ 3,869	\$ 5,651	\$ -	\$ 2,826
		Average Final Average Salary	-	105,348 ³	67,674 ³	113,022 ³	-	113,022 ³
		Number of Benefit Recipients	-	3	3	2	-	1
	2007	Average Monthly Defined Benefit	1,838	4,722	3,983	4,074	5,061	-
		Average Final Average Salary	93,641	115,282	57,641	64,113	91,774	-
		Number of Benefit Recipients	2	2	4	5	5	-
State Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Plan	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
	2003	Average Monthly Defined Benefit	-	-	-	1,011 ⁴	1,847 ⁴	2,130 ⁴
		Average Final Average Salary	-	-	-	44,215 ⁴	48,242 ⁴	45,251 ⁴
		Number of Benefit Recipients	-	-	-	1	2	2
2004	Average Monthly Defined Benefit	-	-	-	-	-	1,946	
	Average Final Average Salary	-	-	-	-	-	41,945	
	Number of Benefit Recipients	-	-	-	-	-	4	
2005	Average Monthly Defined Benefit	-	-	-	696	607	1,785	
	Average Final Average Salary	-	-	-	28,106	-	31,300	
	Number of Benefit Recipients	-	-	-	1	1	3	
2006	Average Monthly Defined Benefit	-	-	-	-	1,208	2,304	
	Average Final Average Salary	-	-	-	-	35,234	49,386	
	Number of Benefit Recipients	-	-	-	-	3	4	
2007	Average Monthly Defined Benefit	-	-	-	1,346	1,969	2,558	
	Average Final Average Salary	-	-	-	47,642	46,466	55,388	
	Number of Benefit Recipients	-	-	-	2	4	7	
1977 Police Officers' and Firefighters' Pension and Disability Fund⁴	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	

³Prior year data has been restated.

⁴Members receiving benefits in this fund with less than 20 years of service are receiving a disability benefit from the 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 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 Year Ended June 30 (continued)
 (amounts in dollars)

	Year		5-9	10-14	15-19	20-24	25-29	30+
1977 Police Officers' and Firefighters' Pension and Disability Fund⁴ continued	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
	2007	Average Monthly Defined Benefit	1,495	1,767	1,524	1,712	2,145	1,140
		Average Final Average Salary	44,548	44,413	33,760	36,526	38,134	–
		Number of Benefit Recipients	8	6	13	82	58	2
Prosecuting Attorneys' Retirement Fund	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 ⁵	Average Monthly Defined Benefit	–	–	–	–	–	–	
	Average Final Average Salary	–	–	–	–	–	–	
	Number of Benefit Recipients	–	–	–	–	–	–	
2005	Average Monthly Defined Benefit	–	429 ⁵	444 ⁵	940 ⁵	–	1,290 ⁵	
	Average Final Average Salary	–	40,558 ⁵	32,009 ⁵	35,280 ⁵	–	92,461 ⁵	
	Number of Benefit Recipients	–	1	1	1	–	1	
2006	Average Monthly Defined Benefit	–	1,674 ⁵	1,012 ⁵	2,916 ⁵	1,028 ⁵	–	
	Average Final Average Salary	–	47,333 ⁵	38,369 ⁵	43,568 ⁵	90,000 ⁵	–	
	Number of Benefit Recipients	–	3	1	1	1	–	
2007	Average Monthly Defined Benefit	–	2,133	3,328	3,485	3,730	–	
	Average Final Average Salary	–	69,461	114,071	114,071	115,282	–	
	Number of Benefit Recipients	–	1	1	1	1	–	

⁴Members receiving benefits in this fund with less than 20 years of service are receiving a disability benefit from the 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 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.

⁵Prior year data has been restated.

*Schedule of Average Benefit Payments Year Ended June 30 (continued)
(amounts in dollars)*

Year		5-9	10-14	15-19	20-24	25-29	30+	
Legislators' Retirement System - Defined Benefit Plan¹ continued	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	-
	2000	Average Monthly Defined Benefit	-	-	-	-	-	-
		Average Final Average Salary	-	-	-	-	-	-
		Number of Benefit Recipients	-	-	-	-	-	-
	2001	Average Monthly Defined Benefit	-	490	680	840	-	-
		Average Final Average Salary	-	18,275	11,600	39,521	-	-
		Number of Benefit Recipients	-	1	1	1	-	-
	2002	Average Monthly Defined Benefit	-	447	-	-	-	-
		Average Final Average Salary	-	11,600	-	-	-	-
		Number of Benefit Recipients	-	1	-	-	-	-
	2003	Average Monthly Defined Benefit	249	480	-	-	-	-
		Average Final Average Salary	31,980	37,675	-	-	-	-
		Number of Benefit Recipients	3	1	-	-	-	-
	2004	Average Monthly Defined Benefit	230	338	640	-	-	-
		Average Final Average Salary	13,167	8,505	30,813	-	-	-
		Number of Benefit Recipients	2	2	2	-	-	-
2005	Average Monthly Defined Benefit	-	-	-	-	-	-	
	Average Final Average Salary	-	-	-	-	-	-	
	Number of Benefit Recipients	-	-	-	-	-	-	
2006	Average Monthly Defined Benefit	270	-	-	-	-	-	
	Average Final Average Salary	27,890	-	-	-	-	-	
	Number of Benefit Recipients	1	-	-	-	-	-	
2007	Average Monthly Defined Benefit	1,495	338	760	920	-	-	
	Average Final Average Salary	44,548	25,036	35,354	33,554	-	-	
	Number of Benefit Recipients	8	3	1	1	-	-	

¹Benefit 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
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
2007	1,896,188	40,076	10,556	591,806	4,544	377	4,960	2,548,507

Schedule of Participating Employers¹ Year Ended June 30

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

Employer's Name: Fund Name

Employer's Name: Fund Name

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
 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
 MONROE COUNTY: PE
 MONTGOMERY COUNTY: PE
 MORGAN COUNTY: PE
 NEWTON COUNTY: PE
 NOBLE COUNTY: PE
 OHIO COUNTY: PE
 ORANGE COUNTY: PE
 OWEN COUNTY: PE

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

Schedule of Participating Employers Year Ended June 30 (continued)

<u>Employer's Name: Fund Name</u>	<u>Employer's Name: Fund Name</u>
PARKE COUNTY: PE	CITY OF CLINTON: PE, 77
PERRY COUNTY: PE	CITY OF COLUMBIA CITY: PE, 77
PIKE COUNTY: PE	CITY OF COLUMBUS: PE, 77
PORTER COUNTY: PE	CITY OF CONNERSVILLE: PE, 77
POSEY COUNTY: PE	CITY OF COVINGTON: 77
PULASKI COUNTY: PE	CITY OF CRAWFORDSVILLE: PE, 77
PUTNAM COUNTY: PE	CITY OF CROWN POINT: PE, 77
RANDOLPH COUNTY: PE	CITY OF DECATUR: PE, 77
RIPLEY COUNTY: PE	CITY OF DELPHI: PE, 77
RUSH COUNTY: PE	CITY OF DUNKIRK: PE, 77
SCOTT COUNTY: PE	CITY OF EAST CHICAGO: PE, 77
SHELBY COUNTY: PE	CITY OF ELKHART: PE, 77
SPENCER COUNTY: PE	CITY OF ELWOOD: PE, 77
ST JOSEPH COUNTY: PE	CITY OF EVANSVILLE: PE, 77
STARKE COUNTY: PE	CITY OF FORT WAYNE: PE, 77
STEBEN COUNTY: PE	CITY OF FRANKFORT: PE, 77
TIPPECANOE COUNTY: PE	CITY OF FRANKLIN: PE, 77
TIPTON COUNTY: PE	CITY OF GARRETT: PE, 77
UNION COUNTY: PE	CITY OF GARY: PE, 77
VANDEBURGH COUNTY: PE	CITY OF GAS CITY: PE, 77
VERMILLION COUNTY: PE	CITY OF GOSHEN: PE, 77
VIGO COUNTY: PE	CITY OF GREENCASTLE: PE, 77
WABASH COUNTY: PE	CITY OF GREENFIELD: PE, 77
WARRICK COUNTY: PE	CITY OF GREENSBURG: PE, 77
WASHINGTON COUNTY: PE	CITY OF GREENWOOD: PE, 77
WAYNE COUNTY: PE	CITY OF HAMMOND: PE, 77
WELLS COUNTY: PE	CITY OF HARTFORD CITY: PE, 77
WHITE COUNTY: PE	CITY OF HOBART: PE, 77
WHITLEY COUNTY: PE	CITY OF HUNTINGBURG: PE, 77
	CITY OF HUNTINGTON: PE, 77
	CITY OF INDIANAPOLIS: PE, 77
	CITY OF JASONVILLE: PE, 77
	CITY OF JASPER: PE, 77
	CITY OF JEFFERSONVILLE: PE, 77
	CITY OF KENDALLVILLE: PE, 77
	CITY OF KNOX: PE, 77
	CITY OF KOKOMO: PE, 77
	CITY OF LAFAYETTE: PE, 77
	CITY OF LAKE STATION: PE, 77
	CITY OF LAPORTE: PE, 77
	CITY OF LAWRENCE: PE, 77
	CITY OF LAWRENCEBURG: PE, 77
	CITY OF LEBANON: PE, 77
	CITY OF LIGONIER: PE, 77
	CITY OF LINTON: PE, 77
	CITY OF LOGANSPORT: PE, 77
	CITY OF LOOGOOTE: PE, 77
	CITY OF MADISON: PE, 77
	CITY OF MARION: PE, 77
Cities and Towns	
CITY OF ALEXANDRIA: PE, 77	
CITY OF ANDERSON: PE, 77	
CITY OF ANGOLA: PE, 77	
CITY OF ATTICA: PE, 77	
CITY OF AUBURN: PE, 77	
CITY OF AURORA: PE, 77	
CITY OF BATESVILLE: PE, 77	
CITY OF BEDFORD: PE, 77	
CITY OF BEECH GROVE: PE, 77	
CITY OF BERNE: PE, 77	
CITY OF BICKNELL: 77	
CITY OF BLOOMINGTON: PE, 77	
CITY OF BLUFFTON: PE, 77	
CITY OF BOONVILLE: PE, 77	
CITY OF BRAZIL: 77	
CITY OF BUTLER: PE, 77	
CITY OF CANNELTON: 77	
CITY OF CARMEL: PE, 77	
CITY OF CHARLESTOWN: PE, 77	

*Schedule of Participating Employers Year Ended June 30 (continued)***Employer's Name: Fund Name**

CITY OF MARTINSVILLE: PE, 77
 CITY OF MICHIGAN CITY: PE, 77
 CITY OF MISHAWAKA: PE, 77
 CITY OF MITCHELL: PE, 77
 CITY OF MONTICELLO: PE, 77
 CITY OF MONTPELIER: PE, 77
 CITY OF MOUNT VERNON: PE, 77
 CITY OF MUNCIE: PE, 77
 CITY OF NAPPANEE: PE, 77
 CITY OF NEW ALBANY: PE, 77
 CITY OF NEW CASTLE: PE, 77
 CITY OF NEW HAVEN: PE, 77
 CITY OF NOBLESVILLE: PE, 77
 CITY OF NORTH VERNON: PE, 77
 CITY OF OAKLAND CITY: PE, 77
 CITY OF PERU: PE, 77
 CITY OF PETERSBURG: PE, 77
 CITY OF PLYMOUTH: PE, 77
 CITY OF PORTAGE: PE, 77
 CITY OF PORTLAND : PE, 77
 CITY OF PRINCETON: PE, 77
 CITY OF RENSSELAER: PE, 77
 CITY OF RICHMOND: PE, 77
 CITY OF RISING SUN: PE, 77
 CITY OF ROCHESTER: PE, 77
 CITY OF ROCKPORT: PE
 CITY OF RUSHVILLE: PE, 77
 CITY OF SALEM: PE, 77
 CITY OF SCOTTSBURG: PE, 77
 CITY OF SEYMOUR: PE, 77
 CITY OF SHELBYVILLE: PE, 77
 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

Employer's Name: Fund Name

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
 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

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name

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
 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

Employer's Name: Fund Name

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 MONROEVILLE: PE
 TOWN OF MONROE CITY: PE
 TOWN OF MOORESVILLE: PE, 77
 TOWN OF MOROCCO: PE
 TOWN OF MOUNT SUMMIT: PE
 TOWN OF MULBERRY: PE
 TOWN OF MUNSTER: PE, 77
 TOWN OF NASHVILLE: PE
 TOWN OF NEW CARLISLE: PE
 TOWN OF NEW CHICAGO: PE, 77
 TOWN OF NEW HARMONY: PE
 TOWN OF NEW PALESTINE: PE
 TOWN OF NEW PEKIN: PE
 TOWN OF NEW ROSS: PE
 TOWN OF NEW WHITELAND: PE
 TOWN OF NEWBURGH: PE
 TOWN OF NORTH JUDSON: PE
 TOWN OF NORTH LIBERTY: PE
 TOWN OF NORTH MANCHESTER: PE
 TOWN OF NORTH WEBSTER: PE
 TOWN OF OAKTOWN: PE
 TOWN OF ODON: PE
 TOWN OF OGDEN DUNES: PE
 TOWN OF OOLITIC: PE
 TOWN OF ORLAND: PE
 TOWN OF ORLEANS: PE
 TOWN OF OSGOOD: PE
 TOWN OF OSSIAN: PE, 77
 TOWN OF OTTERBEIN: PE
 TOWN OF PAOLI: PE
 TOWN OF 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

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name	Employer's Name: Fund Name
TOWN OF ROACHDALE: PE	BEAVER TOWNSHIP - NEWTON COUNTY: PE
TOWN OF ROCKVILLE: PE	BEECH CREEK TOWNSHIP - GREENE COUNTY: PE
TOWN OF ROME CITY: PE	BLOOMFIELD TOWNSHIP - LAGRANGE COUNTY: PE
TOWN OF ROSSVILLE: PE	BLOOMINGTON TOWNSHIP - MONROE COUNTY: PE
TOWN OF ROYAL CENTER: PE	BOURBON TOWNSHIP - MARSHALL COUNTY: PE
TOWN OF RUSSIAVILLE: PE	BROWN TOWNSHIP - MORGAN COUNTY: PE, 77
TOWN OF SCHERERVILLE: PE, 77	BUCK CREEK TOWNSHIP - HANCOCK COUNTY: PE, 77
TOWN OF SELLERSBURG: PE, 77	CALUMET TOWNSHIP - LAKE COUNTY: PE
TOWN OF SHARPSVILLE: PE	CEDAR CREEK TOWNSHIP - LOWELL COUNTY: PE
TOWN OF SHELburn: PE	CENTER TOWNSHIP - BOONE COUNTY: PE
TOWN OF SHOALS: PE	CENTER TOWNSHIP - DELAWARE COUNTY: PE
TOWN OF SOUTH WHITLEY: PE	CENTER TOWNSHIP - GRANT COUNTY: PE
TOWN OF SPEEDWAY: PE, 77	CENTER TOWNSHIP - HENDRICKS COUNTY: PE
TOWN OF SPENCER: PE	CENTER TOWNSHIP - HOWARD COUNTY: PE
TOWN OF SPICELAND: PE	CENTER TOWNSHIP - LAKE COUNTY: PE
TOWN OF ST JOHN: PE, 77	CENTER TOWNSHIP - LAPORTE COUNTY: PE
TOWN OF ST LEON: PE	CENTER TOWNSHIP - MARION COUNTY: PE
TOWN OF THORNTOWN: PE	CENTER TOWNSHIP - MARSHALL COUNTY: PE
TOWN OF TOPEKA: PE	CENTER TOWNSHIP - PORTER COUNTY: PE
TOWN OF TRAIL CREEK: PE	CENTER TOWNSHIP - ST JOSEPH COUNTY: PE
TOWN OF VAN BUREN: PE	CENTER TOWNSHIP - VANDERBURGH COUNTY: PE
TOWN OF VERSAILLES: PE	CHARLESTOWN TOWNSHIP - CLARK COUNTY: PE
TOWN OF WALKERTON: PE	CHESTER TOWNSHIP - WABASH COUNTY: PE
TOWN OF WANATAH: PE	CLAY TOWNSHIP - HAMILTON COUNTY: PE
TOWN OF WATERLOO: PE	CLAY TOWNSHIP - PIKE COUNTY: PE
TOWN OF WEST BADEN SPRINGS: PE	CLAY TOWNSHIP - ST JOSEPH COUNTY: PE
TOWN OF WEST TERRE HAUTE: PE	CLEAR CREEK TOWNSHIP - MONROE COUNTY: PE
TOWN OF WESTFIELD: PE, 77	CLEVELAND TOWNSHIP - ELKHART COUNTY: PE
TOWN OF WESTPORT: PE	CLINTON TOWNSHIP - VERMILLION COUNTY: PE
TOWN OF WHITELAND: PE	COLUMBIA TOWNSHIP - WHITLEY COUNTY: PE
TOWN OF WILLIAMS CREEK: PE	COLUMBUS TOWNSHIP - BARTHOLOMEW COUNTY: PE
TOWN OF WILLIAMSPORT: PE	CONCORD TOWNSHIP - ELKHART COUNTY: PE
TOWN OF WINFIELD: PE	DECATUR TOWNSHIP - MARION COUNTY: PE, 77
TOWN OF WINIMAC: PE	DELAWARE TOWNSHIP - HAMILTON COUNTY: PE
TOWN OF WINONA LAKE: PE	EEL TOWNSHIP - CASS COUNTY: PE
TOWN OF WINSLOW: PE	EEL RIVER TOWNSHIP - HENDRICKS COUNTY: PE
TOWN OF WOLCOTT: PE	ETNA-TROY TOWNSHIP - WHITLEY COUNTY: PE
TOWN OF WOLCOTTVILLE: PE	FAIRFIELD TOWNSHIP - TIPPECANOE COUNTY: PE
TOWN OF WORTHINGTON: PE	FAIRMOUNT TOWNSHIP - GRANT COUNTY: PE
TOWN OF YORKTOWN: PE	FRANKLIN TOWNSHIP: PE, 77
TOWN OF ZIONSVILLE: PE	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
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	

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name

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
 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

Employer's Name: Fund Name

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
 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
 ADAMS CENTRAL COMMUNITY SCHOOLS: PE
 ALEXANDRIA COMMUNITY SCHOOL CORPORATION: PE

*Schedule of Participating Employers Year Ended June 30 (continued)***Employer's Name: Fund Name**

ANDERSON COMMUNITY SCHOOL CORPORATION: PE
 AREA 30 CAREER CENTER: PE
 ARGOS COMMUNITY SCHOOLS: PE
 ATTICA CONSOLIDATED SCHOOL CORPORATION: PE
 AVON COMMUNITY SCHOOL CORPORATION: PE
 BARR-REEVE COMMUNITY SCHOOLS INC: PE
 BARTHOLOMEW CONSOLIDATED SCHOOL CORPORATION: PE
 BATESVILLE COMMUNITY SCHOOL CORPORATION: PE
 BAUGO COMMUNITY SCHOOLS: PE
 BEECH GROVE CITY SCHOOLS: PE
 BENTON COMMUNITY SCHOOL CORPORATION: PE
 BLOOMFIELD SCHOOL DISTRICT: PE
 BLUE RIVER CAREER PROGRAMS: PE
 BLUE RIVER SPECIAL EDUCATION COOPERATIVE: PE
 BLUE RIVER VALLEY SCHOOLS: PE
 BLUFFTON-HARRISON METROPOLITAN SCHOOL DISTRICT: PE
 BREMEN PUBLIC SCHOOLS: PE
 BROWN COUNTY SCHOOL CORPORATION: PE
 BROWNSBURG COMMUNITY SCHOOL CORPORATION: PE
 BROWNSTOWN CENTRAL COMMUNITY
 SCHOOL CORPORATION: PE
 CANNELTON CITY SCHOOLS: PE
 CARMEL-CLAY SCHOOLS: PE
 CARROLL CONSOLIDATED SCHOOL CORPORATION: PE
 CASS TOWNSHIP SCHOOLS - LAPORTE COUNTY: PE
 CASTON SCHOOL CORPORATION: PE
 CENTER GROVE COMMUNITY SCHOOL CORPORATION: PE
 CENTERVILLE-ABINGTON COMMUNITY SCHOOLS: PE
 CENTRAL INDIANA EDUCATIONAL SERVICE CENTER: PE
 CENTRAL INDIANA OPTIONS CHARTER SCHOOL: PE
 CENTRAL NOBLE COMMUNITY SCHOOL CORPORATION: PE
 CHARLES A BEARD MEMORIAL SCHOOL CORPORATION: PE
 CHARLES A TINDLEY ACCELERATED SCHOOL: PE
 CHRISTEL HOUSE ACADEMY CHARTER SCHOOL: PE
 CLARKSVILLE COMMUNITY SCHOOL CORPORATION: PE
 CLAY COMMUNITY SCHOOLS: PE
 CLINTON CENTRAL SCHOOL CORPORATION: PE
 CLINTON PRAIRIE SCHOOL CORPORATION: PE
 CLOVERDALE COMMUNITY SCHOOL CORPORATION: PE
 COMMUNITY MONTESSORI SCHOOL: PE
 COMMUNITY SCHOOL CORPORATION OF EASTERN
 HANCOCK COUNTY: PE
 CONCORD COMMUNITY SCHOOLS: PE
 COVERED BRIDGE SPECIAL EDUCATION DISTRICT: PE
 COVINGTON COMMUNITY SCHOOLS: PE
 COWAN COMMUNITY SCHOOL CORPORATION: PE
 CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION: PE
 CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATION: PE
 CROTHERSVILLE COMMUNITY SCHOOLS: PE

Employer's Name: Fund Name

CROWN POINT COMMUNITY SCHOOL CORPORATION: PE
 CULVER COMMUNITY SCHOOL CORPORATION: PE
 DALEVILLE COMMUNITY SCHOOLS: PE
 DANVILLE COMMUNITY SCHOOL CORPORATION: PE
 DAVIESS - MARTIN SPECIAL EDUCATION COOPERATIVE: PE
 DECATUR COUNTY COMMUNITY SCHOOLS: PE
 DECATUR DISCOVERY ACADEMY: PE
 DEKALB COUNTY CENTRAL UNITED SCHOOL DISTRICT: PE
 DEKALB COUNTY EASTERN COMMUNITY SCHOOL DISTRICT: PE
 DELAWARE COMMUNITY SCHOOL CORPORATION: PE
 DELPHI COMMUNITY SCHOOL CORPORATION : PE
 DUNELAND SCHOOL CORPORATION: PE
 EAST ALLEN COUNTY SCHOOLS: PE
 EAST CHICAGO SCHOOL CITY: PE
 EAST CHICAGO LIGHTHOUSE CHARTER SCHOOL: 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
 GREENFIELD-CENTRAL COMMUNITY SCHOOL CORPORATION: PE
 GREENSBURG COMMUNITY SCHOOLS: PE

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name

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
 HERRON HIGH SCHOOL CHARTER SCHOOL: 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
 KIPP LEAD COLLEGE PREP CHARTER SCHOOL: 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
 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

Employer's Name: Fund Name

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
 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
 MONTESSORI ACADEMY AT GEIST: 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

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name	Employer's Name: Fund Name
NORTH PUTNAM COMMUNITY SCHOOL CORPORATION: PE	SCHOOL TOWN OF HIGHLAND: PE
NORTH VERMILLION COMMUNITY	SCHOOL TOWN OF HIGHLAND - NW: PE
SCHOOL CORPORATION: PE	SCHOOL TOWN OF MUNSTER: PE
NORTH WHITE SCHOOL CORPORATION: PE	SCOTT COUNTY SCHOOL DISTRICT: PE
NORTHEAST DUBOIS COUNTY SCHOOL CORPORATION: PE	SEYMOUR COMMUNITY SCHOOLS: PE
NORTHEAST SCHOOL CORPORATION: PE	SHELBY EASTERN SCHOOLS: PE
NORTHEASTERN WAYNE SCHOOLS: PE	SHELBYVILLE CENTRAL SCHOOLS: PE
NORTHERN COMMUNITY SCHOOLS: PE	SHENANDOAH SCHOOL CORPORATION: PE
NORTHERN WELLS COMMUNITY SCHOOLS: PE	SIGNATURE SCHOOL, INC.: PE
NORTHWEST ALLEN COUNTY SCHOOLS: PE	SMITH-GREEN COMMUNITY SCHOOLS: PE
NORTHWEST HENDRICKS SCHOOLS: PE	SOUTH ADAMS SCHOOLS: PE
NORTHWEST INDIANA SPECIAL EDUCATION COOPERATIVE: PE	SOUTH BEND COMMUNITY SCHOOL CORPORATION: PE
NORTHWESTERN CONSOLIDATED SCHOOL DISTRICT OF	SOUTH CENTRAL AREA SPECIAL EDUCATION COOPERATIVE: PE
SHELBY COUNTY: PE	SOUTH CENTRAL AREA VOCATIONAL SCHOOL: PE
NORTHWESTERN SCHOOL CORPORATION -	SOUTH CENTRAL COMMUNITY SCHOOL CORPORATION: PE
HOWARD COUNTY: PE	SOUTH DEARBORN COMMUNITY SCHOOL CORPORATION: PE
OAK HILL UNITED SCHOOL CORPORATION: PE	SOUTH GIBSON SCHOOL CORPORATION: PE
OREGON - DAVIS SCHOOL CORPORATION: PE	SOUTH HARRISON COMMUNITY SCHOOL CORPORATION: PE
ORLEANS COMMUNITY SCHOOLS: PE	SOUTH HENRY SCHOOL CORPORATION: PE
PAOLI COMMUNITY SCHOOL CORPORATION: PE	SOUTH KNOX SCHOOL CORPORATION: PE
PENN-HARRIS-MADISON SCHOOL CORPORATION: PE	SOUTH MADISON COMMUNITY SCHOOL CORPORATION: PE
PERRY CENTRAL COMMUNITY SCHOOL CORPORATION: PE	SOUTH NEWTON SCHOOL: PE
PERU COMMUNITY SCHOOL CORPORATION: PE	SOUTH PUTNAM COMMUNITY SCHOOL CORPORATION: PE
PIKE COUNTY SCHOOL CORPORATION: PE	SOUTH RIPLEY COMMUNITY SCHOOL CORPORATION: PE
PIONEER REGIONAL SCHOOL CORPORATION: PE	SOUTH SPENCER COUNTY SCHOOL CORPORATION: PE
PLAINFIELD COMMUNITY SCHOOL CORPORATION: PE	SOUTH VERMILLION COMMUNITY SCHOOL CORPORATION: PE
PLYMOUTH COMMUNITY SCHOOL CORPORATION: PE	SOUTHEAST FOUNTAIN SCHOOL CORPORATION: PE
PORTAGE TOWNSHIP SCHOOLS: PE	SOUTHEAST NEIGHBORHOOD SCHOOL OF EXCELLENCE: PE
PORTER COUNTY EDUCATION INTERLOCAL: PE	SOUTHEASTERN CASS SCHOOL CORPORATION: PE
PRAIRIE HEIGHTS COMMUNITY SCHOOL CORPORATION: PE	SOUTHEASTERN SCHOOL CORPORATION: PE
RANDOLPH CENTRAL SCHOOL CORPORATION: PE	SOUTHERN HANCOCK COMMUNITY SCHOOLS: PE
RANDOLPH EASTERN SCHOOL CORPORATION: PE	SOUTHERN WELLS COMMUNITY SCHOOLS: PE
RANDOLPH SOUTHERN SCHOOL CORPORATION: PE	SOUTHWEST DUBOIS COUNTY SCHOOL CORPORATION: PE
REGION 8 EDUCATION SERVICE CENTER: PE	SOUTHWEST PARKE COMMUNITY SCHOOL CORPORATION: PE
RENSELAER CENTRAL SCHOOL CORPORATION: PE	SOUTHWEST SCHOOL CORPORATION
RICHLAND-BEAN BLOSSOM SCHOOL CORPORATION: PE	OF SULLIVAN COUNTY: PE
RICHMOND COMMUNITY SCHOOLS: PE	SOUTHWESTERN CONSOLIDATED SCHOOLS
RISING SUN-OHIO COUNTY COMMUNITY	OF SHELBY COUNTY: PE
SCHOOL CORPORATION: PE	SOUTHWESTERN HIGH SCHOOL: PE
RIVER FOREST COMMUNITY SCHOOL CORPORATION: PE	SOUTHWESTERN JEFFERSON COUNTY
ROCHESTER COMMUNITY SCHOOLS: PE	CONSOLIDATED SCHOOLS: PE
ROCKVILLE COMMUNITY SCHOOLS: PE	SPEEDWAY PUBLIC SCHOOLS: PE
ROSSVILLE CONSOLIDATED SCHOOL DISTRICT: PE	SPENCER-OWEN COMMUNITY SCHOOLS: PE
RUSH COUNTY SCHOOLS: PE	SPRINGS VALLEY COMMUNITY SCHOOLS: PE
RURAL COMMUNITY SCHOOLS, INC.: PE	SUNMAN-DEARBORN COMMUNITY SCHOOLS: PE
SALEM COMMUNITY SCHOOLS - WASHINGTON COUNTY: PE	SWITZERLAND COMMUNITY SCHOOL CORPORATION: PE
SCHOOL CITY OF LAKE STATION: PE	TAYLOR COMMUNITY SCHOOLS: PE
SCHOOL CITY OF MISHAWAKA: PE	TELL CITY SCHOOLS: PE
SCHOOL CITY OF WEST LAFAYETTE: PE	THEA BOWAN LEADERSHIP ACADEMY: PE
	TIPPECANOE SCHOOL CORPORATION: PE

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name

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 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
 AND-TRO WATER AUTHORITY: 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

Employer's Name: Fund Name

BELL MEMORIAL PUBLIC LIBRARY: PE
 BEN DAVIS CONSERVANCY DISTRICT: PE
 BENTON COUNTY HIGHWAY: PE
 BENTON COUNTY PUBLIC LIBRARY: PE
 BIG BLUE RIVER CONSERVANCY DISTRICT: PE
 BOONVILLE - WARRICK COUNTY PUBLIC LIBRARY: PE
 BOURBON PUBLIC LIBRARY: PE
 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: 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 LOGANSPORT - UTILITIES: PE
 CITY OF MICHIGAN CITY - REDEVELOPMENT DISTRICT: PE
 CITY OF MUNCIE HOUSING AUTHORITY: PE
 CITY OF NEW ALBANY - FLOOD CONTROL DISTRICT: PE
 CLARK COUNTY REDEVELOPMENT COMMISSION: PE
 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

*Schedule of Participating Employers Year Ended June 30 (continued)***Employer's Name: Fund Name**

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 REDEVELOPMENT COMMISSION: PE
 EVANSVILLE - VANDERBURGH AIRPORT AUTHORITY: PE
 EVANSVILLE - VANDERBURGH COUNTY
 BUILDING AUTHORITY: PE
 FAYETTE COUNTY PUBLIC LIBRARY: PE
 FLORA - MONROE PUBLIC LIBRARY: PE
 FLORENCE REGIONAL SEWAGE DISTRICT: PE
 FORT BRANCH - JOHNSON TOWNSHIP PUBLIC LIBRARY: PE
 FORT WAYNE - ALLEN COUNTY AIRPORT AUTHORITY: PE
 FORT WAYNE AREA JOB TRAINING PROGRAM: PE
 FORT WAYNE CITY UTILITIES: PE
 FORT WAYNE HOUSING AUTHORITY: PE
 FORTVILLE - VERNON TOWNSHIP PUBLIC LIBRARY: PE
 FRANKFORT COMMUNITY PUBLIC LIBRARY: PE
 FREMONT LIBRARY: PE
 FULTON COUNTY LIBRARY: PE
 GARRETT PUBLIC LIBRARY: PE
 GARY MUNICIPAL AIRPORT AUTHORITY: PE
 GARY PUBLIC LIBRARY: PE
 GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY: PE
 GOSHEN PUBLIC LIBRARY: PE
 GREATER LAFAYETTE PUBLIC TRANSPORTATION
 CORPORATION: PE
 GREENTOWN & EASTERN HOWARD LIBRARY: PE
 GREENWOOD LIBRARY: PE
 HAGERSTOWN - JEFFERSON TOWNSHIP PUBLIC LIBRARY: PE
 HAMILTON LAKE CONSERVANCY DISTRICT: PE
 HAMILTON NORTH PUBLIC LIBRARY: PE
 HAMMOND PUBLIC LIBRARY: PE
 HANCOCK COUNTY DEPARTMENT PUBLIC WELFARE: PE
 HARRISON COUNTY PUBLIC LIBRARY: PE

Employer's Name: Fund Name

HARRISON COUNTY - SOLID WASTE
 MANAGEMENT DISTRICT: PE
 HARTFORD CITY PUBLIC LIBRARY: PE
 HEALTH & HOSPITAL CORPORATION OF MARION COUNTY: PE
 HENDRICKS COUNTY - WEST CENTRAL
 SOLID WASTE DISTRICT: PE
 HILLCREST & WASHINGTON HOMES: PE
 HOUSING AUTHORITY OF THE CITY OF KENDALLVILLE: PE
 HUNTINGBURG HOUSING AUTHORITY: PE
 HUNTINGBURG PUBLIC LIBRARY: PE
 HUNTINGTON PUBLIC LIBRARY: PE
 HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY: PE
 INDIANA 15 REGIONAL PLANNING COMMISSION: PE
 INDIANA STADIUM & CON BUILDING AUTHORITY: PE
 INDIANAPOLIS AIRPORT AUTHORITY: PE
 INDIANAPOLIS - MARION COUNTY BUILDING AUTHORITY: PE
 INDIANAPOLIS - MARION COUNTY PUBLIC LIBRARY: PE
 INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION: PE
 JACKSON COUNTY PUBLIC LIBRARY: PE
 JACKSON COUNTY SOLID WASTE MANAGEMENT DISTRICT: PE
 JASPER COUNTY PUBLIC LIBRARY: PE
 JASPER PUBLIC LIBRARY: PE
 JAY COUNTY PUBLIC LIBRARY: PE
 JEFFERSONVILLE FLOOD CONTROL DISTRICT: PE
 JEFFERSONVILLE PARK & RECREATION: PE
 JEFFERSONVILLE TOWNSHIP PUBLIC LIBRARY: PE
 JENNINGS COUNTY PUBLIC LIBRARY: PE
 JOHNSON COUNTY PUBLIC LIBRARY: PE
 KANKAKEE - IROQUOIS - REGIONAL
 PLANNING COMMISSION: PE
 KENDALLVILLE PUBLIC LIBRARY: PE
 KENTLAND PUBLIC LIBRARY: PE
 KEWANA - UNION TOWNSHIP PUBLIC LIBRARY: PE
 KNOX COUNTY HOUSING AUTHORITY: PE
 KNOX COUNTY PUBLIC LIBRARY: PE
 KOKOMO PUBLIC LIBRARY: PE
 KOSCIUSKO COUNTY HIGHWAY DEPARTMENT: PE
 LAGRANGE COUNTY - SEWER DISTRICT: PE
 LAGRANGE COUNTY PUBLIC LIBRARY: PE
 LAKE COUNTY LIBRARY: PE
 LAKE LEMON CONSERVANCY DISTRICT: PE
 LAPORTE COUNTY SOLID WASTE MANAGEMENT DISTRICT: PE
 LAPORTE MUNICIPAL AIRPORT AUTHORITY: PE
 LAPORTE PUBLIC & COUNTY LIBRARIES: PE
 LAWRENCEBURG FLOOD CONTROL DISTRICT: PE
 LAWRENCEBURG PUBLIC LIBRARY: PE
 LEBANON PUBLIC LIBRARY: PE
 LEO CEDARVILLE REGIONAL SEWER DISTRICT: PE
 LINCOLN HERITAGE PUBLIC LIBRARY: PE
 LINTON HOUSING AUTHORITY: PE

Schedule of Participating Employers Year Ended June 30 (continued)

Employer's Name: Fund Name	Employer's Name: Fund Name
LOGANSPORT PUBLIC LIBRARY: PE	OWEN COUNTY PUBLIC LIBRARY: PE
LOWELL PUBLIC LIBRARY: PE	PAOLI PUBLIC LIBRARY: PE
MADISON COUNTY - JOB SOURCE: PE	PATOKA LAKE REGIONAL WATER AND SEWER DISTRICT: PE
MADISON - JEFFERSON LIBRARY: PE	PEABODY PUBLIC LIBRARY: PE
MARION PUBLIC LIBRARY: PE	PENDLETON COMMUNITY LIBRARY: PE
MARKLE PUBLIC LIBRARY: PE	PERU PUBLIC LIBRARY: PE
MELTON PUBLIC LIBRARY: PE	PERU UTILITIES: PE
MICHIANA AREA COUNCIL OF GOVERNMENTS: PE	PIKE COUNTY PUBLIC LIBRARY: PE
MICHIGAN CITY LIBRARY: PE	PLAINFIELD PUBLIC LIBRARY: PE
MIDDLEBURY COMMUNITY LIBRARY: PE	PLYMOUTH PUBLIC LIBRARY: PE
MILFORD PUBLIC LIBRARY: PE	PORTER COUNTY PUBLIC LIBRARY SYSTEM: PE
MISHAWAKA PUBLIC LIBRARY: PE	PORTER COUNTY SOLID WASTE MANAGEMENT DISTRICT: PE
MITCHELL COMMUNITY PUBLIC LIBRARY: PE	POSEY COUNTY - HIGHWAY DEPARTMENT: PE
MONON TOWN & TOWNSHIP PUBLIC LIBRARY: PE	PULASKI COUNTY PUBLIC LIBRARY: PE
MONROE COUNTY PUBLIC LIBRARY: PE	PUTNAM COUNTY PUBLIC LIBRARY: PE
MONROE COUNTY PUBLIC WELFARE: PE	RANDOLPH COUNTY - SOLID WASTE MANAGEMENT: PE
MONTEREY - TIPPECANOE PUBLIC LIBRARY: PE	REGION 3-A DEVELOPMENT & REGION PLANNING: PE
MONTGOMERY COUNTY - HIGHWAY DEPARTMENT: PE	RICHMOND - MORRISON - REEVES LIBRARY: PE
MONTICELLO - UNION TOWNSHIP PUBLIC LIBRARY: PE	RICHMOND SANITARY DISTRICT: PE
MONTPELIER PUBLIC LIBRARY: PE	RISING SUN MUNICIPAL UTILITIES: PE
MOORESVILLE PUBLIC LIBRARY: PE	ROCKPORT - HOUSING AUTHORITY: PE
MORGAN COUNTY PUBLIC LIBRARY: PE	ROCKVILLE PUBLIC LIBRARY: PE
MUNCIE INDIANA TRANSIT SYSTEM: PE	ROME CITY HOUSING AUTHORITY: PE
MUNCIE PUBLIC LIBRARY: PE	ROYAL CENTER TOWNSHIP LIBRARY: PE
NAPPANEE PUBLIC LIBRARY: PE	RUSHVILLE PUBLIC LIBRARY: PE
NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY: PE	SALEM PUBLIC LIBRARY: PE
NEW CARLISLE - OLIVE TOWNSHIP LIBRARY: PE	SCOTT COUNTY PUBLIC LIBRARY: PE
NEW CASTLE - HENRY COUNTY PUBLIC LIBRARY: PE	SCOTT COUNTY - SOUTHEASTERN INDIANA
NEW CASTLE HOUSING AUTHORITY: PE	SOLID WASTE DISTRICT: PE
NEW PARIS CONSERVANCY DISTRICT COUNTY: PE	SHELBYVILLE - SHELBY COUNTY PUBLIC LIBRARY: PE
NEWPORT - VERMILLION COUNTY LIBRARY: PE	SHERIDAN PUBLIC LIBRARY: PE
NEWTON COUNTY HIGHWAY DEPARTMENT: PE	SOUTH DEARBORN REGIONAL SEWER DISTRICT: PE
NOBLESVILLE HOUSING AUTHORITY: PE	SOUTH HENRY REGIONAL WASTE DISTRICT: PE
NOBLESVILLE - SOUTHEASTERN PUBLIC LIBRARY: PE	SOUTH WHITLEY - CLEVELAND TOWNSHIP PUBLIC LIBRARY: PE
NORTH MADISON COUNTY PUBLIC LIBRARY SYSTEM: PE	SOUTHERN INDIANA DEVELOPMENT COMMISSION: PE
NORTHEAST INDIANA SOLID WASTE	SOUTHEASTERN CAREER CENTER: PE
MANAGEMENT DISTRICT: PE	SOUTHWEST ALLEN COUNTY FIRE DISTRICT: PE
NORTHERN INDIANA COMMUTER	SPEEDWAY PUBLIC LIBRARY: PE
TRANSPORTATION DISTRICT: PE	SPENCER COUNTY PUBLIC LIBRARY: PE
NORTHWEST INDIANA HEALTH	ST JOSEPH COUNTY AIRPORT AUTHORITY: PE
DEPARTMENT COOPERATIVE: PE	ST JOSEPH COUNTY PUBLIC LIBRARY: PE
NORTHWESTERN INDIANA REGIONAL	ST JOSEPH COUNTY - SOLID WASTE MANAGEMENT DISTRICT: PE
PLANNING COMMISSION: PE	STARKE COUNTY AIRPORT AUTHORITY: PE
OAK HILL CEMETERY: PE	STARKE COUNTY - ENVIRONMENTAL MANAGEMENT DISTRICT: PE
OAK PARK CONSERVANCY DISTRICT: PE	STUCKER FORK CONSERVANCY DISTRICT: PE
OHIO COUNTY PUBLIC LIBRARY: PE	STUEBEN COUNTY LIBRARY: PE
OHIO TOWNSHIP PUBLIC LIBRARY SYSTEM: PE	SULLIVAN COUNTY PUBLIC LIBRARY: PE
ORANGE COUNTY - HIGHWAY DEPARTMENT: PE	SWAYZEE PUBLIC LIBRARY: PE
ORLEANS TOWN & TOWNSHIP PUBLIC LIBRARY: PE	TELL CITY - PERRY COUNTY PUBLIC LIBRARY: PE

*Schedule of Participating Employers Year Ended June 30 (continued)***Employer's Name: Fund Name**

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
 UNION COUNTY PUBLIC LIBRARY: PE
 VIGO COUNTY - CONVENTION AND TOURISM BUREAU: PE
 VIGO COUNTY - HARRISON TOWNSHIP POOR RELIEF: PE
 VIGO COUNTY PUBLIC LIBRARY: PE
 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
 WASHINGTON TOWNSHIP TRUSTEE ASSESSOR: PE
 WATERLOO - GRANT TOWNSHIP PUBLIC LIBRARY: PE
 WAYNE COUNTY - HIGHWAY DEPARTMENT: PE
 WELLS COUNTY PUBLIC LIBRARY: PE
 WEST CENTRAL CONSERVANCY DISTRICT: PE
 WEST 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
 ZIONSVILLE FIRE DEPARTMENT: 77



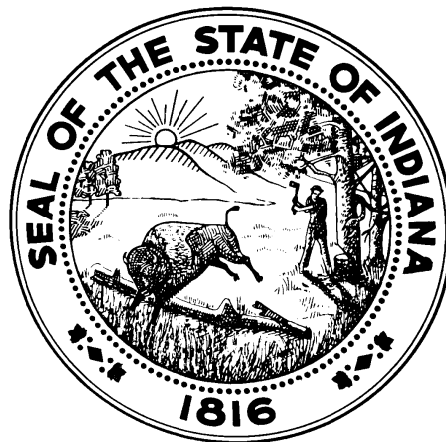
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AUDIT REPORT
OF

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
STATE OF INDIANA

July 1, 2006 to June 30, 2007



FILED
12/07/2007

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	David J. Adams Terren B. Magid	03-08-05 to 06-01-07 06-02-07 to 06-30-08
Chairman of the Board	Ken Cochran	06-17-05 to 04-05-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE PUBLIC EMPLOYEES' RETIREMENT FUND

We have audited the financial statements of the Public Employees' Retirement Fund Board of Trustees as of and for the year ended June 30, 2007, and have issued our opinion thereon dated September 29, 2007. The financial transactions of this office are reflected in the Public Employees' Retirement Fund of Indiana's Comprehensive Annual Financial Report.

In planning and performing our audit, we considered the internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain conditions in the design or operation of one or more of the internal control components that, in our judgment, need to be addressed by management. We also noted certain issues of noncompliance with statutes and board policies that, in our opinion, should be communicated to management.

As a result of performing our audit of the financial statements of the Public Employees' Retirement Fund (PERF), as of and for the year ended June 30, 2007, we have prepared the following Audit Results and Comments (ARC). In the report we issued for the year ended June 30, 2004, we identified 30 Audit Results and Comments. In the report we issued for the year ended June 30, 2005, we identified or continued a total of 15 findings from the 2004 report. In the report we issued for the year ended June 20, 2006, we continued 10 findings, discontinued 4 and combined 2 findings into 1 from the 2005 report. Additionally, there were no new Audit Results and Comments in the 2006 report. Since we issued the 2006 report it would appear PERF has developed and implemented, wholly or in part, plans to address each of the findings described in the 2006 report.

The Audit Results and Comments contained in this report continue 6 of the 10 findings and discontinue 4 from the 2006 report. We have not added new additional findings to this report. This represents an 80% reduction in findings, from 30 to 6, over the last 3 years.

Of the 6 findings that are continued in this report, 5 have root causes at least in part related to the SIRIS (now BMS) system itself, or to its implementation in 2002. PERF management presented a 3 to 5 year strategic plan to replace the SIRIS (now BMS) System to the PERF Board of Trustees at its June 21, 2007, board meeting. While PERF has implemented controls to mitigate these findings, PERF management has stated it may not be able to fully address each and every aspect of these five findings until the strategic plan is fully implemented.

The internal control conditions and the issues of noncompliance are disclosed in the following Audit Results and Comments. We communicated these and other internal control related issues to management in accordance with SAS 112, Communication of Internal Control Related Matters Noted in Our Audit, in a letter dated September 29, 2007.

STATE BOARD OF ACCOUNTS

September 29, 2007

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
AUDIT RESULTS AND COMMENTS
June 30, 2007

EMPLOYEE MEMBER RESERVE RECONCILIATION

Accounts are maintained for each member employee on the computer system SIRIS, which is now identified as BMS. These computer accounts represent the subsidiary ledger records for the members' reserves for the PERF, 1977 Fund, Judges', Prosecuting Attorneys and CE Funds.

In our prior nine audit reports, the most recent being Report B28837, we have stated that the member and employer reserves had unidentified variances between the subsidiary computer system records and the general ledger balances. From July 2000 to March 2002, no reconciliations were performed. During this time a critical system conversion occurred. Prior to that time, and thereafter until June 2004, incomplete reconciliations were performed with resulting unidentified variances. Effective June 30, 2004, adjusting entries were recorded to the general ledger to recognize the unidentified variances, which were either significant or material to each of the funds administered.

PERF concentrated efforts on identifying and resolving the variance issues for the employer reserves. PERF effectively completed the implementation of its employer reserves processes during the fiscal year ended June 30, 2007.

During the fiscal year ended June 30, 2006, we had identified specific errors and concerns that remained as conditions due to the lack of a process to understand and ensure the accuracy of transactions affecting member subsidiary accounts and to affirm the total balances accounted for through data extracts used for accounting.

During the fiscal year ended June 30, 2007, the accounting department was not provided with complete reports of system transactions and balances in order to identify, classify and record necessary general ledger entries for the members' reserves in the course of business. The control structure for the member balances maintained in the computer system thus remained incomplete. Grand totals of member balances and system transactions were not provided to the accounting department in a timely manner. As such, control procedures of analysis, compilation, and reconciliation were not performed on a regular basis.

In fiscal 2007, PERF and its consultant CPA firm made improvements in defining and classifying system transactions and in developing an associated reconciliation process. The transaction data and balances were provided to the CPA firm in June 2007. This was utilized to reconcile the computer balance to the general ledger and to recommend necessary adjusting entries to record the accounting for the member reserves.

While the system transactions were largely defined and classified, the full associated control structure remains not fully documented. As stated in our prior two reports, each type of system transaction has not been associated to the reports, screens or databases. An increased understanding of the detail system transactions performed by operations staff is necessary to design the control structure for the associated communications, procedures and monitoring that may be necessary for accurate and complete accounting.

The reconciliation results for the fiscal year included that contributions were posted to members accounts that exceeded identified cash receipts by a total of \$580,303 for the PERF fund. The effect of the incomplete accounting for these member transactions is to require a funding transfer from another source in order to balance to the total recorded in the computer accounts. This funding is usually provided by reducing earnings available to allocate to employer accounts.

PUBLIC EMPLOYEES' RETIREMENT FUND
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The reconciliation also identified balances within the computer for those who receive non-SIRIS benefit checks. Additionally, those whose account balances were transferred to the Teachers Retirement Fund have balances remaining in the computer.

We recommended that PERF identify the system transactions used for member transactions, obtain an understanding of the operational use, and design the control structure for the associated communication, procedures and monitoring that is necessary for an accurate and complete accounting. We further recommended that PERF research and identify the detail transactions comprising the variance between contributions posted to the computer and the cash receipts. The cause of the variances should be determined together with appropriate adjustments or further collections as necessary. PERF should resolve the balances remaining on the system for those who are no longer owed the funds.

Indiana Code 5-10.2-2-2 directs that the Board of Trustees of the Public Employees' Retirement Fund shall maintain separate accounts for the retirement allowance account and the annuity savings account.

Indiana Code 5-10.3-3-7.1 provides that:

"The board shall annually analyze for internal control purposes the funds:

- 1) income and expenditures;
- 2) actuarial condition;
- 3) reserve accounts;
- 4) investments; and
- 5) such other data as necessary to interpret the fund's condition and the board's administration of the fund."

MODIFICATIONS TO SIRIS TRANSACTIONS

Our prior two reports, the most recent being Report B28837, have stated that each transaction recorded to a member or an employer account on the SIRIS system has a transaction date and an effective date. We had reported findings that member transactions were recorded to prior periods. We noted that one of the effects of changing or incorrectly assigning transaction dates is to omit transaction amounts from current data collections that are used to provide accounting information.

In response PERF has identified that there also is a system assigned date field. Unlike the transaction date and effective date, this date field remains static. For fiscal 2007, the system date was utilized by PERF's contractor in compiling and reconciling the member account transactions from BMS. However we still found issues in being able to identify data changes and in PERF's monitoring of these changes.

Modifications to SIRIS (now BMS) transactions are made through data fixes and change requests. Data fixes are direct data modifications to a prior transaction. It is our understanding that data fixes do not have a new transaction or system date assigned. We observed data fixes which directly removed disbursements and contributions from member accounts. The data fix log provided by PERF listed approximately 378 data fixes completed in fiscal 2007. While a summary of the request reason was listed, we found that the transaction types and amounts changed were not listed in the data fix log. As a result, we cannot verify the accuracy or propriety of the data fixes recorded in the log.

PUBLIC EMPLOYEES' RETIREMENT FUND
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(Continued)

The control structure for the member balances maintained in the computer system remains incomplete. Grand totals of member balances and system transactions are not provided to the accounting department on a regular basis. As such, control procedures of analysis, compilation, and reconciliation are not performed on a regular basis. In the absence of a complete accounting structure for monitoring the system transactions and balances, errors or irregularities in system modifications would not be detected in a timely manner.

We recommended that PERF establish a process to regularly monitor the system transactions and balances as maintained in BMS for the member reserve. In our opinion, data fix transactions should be restricted and rarely applied to financial transactions as direct modifications to data cannot be effectively reported and monitored. Financial data should be corrected through recording an adjustment, or reversal and reentry of the transaction. Control procedures should be established to identify and account for data changes and modifications. The data fix log should specify the transaction types and amounts changed and be reconciled to member balances and transaction amounts provided to the accounting department.

Indiana Code 5-10.3-3-7.1 states: "The board shall annually analyze for internal control purposes the fund's: (1) income and expenditures; (2) actuarial condition; (3) reserve accounts; (4) investments; and (5) such other data as necessary to interpret the fund's condition and the board's administration of the fund."

BENEFIT AND REFUND SYSTEM CONTROL WEAKNESSES

Our prior four reports, the most recent being Report B28837, have indicated specific control weaknesses in the design and operation of the computer system (SIRIS, now BMS) that is used to process benefits and refunds, and which also maintains the subsidiary accounts for the members reserve. During 2007, PERF began implementation of various processes and controls to address these control weaknesses. However, many of the processes were either incomplete or not initiated in time for testing during for the fiscal year. The status of these weaknesses at June 30, 2007, is given below.

Disbursement Controls

PERF had certain system controls disabled which would have insured that disbursements against a member's annuity account would not exceed the balance in the account. Additional monitoring was not implemented. Excess payments could be made via multiple payment requests or by system overrides. During our testing we found an immaterial exception that confirmed that excess payments could be made.

In fiscal 2007, PERF made plans to have a system report developed to be used to monitor distributions that are greater than a member's account balance. We were informed that when the report becomes available in fiscal 2008, an analysis will be completed on distributions processed in fiscal year 2007 that were overridden in some manner.

SIRIS maintains check records for disbursement transactions that have been entered but not yet authorized. We were told that information concerning such check records is now provided to the accounting department for review. However, in July 2007, check records remained in process status from December 2006, with check amounts up to \$100,735 in entered status.

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(Continued)

We recommended that system controls be utilized to ensure that disbursements against a member's annuity account cannot exceed the balance in the account. Until such time as this can reasonably be assured, we recommend that PERF implement the plans to develop the system report to identify distributions that are greater than a member's account balance. The reports should then be issued and reviewed in a timely manner to ensure that the transactions are allowable and properly recorded. Information concerning check records in a status other than final should also be reviewed by the accounting department on a regular basis, with timely determinations and resolutions applied to the check records. We also recommended that PERF review the overpaid account, correct the balance, request repayment, and identify the cause for the processing error.

Processing of Final Service and Contributions

The system design did not ensure that benefits and refunds were processed, calculated, and paid accurately and timely with respect to the processing of the final contributions. As a result, PERF implemented a final benefit recalculation process which will be applied to all benefits and refunds processed since fiscal 2004. This process was begun on a small number of benefits late in fiscal 2007.

The SIRIS design omits a transaction to record final service credit. Service credit is regularly recorded in quarter year increments upon posting quarterly contributions. In order to post the exact service credit total for a retirement, PERF staff must now access and delete contribution entries and reenter the same contributions with the correct service credit total. An additional level of review is in place for this specific transaction to ensure the contributions are reentered correctly. However, we reported observing that contributions were reentered with a different effective date, including those of prior years. As such, the contributions recorded would no longer be properly associated to the period of receipt of the funds. In our opinion, reconciliations of the receipts could not be accurately or fully completed.

PERF studied the processing issues of reentry of contributions with different effective dates. They identified certain types of retirement transactions where this has been necessary for the system to properly recognize values. PERF has made plans to develop a change request to enable the system to properly process these transactions without reversing transactions and reentering wages and contributions. Until such time as this is finalized, PERF will change the processing of these affected retirements to use a unique transaction type in order to retain the identity of the original wage and contribution entry.

We recommended that PERF ensure that the process of finalizing benefits and refunds includes identifying any incomplete final entries. PERF should also continue the additional review in place to ensure that contributions were unchanged during benefit processing. We recommended that PERF implement the system corrections necessary to properly process the wages and contributions using the effective dates as originally posted in the system.

Inadequate Segregation of Duties

Segregation of duties is achieved by organizing job functions to prevent an individual from concealing errors or irregularities through the normal course of their authorized duties. Segregation of duties is enforced, in part, through appropriate assignment of user security rights which are based on each user's need to access, update, and process data. Within SIRIS, now known as BMS, sets of security rights are organized into various roles which can then be granted to user IDs, based upon each user's job functions.

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Clifton Gunderson LLP was contracted to perform a SIRIS (BMS) security analysis during 2004. During this analysis they identified incompatible roles and developed a method to identify user IDs that have been assigned conflicting role assignments, which are role combinations that would fail to enforce appropriate segregation of duties. As a result of Clifton Gunderson's security review, PERF modified the capabilities of existing roles and created additional roles to limit the access provided by any one role and modified the role assignments of BMS users. In the prior audit we found several user IDs that had more than 50 BMS roles, many of which are conflicting. For example, one individual had 93 roles which include at least 30 incompatible role combinations.

During the current audit period PERF has modified BMS to prevent a user from both initiating a transaction and auditing or approving the same transaction and has conducted an additional review of roles.

In our opinion, although these changes have improved segregation of duties within PERF, implementation of adequate segregation of duties is not complete. Below are concerns regarding segregation of duties:

The control to prevent a user from both initiating and approving the same transaction is limited to retirements and disbursements activities, but does not include activities such as contributions and cash processing.

Documentation of the role assignment review conducted during March 2007 indicated that only 21 of the 260 BMS user IDs were reviewed. In addition, several of the 21 users reviewed were still assigned incompatible roles after the review.

On July 10, 2007, PERF provided us with a status report. The status report stated they were working to complete a review of all users' roles and expected to have this review completed by July 31, 2007. We have not been provided with documentation concerning this review. In September 2007, we performed a review of role assignments which indicated many users were still assigned incompatible roles.

We recommended that PERF complete their review of system role assignments. Incompatible role assignments should be identified and removed to help ensure segregation of duties.

Indiana Code 5-10.3-3-7.1 states: "The board shall annually analyze for internal control purposes the fund's: (1) income and expenditures; (2) actuarial condition; (3) reserve accounts; (4) investments; and (5) such other data as necessary to interpret the fund's condition and the board's administration of the fund."

EMPLOYER RESERVE CHARGES

As stated in our prior four audit reports, the most recent being Report B28837, employer reserve charges are the actuarial calculated costs to the employer for the funding of the member's pension at retirement. The prior reports included findings that the incorrect actuary tables were used to calculate the pension funding and that the tables were incorrectly applied. In June 2006, PERF updated and loaded

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reserve factor tables in the SIRIS (now BMS) computer system. However, with the exception of the PERF fund, the factors were not properly applied through the computer system for most benefits. Specifically, the factors were incorrectly applied to regular retirement benefits of the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) and to all benefits of the other pension funds. This was identified by PERF and resulted in PERF applying calculations manually in order to recognize an accurate charge.

In addition, PERF has identified computer processing concerns that necessitated that PERF perform other additional steps outside the system for the PERF and 1977 Funds. PERF performed an analysis of each retirement in order to recognize only those charges that were for final approved transactions and recalculated charges for retirees with multiple employers.

Through our testing we also found that prior actuary tables instead of current tables were incorrectly used in the computer system for the calculation of PERF second retirements.

PERF has informed us of plans to improve the process used to identify the final retirement costs and compile charges to employer accounts.

We recommended that the actuary tables adopted by the Board of Trustees in accordance with Indiana Code 5-10.3-3-7(7) be accurately applied.

UNCORRECTED PRIOR ERRORS

As stated in our prior four audit reports, the most recent being Report B28837, we found various anomalies in the calculation of members' benefits and refunds. As detailed in the prior reports, these anomalies resulted in both underpayments and overpayments to members. The causes varied, but were mainly due to SIRIS (now BMS) programming anomalies, input errors, and incorrect data used in benefit calculations.

PERF has implemented a process which includes various steps to improve the accuracy of members' benefits and refunds as well as to correct errors. The following steps were taken:

First, as noted in our prior audit reports, PERF hired a CPA firm (Clifton Gunderson LLP) to recalculate all benefits and refunds that were processed from the inception of the SIRIS system in April 2002 through June 30, 2004. During fiscal 2007, Clifton Gunderson performed additional contract work to properly effect account adjustments to monthly payments and cumulative account differences through December 31, 2006.

Second, during fiscal 2006 and 2007, in an effort to ensure benefits are paid accurately and effective controls and processes are in place, PERF retained Clifton Gunderson to help implement and maintain its quality assurance function over the verification of member information and calculations in the payment of benefits.

Third, in fiscal year 2007, a process known as "Final Benefit Audit and Analysis (FBAA)" was implemented. This process is a control to ensure final contributions and service are included in a member benefit calculation. The process includes recalculating benefits to include analyzing and validating final creditable service as attested to by the employer, as well as employer contributions and employee Annuity Savings Account contributions and interest

PUBLIC EMPLOYEES' RETIREMENT FUND
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through the date of retirement. The process is also applied to refund transactions in order to disburse the final contributions. PERF management has set a goal of finalizing benefits for those in estimated status at six to twelve months as final data is obtained.

Presently, benefits and refunds processed since July 2004 are held in estimated status. Clifton Gunderson was hired to perform the FBAA process on member transactions originally processed from July 1, 2004 through December 31, 2006. In May 2007, PERF began to finalize the transactions originally processed from January 1, 2007.

We tested the recalculated benefits and refunds that were originally processed from April 2002 through June 30, 2004. We found that the method PERF used to process the final refunds in some cases resulted in balances remaining in member accounts, with incorrect statements sent to members. In December 2006, PERF processed the refund payments owed using a file upload of the calculated amount owed. Entries were not made in the computer system to zero out the member accounts, and the member accounts were not frozen. One of the refunds in our sample test was overpaid \$353 when the balance remaining in the system was refunded in May 2007.

A total balance of approximately \$1.6 million was identified as held in the computer accounts for those in the benefit and refund corrections project. PERF informed us of action taken to ensure that no further statements be generated until such time as the balances are removed from the system.

We recommended that the quality assurance function for processing benefits be maintained. We also recommended that the benefits and refunds be finalized in a timely manner as established by PERF policy. We further recommended that the balances remaining in the computer for those in the benefit and refund corrections project be removed, and that PERF identify any other incorrect refunds of these balances and seek collection of the incorrect refunds issued.

Indiana Code 5-10.3-3-7 states, in part: "the Board of Trustees shall . . . 5) Provide for the installation in the general office of a complete system of books, accounts including reserve accounts, and records in order to give effect to all the requirements of this article and to assure the proper operation of the fund."

Indiana Code 5-10.2-2-1.5 states, in part: "(1) Each board shall distribute the corpus and income of the fund to members and their beneficiaries in accordance with the retirement fund law. (2) No part of the corpus or income of a fund may be used for or diverted to any purpose other than the exclusive benefit of the members and their beneficiaries."

LEGISLATORS' DEFINED CONTRIBUTION FUND NOT RECONCILED

As stated in our prior three audit reports, the most recent being Report B28837, beginning January 1, 2004, the PERF Board implemented a pilot program for the Legislators' Defined Contribution Fund in accordance with public law. The PERF Board contracted with a service provider in order to implement daily investment selections. This contractor maintains detailed accounts for each member and performs the necessary bank transactions associated with member options. The PERF Board had not obtained or required a reconciliation of the service provider's records to the associated bank records as of June 30, 2004 and June 30, 2005. As of June 2006, PERF required the service provider and custodian bank to identify prior years' errors and to correct their records. PERF developed written procedures in June 2006, which were modified in August 2006, in order to further ensure accuracy of the fund accounting.

PUBLIC EMPLOYEES' RETIREMENT FUND
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During our audit of fiscal year 2007, we found that expenses and income recorded in the general ledger were not reconciled to service provider records. Also, the investment income recorded in the general ledger was a calculated amount necessary to agree to the investment balance. An error in the amounts recognized between transaction types for refunds and investment income was not detected. An adjusting entry was made when we brought this to management's attention.

PERF procedures also do not include review and comparison of the service provider bank report for refunds and loans authorized by PERF staff.

We identified a balance of approximately \$19,000 held outside member accounts in a forfeiture asset holding account of the consolidated investment fund option. Great West records state that this was recorded in January and June 2007 and consider it available for plan expenses. At the time of our audit, PERF accounting did not have records as to the source of these funds or the order to Great West to withhold them from members' accounts.

We recommended PERF maintain an effective accounting and reconciliation process and adequate related supporting documentation for the Legislators' Defined Contribution Fund. Detail procedures should be applied to each transaction type and the bank report should be reviewed and compared to the PERF authorized transactions. The source of the funds held outside members accounts should be identified, with an appropriate application for use of the funds determined.

Public Law 126 - 2003 section 1 (d) (1) states that: "Notwithstanding IC 2-3.5-5-3(b)(2), the PERF board shall implement a member's selection under IC 2-3.5-5-3 not later than the next business day following receipt of the member's selection by the PERF board. This date is the effective date of the member's selection." Section 1(d)(2) states that: "Notwithstanding IC 2-3.5-5-3(b)(7), all contributions to a members' account in the fund must be allocated under IC 2-3.5-5-3 not later than the last day of the quarter in which the contributions are received and reconciled in accordance with the member's most recent effective direction."

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
EXIT CONFERENCE

The contents of this report were discussed on October 25, 2007, with Terren B. Magid, Executive Director; Patricia Bush, Chief Financial Officer; and Ken Cochran, Chairman of the Board. The official response has been made a part of this report and may be found on pages 13 and 14.

The contents of this report were discussed on November 14, 2007, with David J. Adams, former Executive Director. The official response has been made a part of this report and may be found on page 15.

November 13, 2007

OFFICIAL RESPONSE

State Board of Accounts
Indiana State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, IN 46204

**Public Employees'
Retirement Fund**

**1977 Police Officers'
and Firefighters' Pension
and Disability Fund**

**Prosecuting Attorneys'
Retirement Fund**

**Legislators' Retirement
System**

**Excise Police, Gaming
Agents and Conservation
Enforcement Officers'
Retirement Plan**

**1977 and 1985 Judges'
Retirement Fund**

Dear Ladies and Gentlemen:

This letter serves as our response to the State Board of Accounts Audit Results and Comments for the Public Employees' Retirement Fund (PERF) dated June 30, 2007. The results of this audit were presented to PERF on October 25, 2007. The PERF management team appreciates the comments and insights provided by the State Board of Accounts.

PERF management and staff are very proud once again to receive an unqualified opinion for fiscal year 2007. We believe this second consecutive unqualified opinion, after receiving its first unqualified opinion in four years last year, represents PERF's commitment to accurately and completely represent the financial condition of this organization. This result is the product of PERF's continued focus on effective processes and controls and strong desire to provide its members and employers with the integrity and transparency they deserve in the management of their pension systems. Members and employers should take great confidence in PERF's ability to prudently and properly manage the funds.

We are encouraged further by the continued reduction in audit findings. Less than three years ago, the State Board of Accounts delivered to PERF its Audit Results and Comments dated June 30, 2004, which contained 30 findings. This most recent report, which contains six findings, represents an 80% reduction since that time. Management has already initiated steps to resolve the remaining findings, but recognizes that such resolutions will need to be audited further during the next audit period. Moreover, management recognizes that some of the remaining findings ultimately may not be resolved until implementation of PERF's information technology strategy. PERF is committed to providing all necessary mitigating controls to ensure transparency and accountability to its members and employers.

PERF leadership is gratified that the audit process once again was completed according to the timeframe agreed to by PERF and the SBOA. By completing the audit in October, PERF has the ability to take the necessary actions to address items raised by the State

Board of Accounts in a time frame sufficient to be reviewed in the next audit. PERF leadership believes that this joint effort in the audit process has contributed significantly to the improved quality of our financial statements and the significant reduction in findings.

In addition to the second consecutive clean financial opinion, PERF continues to be a strong retirement system and leadership continues to implement changes to realize our mission of *Excellence in Customer Service*. During fiscal 2007, PERF increased its assets approximately \$2.7B and grew to the 85th largest retirement system in the United States. Members who applied for retirement benefits according to PERF processes routinely received their first benefit check without payment interruption and, in several months during the year, 100% of applicants received their retirement benefits without payment interruption for the first time in recent PERF history. PERF distributions were made with a similar degree of efficiency. With the addition of new functionality, PERF Online has seen nearly a three-fold increase in the number of web transactions since last year offering members and employers a more efficient way in which to transact business.

**Public Employees'
Retirement Fund**

**1977 Police Officers'
and Firefighters' Pension
and Disability Fund**

**Prosecuting Attorneys'
Retirement Fund**

**Legislators' Retirement
System**

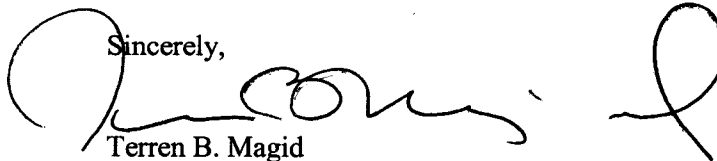
**Excise Police, Gaming
Agents and Conservation
Enforcement Officers'
Retirement Plan**

**1977 and 1985 Judges'
Retirement Fund**

In recognition of our customer service focus, PERF personnel were once again recognized at the Governor's 2007 public service award out of more than 30,000 state employees. PERF's achievements also have received national recognition. In 2007, PERF received the Government Finance Officers' Association certificate for the quality of its Comprehensive Annual Financial Report for 2006. In addition, PERF recently received the Public Pension Coordinating Council Public Pension Standards 2007 Award, an honor offered by the three largest public pension plan administrator industry groups, in recognition of meeting professional standards for plan design and administration. These are but a brief sample of the highlights that occurred at PERF during the last fiscal year.

I want to thank the State Board of Accounts again for its insight and assistance. As always, PERF looks forward to working with the State Board of Accounts to improve its operations on behalf of its members and employers.

Sincerely,



Terren B. Magid
Executive Director

November 21, 2007

Indiana State Board of Accounts
302 West Washington Street
Room E418
Indianapolis, Indiana 46204

Dear Ladies and Gentleman:

I have had the opportunity to review the audit findings for the period of July 1, 2006 to June 30, 2007. Given that I was Executive Director of the fund, from July 1, 2006 to June 1, 2007, I find it only appropriate that I should respond to this report.

I am very pleased that the fund, due to the tremendous efforts of management and staff, has again received an unqualified opinion for fiscal year 2007. I am further pleased that the number of findings were reduced to six and that plans are in place to resolve each one.

Under Governor Daniels' administration, management has restored creditability to a fund that only three years ago had 30 findings, was in disarray, and had received a qualified financial opinion.

I am very proud to have led this organization through the transition and to have one of my key executives, Terry Magid, assume responsibility after my departure. It is through his stewardship that the fund will continue to improve.

It has been an honor to serve the citizens of Indiana, the Public Employees' Retirement Fund and Governor Daniels.

Sincerely,



David J. Adams
Executive Director
2005-2007