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2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

FILED

01/14/2011

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

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





2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Public Employees' Retirement Fund

1977 Police Officers' and Firefighters' Pension and Disability Fund

Judges' Retirement System

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation

Enforcement Officers' Retirement Plan

Prosecuting Attorneys' Retirement Fund

Legislators' Retirement System

■ *Defined Contribution Plan*

■ *Defined Benefit Plan*

State Employees' Death Benefit Fund

Public Safety Officers' Special Death Benefit Fund

Pension Relief Fund

Prepared By

Public Employees' Retirement Fund • 143 West Market Street

Indianapolis, IN 46204 • Toll-free: (888) 526-1687

www.perf.in.gov • questions@perf.in.gov

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

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Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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Introductory Section

04 Letter of Transmittal

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11 GFOA Certificate of Achievement

12 Administrative Organization

14 Fund Highlights

INTRODUCTORY SECTION

Letter of Transmittal



Steve Russo
Executive Director

December 28, 2010

Dear Board Members:

It is with pleasure that we present the Comprehensive Annual Financial Report (CAFR) of the Indiana Public Employees' Retirement Fund (PERF) for the fiscal year ended June 30, 2010.

Financial Management: PERF management and staff are very proud to have received an unqualified audit opinion for FY 2010, our fifth consecutive clean opinion. This result is affirmation of PERF's continuing commitment to accurately and completely represent the financial condition of this organization. It is also the end result of PERF's ongoing focus on effective processes and controls and its strong desire to provide its members and employers with the integrity and transparency they deserve in the management of their pension systems.

Five-year Process & Systems Strategic Plan: PERF management continues on our path of improvement with our focus squarely on our mission of Excellence in Customer Service. PERF successfully completed the third year of a five-year process and systems strategic plan it began in 2007. A state-of-the-art financial system is operational and our benefit payment processing has been upgraded. In August 2010, PERF implemented a recordkeeping system to offer its members daily valuation, daily investment election change flexibility, and more fund choices for the ASA accounts. A more user friendly, web-based tool to transact business with our sponsoring employers is planned for 2011 and a more efficient and intuitive benefits administration system is on track for implementation in 2012.

Market Performance: The global economy began to stabilize and financial markets showed signs of recovery in 2010. Within this environment, the Consolidated Retirement Investment Fund (CRIF) gained 13.6% (net of fees), outperforming the portfolio's dynamic benchmark return of 11.7%. PERF was awarded the distinction of Large Public Plan of the Year by a leading financial publication.

Letter of Transmittal, continued

Solid Funding: PERF funds reached an aggregate funded status of 93.5 percent as of June 30, 2009. Nationally, state pension plans were funded at about 80 percent according to the National Association of State Retirement Administrators (NASRA). We are pleased with this overall funded status and continue to work to achieve and maintain full funding.

Customer Service: The PERF team remains committed to continually improve customer service. During the fiscal year, we learned that our customer service scores had improved by more than 25 percent over the past four year period, placing PERF among the top pension plans according to national research. This is the conclusion of a report by CEM Benchmarking, a Toronto-based international pension benchmarking company. The report reflects in-depth research comparing PERF with 35 leading U.S. pension funds.

Accountability and National Excellence: Following this letter you'll see a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA), and an Achievement Award from the Public Pension Coordinating Council (PPCC). The GFOA certification for PERF's 2009 annual report marks the fourth straight year that a PERF annual report has achieved this recognition. The PPCC award recognizes PERF's excellence in meeting professional standards for plan design and administration. This recognition rates PERF's system management and administration among an exclusive handful of public retirement systems in the nation and also marks the fourth consecutive year we have achieved this distinction.

Background Information

As of June 30, 2010, PERF was responsible for the investment of approximately \$14.0 billion in net assets. In total, PERF paid monthly retirement, disability and survivor benefits to 68,266 benefit recipients, served 162,152 members actively employed in public service and worked in partnership with 1,213 participating employers statewide.

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

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

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

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, 2010. PERF's management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of PERF's operations.

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

The SBoA completed their audit of PERF's financial statements for the fiscal year ending June 30, 2010, on September 30, 2010.

Reporting Financial Information

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

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

For financial reporting purposes, PERF follows the Governmental Accounting Standards Board (GASB) Statement No. 25 Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans and Statement No. 50 Pension Disclosures. Assets of PERF are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplemental Schedules 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.

During the fiscal year ended June 30, 2010, PERF implemented GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

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 77.

Investments and Asset Allocation

As of June 30, 2010, the Consolidated Retirement Investment Fund (CRIF) had a market value of \$13.3 billion, an increase of \$1.5 billion since June 30, 2009. The increase in assets was driven by positive returns across all major asset classes. The Investment Section includes an in-depth discussion of the CRIF and the investment policies guiding the Board of Trustees in their decision making. The Board of Trustees continues to make progress in diversifying the assets of PERF and adjusting its risk and return profile in order to deliver the growth and earnings needed to meet future benefit obligations.

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

The investment portfolio mix at fair value for fiscal year ended June 30, 2010 was approximately 40 percent equities, 35 percent fixed income, and 25 percent in alternative investments.

The equity portfolio was comprised of approximately 17 percent domestic equity and 23 percent international equity.

Funding

The health of a retirement system is measured by its ability to fund current and future benefit obligations of its members, which is represented by its funding level. Adequate funding levels reflect the ratio between total actuarial assets compared to total actuarial accrued liabilities. Total CRIF returns of positive 13.9 percent (gross of fees) were above the actuarial assumptions of 7.25 percent. However, it should be noted that the 7.25 percent assumption is based on a long-term, multi-year strategy.

Notwithstanding the volatility of recent market conditions, PERF and its investments remain in sound, stable condition.

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

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

Actuarial Survey Valuation

An actuarial review of PERF is performed annually. An assumption experience study is performed every three to five years.

The actuarial firm, McCready & Keene, completed the actuarial reviews and valuations. In addition, the firm served as technical advisor to PERF. Actuarial certification and supporting statistics are included in the Actuarial and Statistical sections of this report.

Acknowledgements

This 2010 Comprehensive Annual Financial Report represents our commitment to a constructive spirit of full disclosure to clearly communicate our financial story and to motivate interested individuals to read this document. It is intended to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

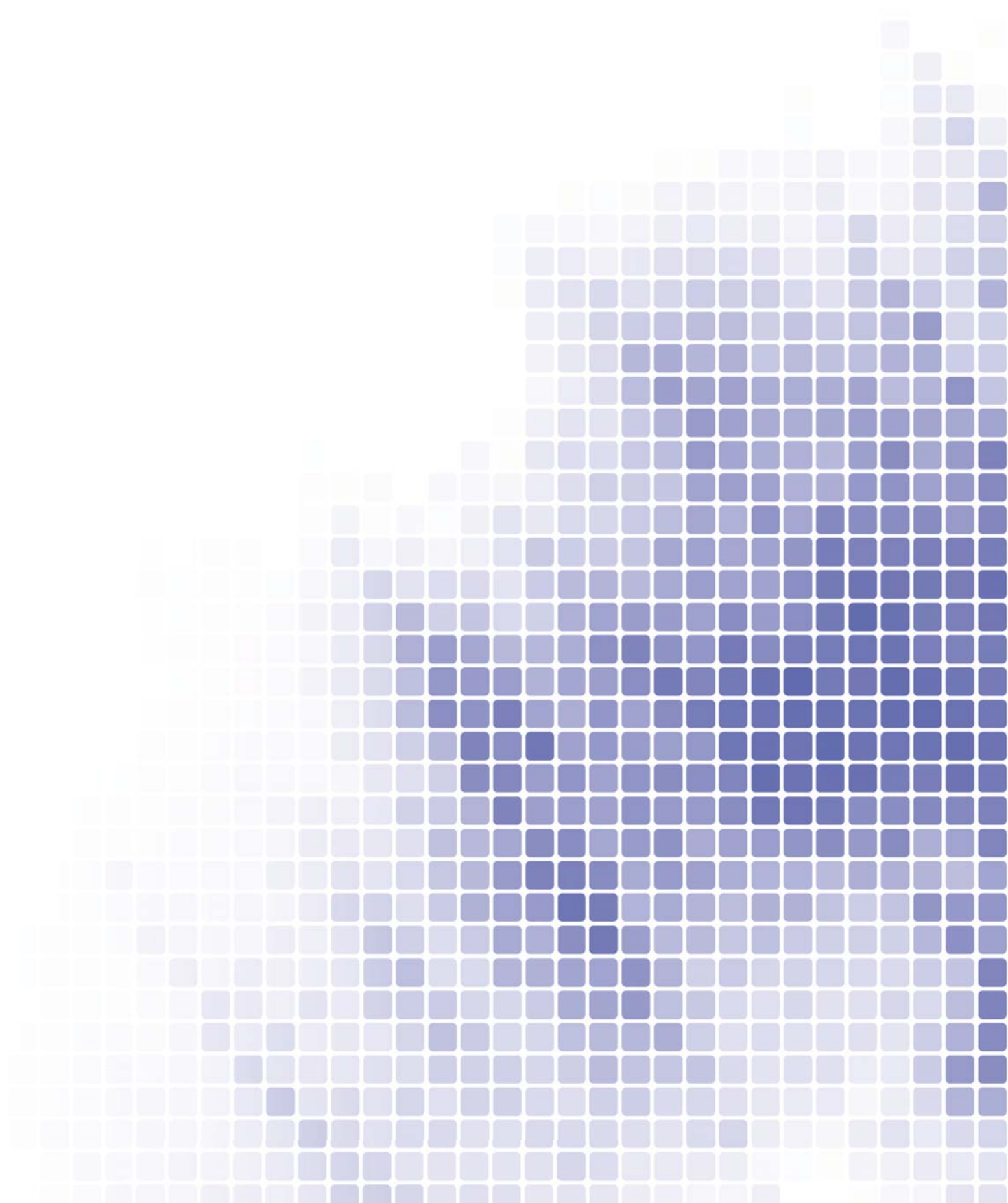
Our success in achieving this level of public accountability would not be possible without the effective teamwork and committed service of PERF's staff and advisors.

Our members, employers and the people of the state of Indiana have bestowed on us significant confidence and trust in the management of this fund. We are committed to living up to, and exceeding, their high expectations. In addition, on behalf of the entire PERF team, I thank the Board of Trustees, Governor Mitch Daniels, the members of the Pension Management Oversight Commission, the Indiana General Assembly and the many public employees and employers who strongly encourage us to continually raise the bar of service to our customers. We also thank Terren B. Magid who served as the Executive Director of PERF until May of 2010. PERF's success during his five years of service is a reflection of his dedication to all stakeholders.

Sincerely,



Steve Russo
Executive Director





Public Pension Coordinating Council

***Public Pension Standards Award
For Funding and Administration
2010***

Presented to

Indiana Public Employees' Retirement Fund

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

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle
Program Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to
**Public Employees' Retirement Fund
of Indiana**

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

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.



A stylized, handwritten signature in black ink.

President

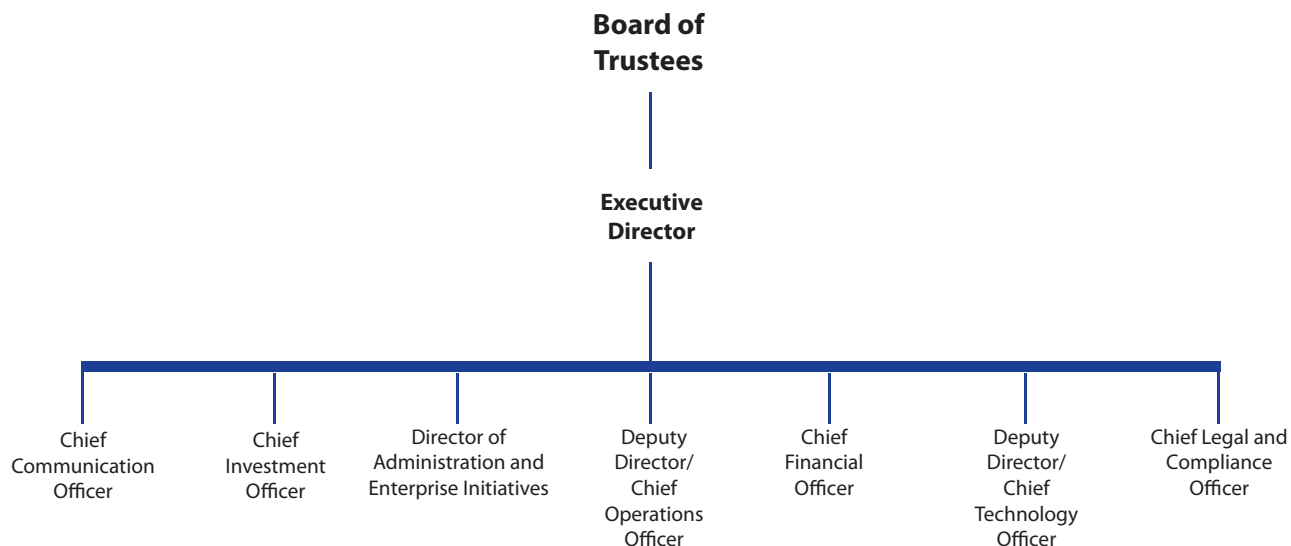
A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director

INTRODUCTORY SECTION

Administrative Organization

Organizational Chart



Mitch Daniels
Governor

Becky Skillman
Lt. Governor

Executive Team

Steve Russo
Executive Director

Steven Barley
*Deputy Director
Chief Operations Officer*

David Huffman
*Deputy Director
Chief Technology Officer*

David Cooper
Chief Investment Officer

Jeffrey Hutson
Chief Communication Officer

Julia Pogue
Chief Financial Officer

Andrea Unzicker
*Chief Legal and
Compliance Officer*

Todd Williams
*Director of Administration and
Enterprise Initiatives*

Professional Consultants¹

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

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

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

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

Board of Trustees and Executive Team

Board of Trustees



Ken Cochran
Chair



Greg Hahn
Vice Chairman



Allen Clark



Ryan Kitchell



Bret Swanson



Cari Whicker

Executive Team



Steve Russo
Executive Director



Steven Barley
Chief Operations Officer



David Huffman
Chief Technology Officer



David Cooper
Chief Investment Officer



Jeffrey Hutson
Chief Communication Officer



Julia Pogue
Chief Financial Officer



Andrea Unzicker
*Chief Legal and
Compliance Officer*



Todd Williams
*Director of Administration
and Enterprise Initiatives*

INTRODUCTORY SECTION

Fund Highlights

Public Employees' Retirement Fund

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

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

BENEFIT FORMULA

Annual Benefit = (Years of Creditable Service x
Average Annual Compensation x .011) +
Annuity Savings Account²

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

Cost of Living Allowance

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

Contribution Rates

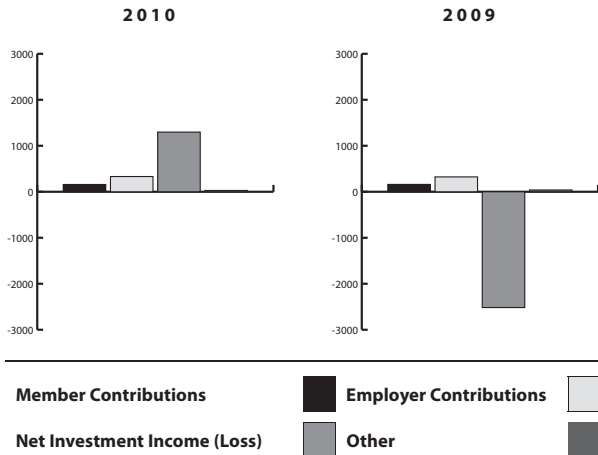
- The amount (rate) of employer contributions is adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.
- Members are required to contribute 3 percent of gross wages to their Annuity Savings Account, and employers have the option of making all or part of this contribution on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

Fund Highlights

Public Employees' Retirement Fund, continued

Additions by Source

For fiscal year ended June 30 (in millions)



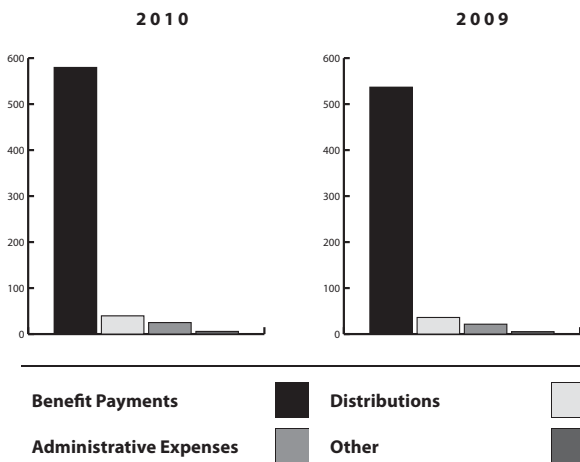
For fiscal year ended June 30
(in millions)

Additions by Source

	2010	2009
Member Contributions	\$ 158.1	\$ 160.0
Employer Contributions	331.1	323.2
Net Investment Income (Loss)	1,297.5	(2,517.9)
Other	2.4	3.1
Totals	\$ 1,789.1	\$ (2,031.6)

Deductions by Type

For fiscal year ended June 30 (in millions)



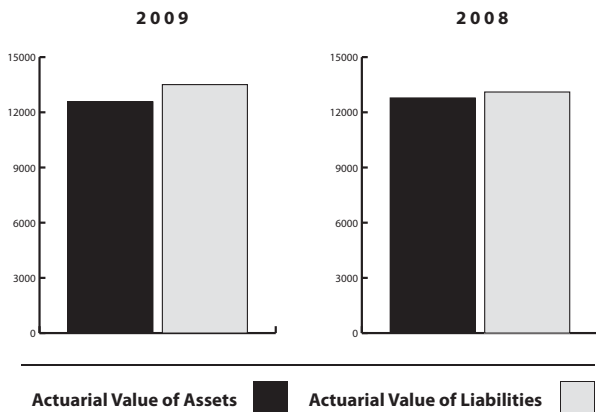
For fiscal year ended June 30
(in millions)

Deductions by Type

	2010	2009
Benefit Payments	\$ 579.7	\$ 536.8
Distributions	39.6	36.1
Administrative Expenses	25.0	21.5
Other	5.8	5.1
Totals	\$ 650.1	\$ 599.5

Funding Progress

Actuarial study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

Funding Progress

	2009	2008
Actuarial Value of Assets	\$ 12,569.3	\$ 12,780.1
Actuarial Value of Liabilities	13,506.3	13,103.2
Funding Ratios	93.1%	97.5%

INTRODUCTORY SECTION

Fund Highlights

1977 Police Officers' and Firefighters' Pension and Disability Fund

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

Annual Benefit =

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

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

Cost of Living Allowance

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

Contribution Rates

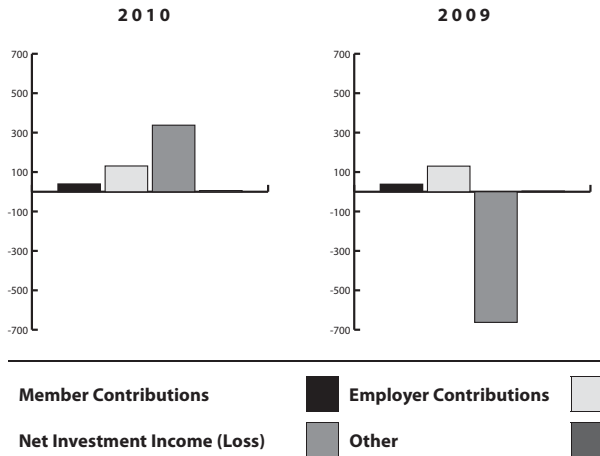
- Members contribute 6 percent of first-class salary for the term of their employment up to 32 years. Employers have the option of making all or part of this contribution on behalf of the member.
- Employer contribution rates are adopted by the PERF Board of Trustees based on recommendations by PERF's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

Fund Highlights

1977 Police Officers' and Firefighters' Pension and Disability Fund, continued

Additions by Source

For fiscal year ended June 30 (in millions)



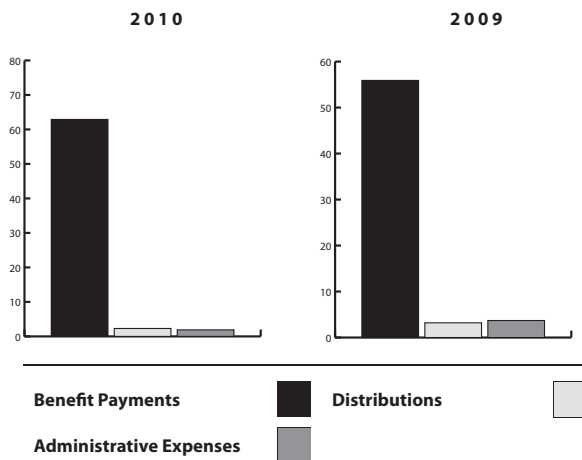
For fiscal year ended June 30
(in millions)

Additions by Source

	2010	2009
Member Contributions	\$ 39.8	\$ 38.5
Employer Contributions	130.8	130.0
Net Investment Income (Loss)	337.8	(662.6)
Other	0.3	0.2
Totals	\$ 508.7	\$ (493.9)

Deductions by Type

For fiscal year ended June 30 (in millions)



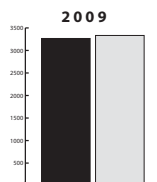
For fiscal year ended June 30
(in millions)

Deductions by Type

	2010	2009
Benefit Payments	\$ 62.9	\$ 55.9
Distributions	2.3	3.2
Administrative Expenses	1.9	3.7
Totals	\$ 67.1	\$ 62.8

Funding Progress

Actuarial study as of July 1 (in millions)

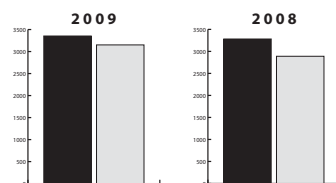


Actuarial Study as of July 1
(in millions)

Funding Progress

Actuarial Value of Assets	\$ 3,265.6
Actuarial Value of Liabilities	3,332.7
Funding Ratios	98.0%

Actuarial study as of Jan. 1 (in millions)



Actuarial Study as of January 1
(in millions)

Funding Progress

	2009	2008
Actuarial Value of Assets	\$ 3,352.7	\$ 3,281.5
Actuarial Value of Liabilities	3,150.8	2,889.3
Funding Ratios	106.4%	113.6%

INTRODUCTORY SECTION

Fund Highlights

Judges' Retirement System

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

Annual Benefit = Salary at Retirement¹ x Percentage Below

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

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

Cost of Living Allowance

For the 1977 System, the cost of living allowance is a percentage increase equal to the increase in the salary of the judge's position from which the judge retired. No additional cost of living allowance is payable January 1, 2010.

Contribution Rates

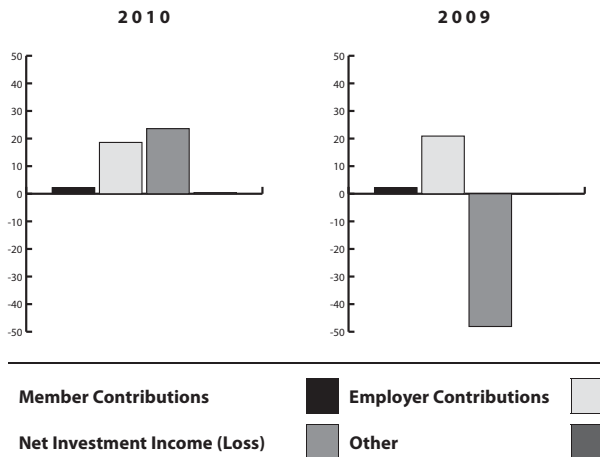
- Employees contribute 6 percent of the judge's statutory salary until 22 years of service have been completed.
- Employer contributions are determined by the Indiana General Assembly as biennial appropriations from the state's General Fund.

Fund Highlights

Judges' Retirement System, continued

Additions by Source

For fiscal year ended June 30 (in millions)

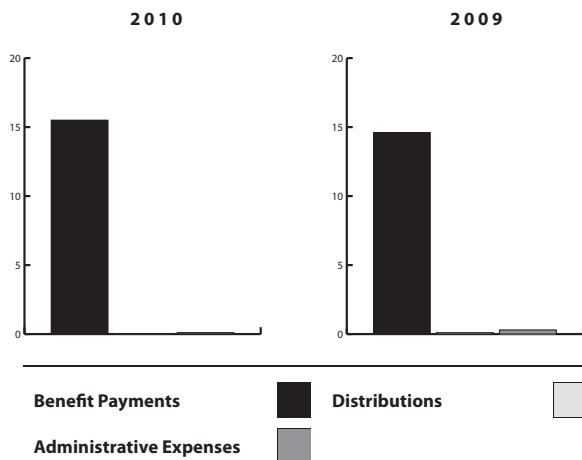


For fiscal year ended June 30
(in millions)

	2010	2009
Additions by Source		
Member Contributions	\$ 2.2	\$ 2.2
Employer Contributions	18.6	20.9
Net Investment Income (Loss)	23.6	(48.1)
Other	0.1	-
Totals	\$ 44.5	\$ (25.0)

Deductions by Type

For fiscal year ended June 30 (in millions)

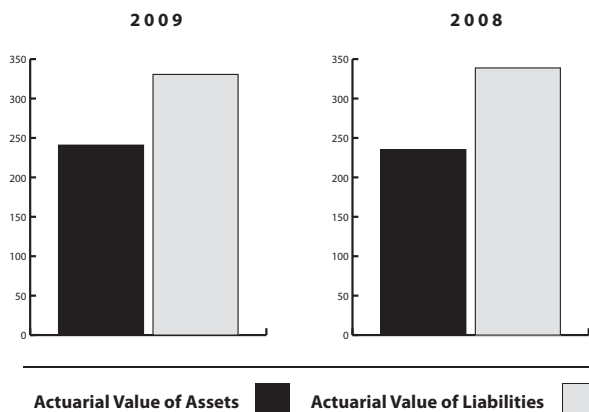


For fiscal year ended June 30
(in millions)

	2010	2009
Deductions by Type		
Benefit Payments	\$ 15.5	\$ 14.6
Distributions	-	0.1
Administrative Expenses	0.1	0.3
Totals	\$ 15.6	\$ 15.0

Funding Progress

Actuarial study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2009	2008
Funding Progress		
Actuarial Value of Assets	\$ 240.9	\$ 234.9
Actuarial Value of Liabilities	330.6	338.8
Funding Ratios	72.9%	69.3%

INTRODUCTORY SECTION

Fund Highlights

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

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

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

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

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

Cost of Living Allowance

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

Contribution Rates

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

Fund Highlights

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

Additions by Source

For fiscal year ended June 30 (in millions)

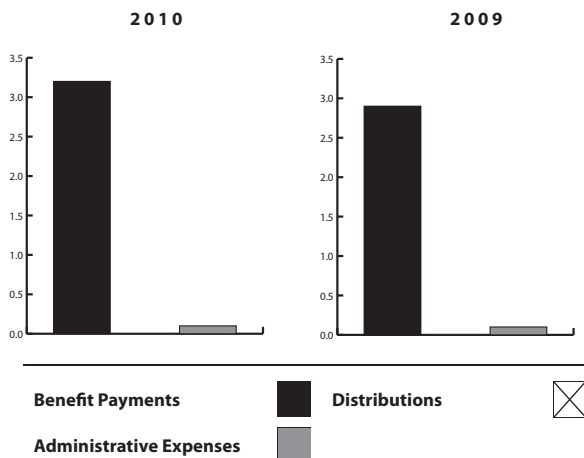


For fiscal year ended June 30
(in millions)

	2010	2009
Additions by Source		
Member Contributions	\$ 1.0	\$ 1.0
Employer Contributions	5.3	5.3
Net Investment Income (Loss)	6.7	(12.9)
Totals	\$ 13.0	\$ (6.6)

Deductions by Type

For fiscal year ended June 30 (in millions)

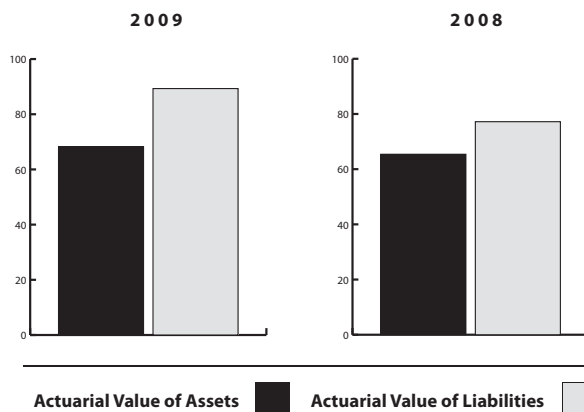


For fiscal year ended June 30
(in millions)

	2010	2009
Deductions by Type		
Benefit Payments	\$ 3.2	\$ 2.9
Distributions	-	-
Administrative Expenses	0.1	0.1
Totals	\$ 3.3	\$ 3.0

Funding Progress

Actuarial study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2009	2008
Funding Progress		
Actuarial Value of Assets	\$ 68.2	\$ 65.4
Actuarial Value of Liabilities	89.3	77.2
Funding Ratios	76.3%	84.7%

INTRODUCTORY SECTION

Fund Highlights

Prosecuting Attorneys' Retirement Fund

Membership and Eligibility

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

MEMBERS RECEIVING RETIREMENT BENEFITS

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

BENEFIT FORMULA

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

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

Cost of Living Allowance

No cost of living allowance is available.

Contribution Rates

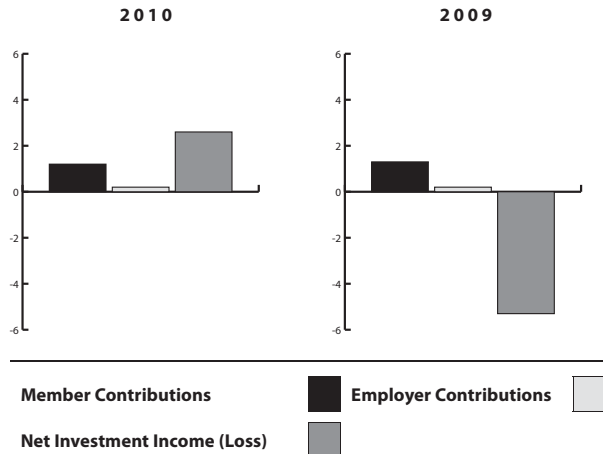
- Members contribute 6 percent of the state-paid portion of their annual salary.
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations by PERF's actuary.

Fund Highlights

Prosecuting Attorneys' Retirement Fund, continued

Additions by Source

For fiscal year ended June 30 (in millions)

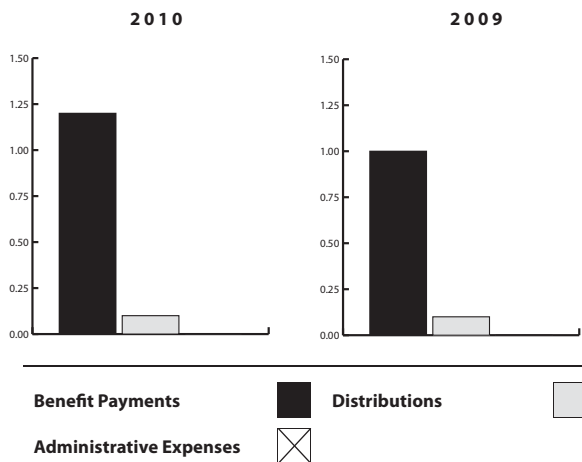


For fiscal year ended June 30
(in millions)

	2010	2009
Additions by Source		
Member Contributions	\$ 1.2	\$ 1.3
Employer Contributions	0.2	0.2
Net Investment Income (Loss)	2.6	(5.3)
Totals	\$ 4.0	\$ (3.8)

Deductions by Type

For fiscal year ended June 30 (in millions)

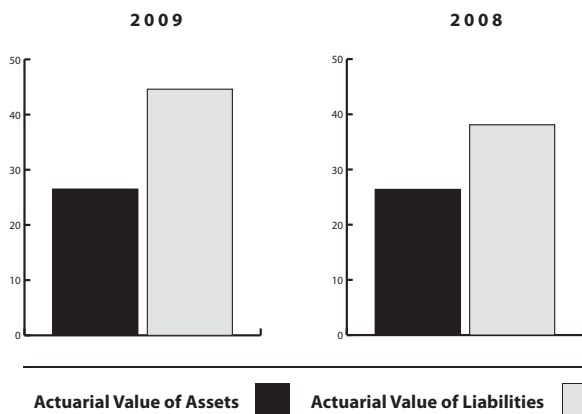


For fiscal year ended June 30
(in millions)

	2010	2009
Deductions by Type		
Benefit Payments	\$ 1.2	\$ 1.0
Distributions	0.1	0.1
Administrative Expenses	-	-
Totals	\$ 1.3	\$ 1.1

Funding Progress

Actuarial study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

	2009	2008
Funding Progress		
Actuarial Value of Assets	\$ 26.5	\$ 26.4
Actuarial Value of Liabilities	44.6	38.1
Funding Ratios	59.3%	69.2%

INTRODUCTORY SECTION

Fund Highlights

Legislators' Retirement System – Defined Benefit Plan

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 Legislators' Defined Contribution Plan.¹

MEMBERS RECEIVING RETIREMENT BENEFITS

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

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

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

³ Early Retirement Benefit Formula:

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

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

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

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

BENEFIT FORMULA

Lesser of:

- $\$40 \times \text{Years of service before November 8, 1989 or}$
- $\text{Highest consecutive three-year average annual salary at termination} \div 12$

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

Cost of Living Allowance

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

Contribution Rates

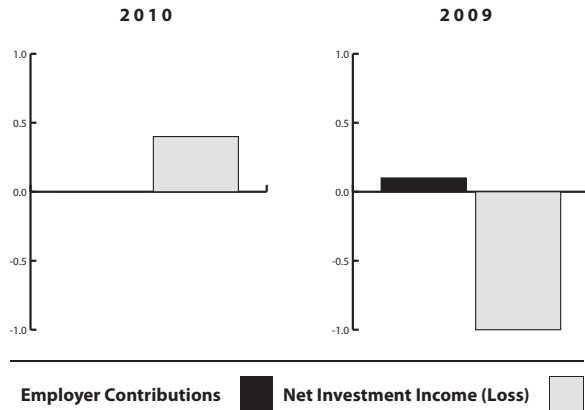
- Employer contributions are adopted by the PERF Board of Trustees based on recommendations of PERF's actuary.

Fund Highlights

Legislators' Retirement System – Defined Benefit Plan, continued

Additions by Source

For fiscal year ended June 30 (in millions)

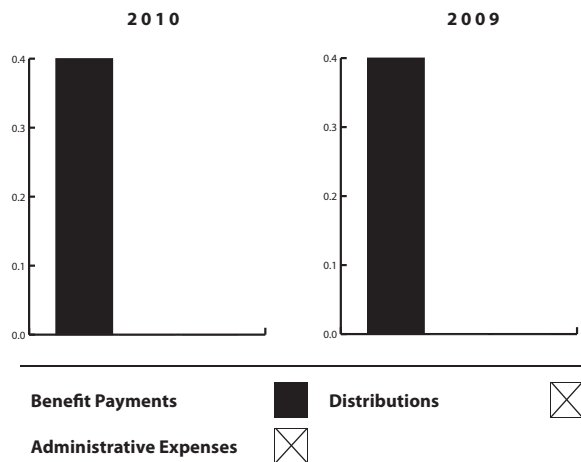


For fiscal year ended June 30
(in millions)

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

Deductions by Type

For fiscal year ended June 30 (in millions)

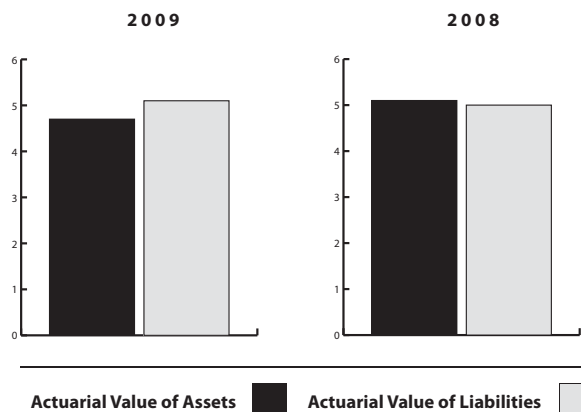


For fiscal year ended June 30
(in millions)

Deductions by Type			
Benefit Payments	\$	0.4	\$ 0.4
Distributions		-	-
Administrative Expenses		-	-
Totals	\$	0.4	\$ 0.4

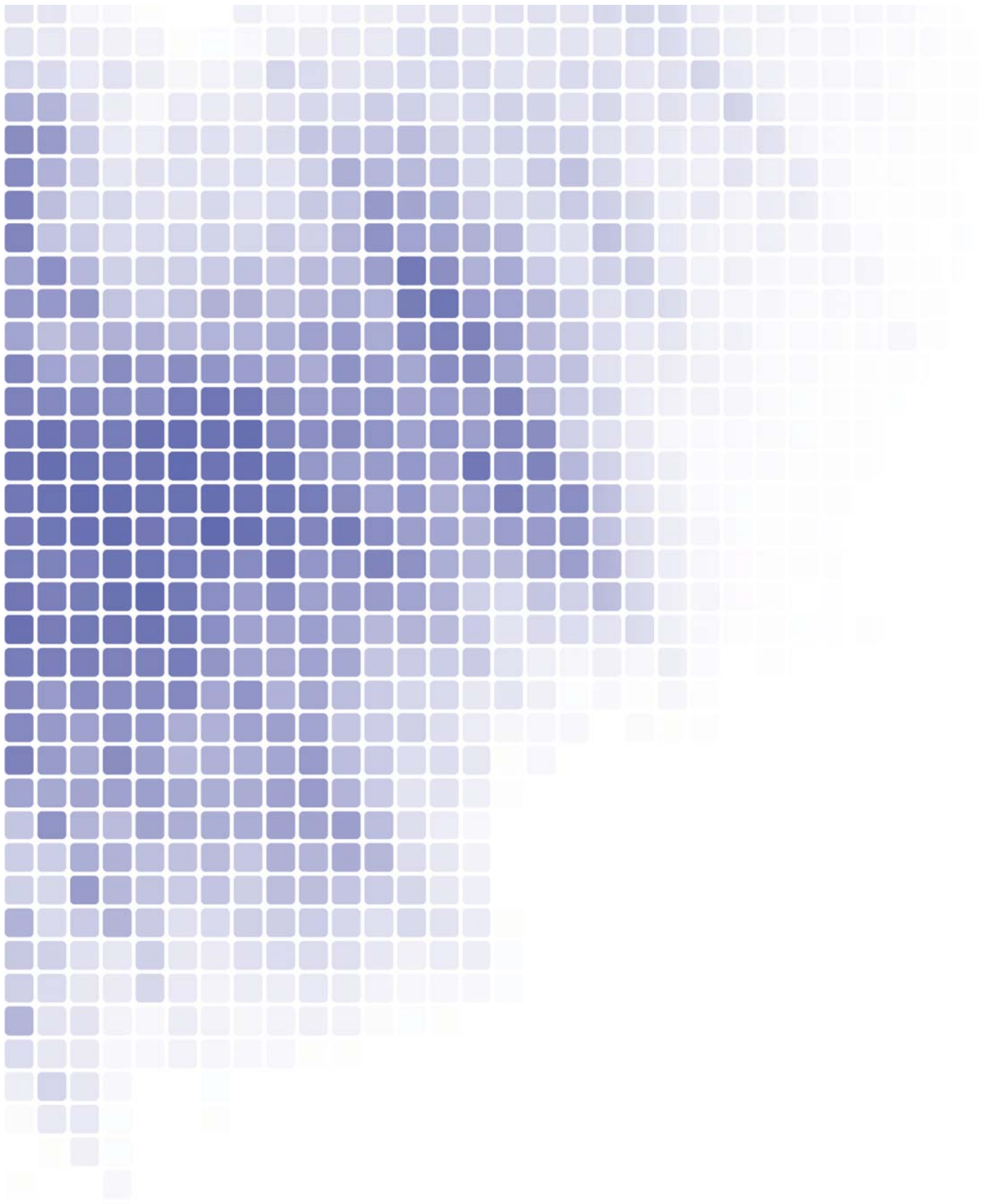
Funding Progress

Actuarial study as of July 1 (in millions)



Actuarial Study as of July 1
(in millions)

Funding Progress				
Actuarial Value of Assets	\$	4.7	\$	5.1
Actuarial Value of Liabilities		5.1		5.0
Funding Ratios		93.0%		101.6%



2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

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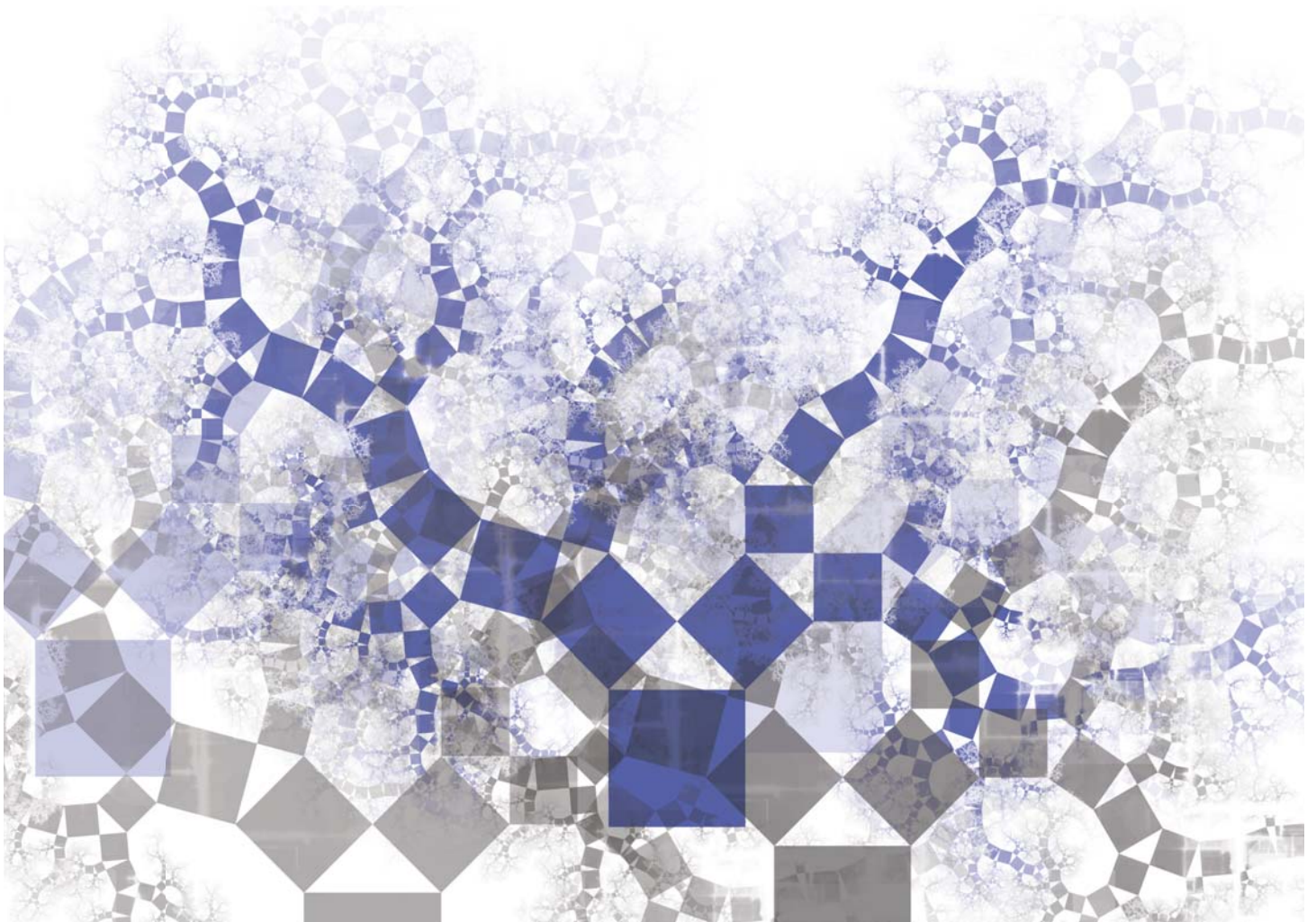
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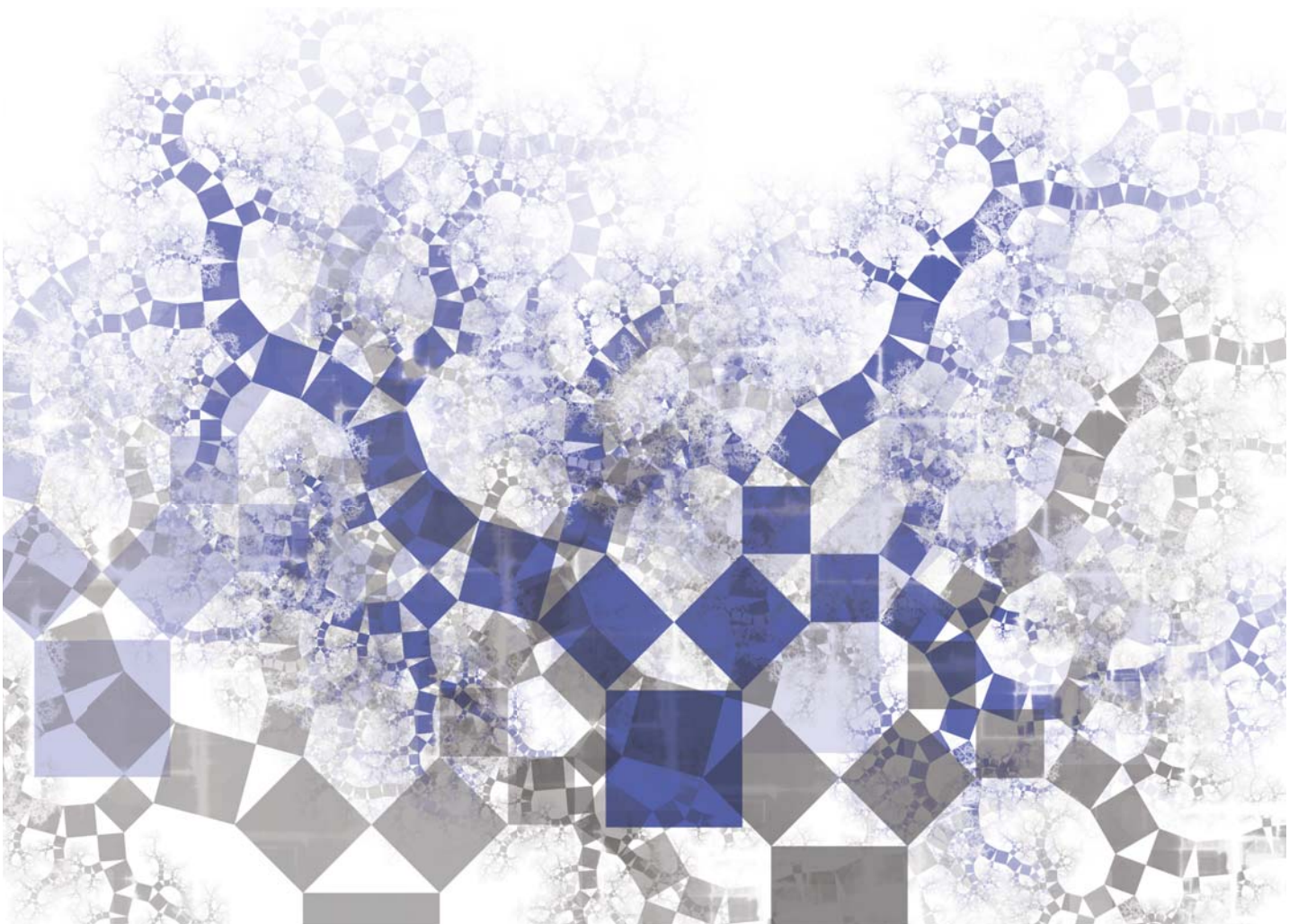
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FINANCIAL SECTION



Independent Auditor's Report



STATE OF INDIANA AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Public Employees' Retirement Fund Board of Trustees, as of and for the year ended June 30, 2010. These 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Public Employees' Retirement Fund Board of Trustees' internal control over reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Public Employees' Retirement Fund Board of Trustees as of June 30, 2010, and the respective changes in financial position where applicable, thereof 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, and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by 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 performed for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Administrative Expenses, Investment Expenses, Contractual and Professional Service Expenses, Investment Section, Actuarial Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Administrative Expenses, Investment Expenses, and Contractual and Professional Service Expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

State Board of Accounts

STATE BOARD OF ACCOUNTS

September 30, 2010

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, 2010. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal included in the Introductory Section of the *PERF Comprehensive Annual Financial Report*. This section should be read in conjunction with the Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information.

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

Financial Highlights

- Total net assets of PERF were \$14.0 billion as of June 30, 2010. Net assets of the retirement plans, which are held in trust to meet future benefit payments, were \$13.9 billion as of June 30, 2010.
- Total net assets of PERF increased by \$1.6 billion, or 13.0 percent, from the prior year. The increase was due primarily to investment returns.
- Net assets of the PR Fund, which are held in trust for pool participants, were \$98.7 million as of June 30, 2010, compared to \$105.4 million as of June 30, 2009. PR Fund distributions are mandated by state law.
- 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 13.9 percent (gross of fees) on a market value basis, compared to last year's loss of 20.6 percent. The improvement was due to positive returns across all major segments of the portfolio.
- As of July 1, 2009, the date of the most recent actuarial valuation, the Public Employees' Retirement Fund, the largest pension plan administered by PERF, is funded actuarially at 93.1 percent. This represents a decrease from the 97.5 percent funded level as of July 1, 2008. Employer contributions are adjusted annually based on actuarial computations.

Overview of the Financial Statements

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

The Statement of Changes in Fiduciary Net Assets presents information showing how PERF's net assets held in trust for pension benefits, death benefits and pool participants changed during the years ended June 30, 2009 and June 30, 2010. It reflects contributions by members and employers along with deductions for retirement benefits, distributions, PR Fund distributions and withdrawals, and administrative expenses. Investment income and losses during the period are also presented, showing income and/or losses from investing and securities lending activities.

Financial Analysis

Total assets of PERF were \$17.7 billion as of June 30, 2010, compared to \$16.6 billion as of June 30, 2009. The increase in total assets was due primarily to positive investment returns.

Total liabilities were \$3.7 billion as of June 30, 2010, compared to \$4.1 billion as of June 30, 2009. The decrease was due primarily to a decrease in investment related transactions not yet settled at year end.

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

Net Assets			
(dollars in thousands)			
	June 30, 2010	June 30, 2009	% Change
Assets			
Cash and Cash Equivalents	\$ 1,361,868	\$ 1,197,416	13.7 %
Securities Lending Collateral	2,467,848	2,367,249	4.2
Receivables and Prepaids	1,226,215	1,384,453	(11.4)
Investments	12,647,842	11,597,110	9.1
Capital Assets (Net)	7,993	6,306	26.8
Total Assets	\$ 17,711,766	\$ 16,552,534	7.0 %
Liabilities			
Securities Lending Collateral	\$ 2,467,848	\$ 2,367,249	4.2 %
Other Current Liabilities	1,202,193	1,762,510	(31.8)
Long-Term Liabilities	330	243	35.8
Total Liabilities	\$ 3,670,371	\$ 4,130,002	(11.1)%
Total Net Assets	\$ 14,041,395	\$ 12,422,533	13.0 %
Investment and Administrative Expenses as a % of Net Assets	0.76%	0.86%	

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, 2010	June 30, 2009	% Change
PERF Plan	\$ 10,581,319	\$ 9,442,336	12.1%
1977 Fund	3,033,285	2,591,674	17.0
JRS	208,395	179,428	16.1
E, G & C Plan	61,174	51,404	19.0
PARF	22,431	19,696	13.9
LDC Plan	22,356	19,778	13.0
LDB Plan	3,396	3,368	0.8
PSO Special Death Benefit Fund	3,244	2,842	14.1
SE Death Benefit Fund	7,091	6,566	8.0
PR Fund	98,704	105,441	(6.4)
Total	\$ 14,041,395	\$ 12,422,533	13.0%

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. The PERF Board of Trustees approved a change to the long-term target asset allocation on October 17, 2008.

	June 30, 2010 Actual	June 30, 2010 Target	Allowable Range ¹	June 30, 2009 Actual
Equities	39.7%	40%	30 - 50%	50.5%
Fixed Income – Core & Core Opportunistic	23.5	20	15 - 25	24.6
Fixed Income – TIPS	11.2	10	5 - 15	7.3
Alternative Investments	24.5	30	15 - 45	16.5
Cash	1.1	-	-	1.1
Total	100%	100%		100%

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

Management's Discussion and Analysis, continued

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

Changes in Net Assets

(dollars in thousands)

	June 30, 2010	June 30, 2009	% Change
Additions			
Member Contributions	\$ 203,568	\$ 204,391	(0.4)%
Employer Contributions	485,921	479,578	1.3
Contributions to PR Fund from the state of Indiana	194,991	109,533	78.0
Other Contributions from the state	626	539	16.1
Net Investment Income / (Loss)	1,683,599	(3,256,830)	151.7
Transfers from Teachers' Retirement Fund (TRF) and other Funds	2,644	3,402	(22.3)
Other	176	166	6.0
Total Additions	\$ 2,571,525	\$ (2,459,221)	204.6%
Deductions			
Benefits	\$ 663,663	\$ 612,083	8.4%
Distributions	42,850	40,742	5.2
Transfers to Teachers' Retirement Fund (TRF) and other Funds	5,837	5,137	13.6
Pension Relief Distributions	213,035	167,279	27.4
Local Unit Withdrawals ¹	96	4,020	(97.6)
Administrative Expenses	27,182	26,064	4.3
Total Deductions	\$ 952,663	\$ 855,325	11.4%
Increase (Decrease) in Net Assets	\$ 1,618,862	\$ (3,314,546)	148.8%
Change in Net Assets Held In Trust For:			
Pension Benefits	\$ 1,624,673	\$ (3,248,269)	150.0%
Future Death Benefits ²	926	698	32.7
State and Local Units ¹	(6,737)	(66,975)	(89.9)

¹Pension Relief Fund only.

²Other Employee Benefit Trust Funds.

Additions

Additions needed to fund benefits for the pension trust funds are accumulated through member and employer contributions, and net returns on invested funds. Member contributions for the year ended June 30, 2010 totaled \$203.6 million. This represents a decrease of \$.8 million or 0.4 percent, compared to the prior year. Employer contributions were \$485.9 million, an increase of \$.6 million or 1.3 percent. Employer contributions are adjusted annually based on actuarial computations.

PERF recognized a net investment gain of \$1.7 billion for the year ended June 30, 2010, compared to a net investment loss of \$3.3 billion the prior year. The total rate of return on the CRIF was 13.6 percent (net of fees) compared to a 21.0 percent loss 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 PR Fund. The deferred amounts remain invested in the fund and are available to those cities and towns at their request. There were no deferrals during the year ended June 30, 2010. The state of Indiana makes contributions to the PR Fund by way of appropriations, certain tax receipts and lottery funds. These contributions totaled \$195.0 million for the fiscal year ended June 30, 2010, and \$109.5 million for the fiscal year ended June 30, 2009.

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 to former members, and administrative expenses. For the year ended June 30, 2010, benefits paid amounted to \$663.7 million, an increase of \$51.6 million or 8.4 percent from the prior year. The increase in benefits was due primarily to an increase in the number of retirees from 65,455 at June 30, 2009 to 68,266 at June 30, 2010, and the impact of COLA and 13th check increases over prior year. Distributions paid out to former members were \$42.9 million, which represents an increase of \$2.1 million or 5.2 percent from the prior year.

Distributions from the PR Fund totaled \$213.0 million, compared to \$167.2 million in the prior year, an increase of \$45.8 million. This increase is due to the change in calculation methodology for distributions effective January 1, 2009, from the statutorily defined formulas to the actual benefits paid from these plans.

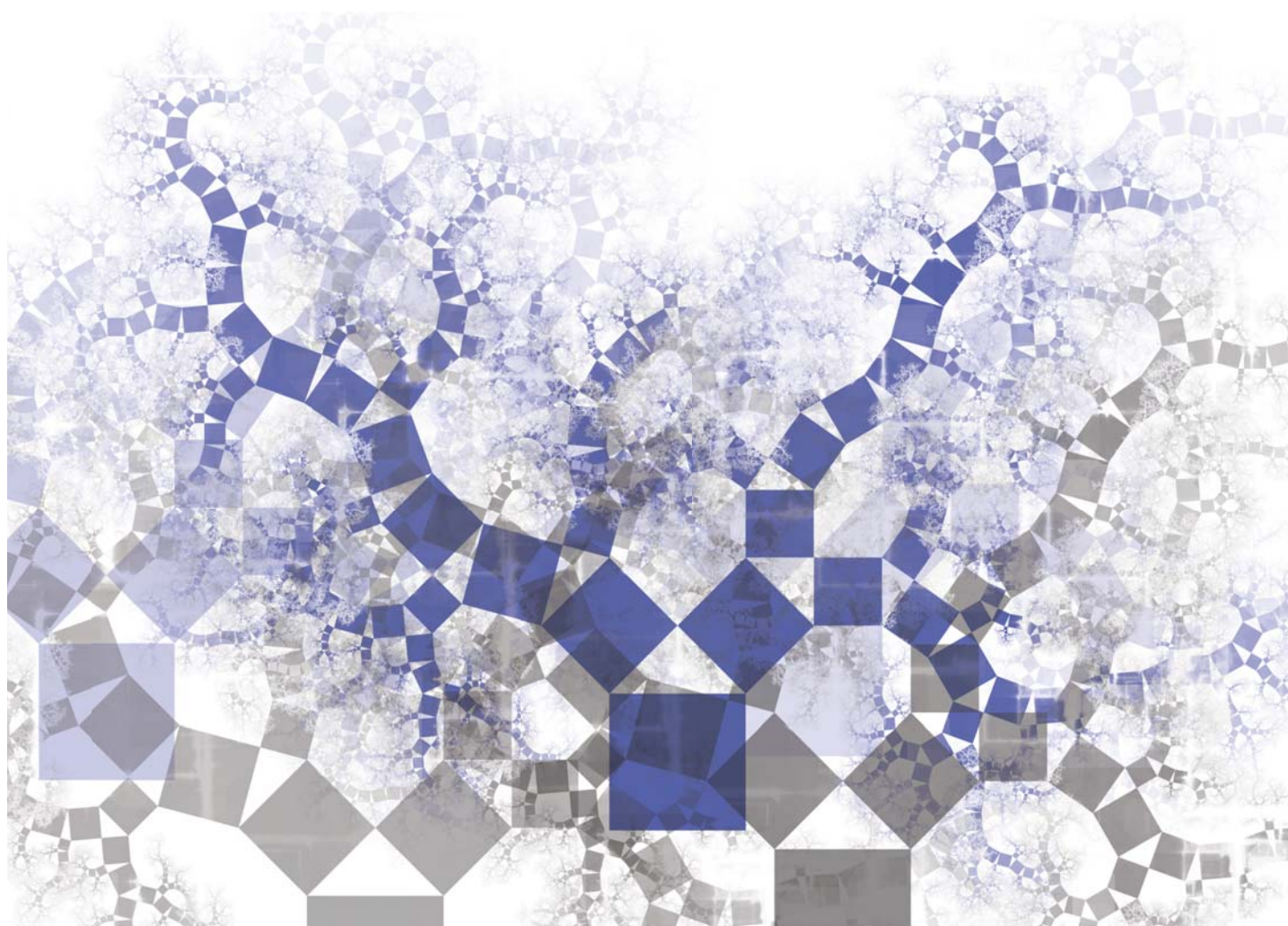
The cost of administering PERF's retirement plans and non-retirement funds, excluding investment manager expenses, amounted to \$27.2 million, an increase of \$1.1 million or 4.3 percent, compared to the prior year. The increase was due primarily to support costs for modernization projects which were launched in order to expand customer service and create operating efficiencies.

Historical Trends

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

	July 1, 2009	July 1, 2008
PERF	93.1%	97.5%
JRS	72.9	69.3
E, G & C plan	76.3	84.7
PARF	59.3	69.2
LDB plan	93.0	101.6
	July 1, 2009	January 1, 2008
1977 Fund	98.0%	113.6%

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



FINANCIAL SECTION

Statement of Fiduciary Net Assets

As of June 30, 2010 (with Comparative Totals as of June 30, 2009)*

	Pension Trust Funds				
	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund
<i>(dollars in thousands)</i>					
Assets					
Cash and Cash Equivalents	\$ 954,061	\$ 276,762	\$ 19,329	\$ 5,862	\$ 2,115
Securities Lending Collateral	1,849,737	557,614	38,807	11,319	4,167
Receivables					
Contributions	98,301	42,052	109	244	64
Investment Income	33,640	10,140	706	206	76
Due From Other Funds	24,310	-	-	-	-
Investment and Contract Sales	761,559	229,577	15,977	4,660	1,716
Member Loans	-	-	-	-	-
Miscellaneous Receivable	387	135	-	-	-
Due From Teachers' Retirement Fund	167	-	-	-	-
Total Receivables	918,364	281,904	16,792	5,110	1,856
Other Current Assets	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-
Investments					
Debt Securities	3,008,154	906,826	63,111	18,407	6,776
Equity Securities	3,613,564	1,089,308	75,811	22,111	8,140
Mutual Funds and Collective Trust Funds	997,403	169,766	11,815	3,446	1,269
Other	1,969,995	593,867	41,330	12,054	4,438
Total Investments	9,589,116	2,759,767	192,067	56,018	20,623
Capital Assets					
Land	547	-	-	-	-
Building	2,893	-	-	-	-
Computer Software & Equipment	6,050	-	-	-	-
Accumulated Depreciation	(1,497)	-	-	-	-
Total Capital Assets	7,993	-	-	-	-
Total Assets	13,319,271	3,876,047	266,995	78,309	28,761
Liabilities					
Accounts Payable	12,743	30	13	3	2
Salaries and Benefits Payable	932	-	-	-	-
Investments Payable	872,793	263,109	18,311	5,341	1,966
Due to Teachers' Retirement Fund	1,371	-	-	-	-
Securities Lending Collateral	1,849,737	557,614	38,807	11,319	4,168
Due to Other Funds	46	22,009	1,469	472	194
Total Current Liabilities	2,737,622	842,762	58,600	17,135	6,330
Compensated Absences Liability-Long Term	330	-	-	-	-
Total Liabilities	2,737,952	842,762	58,600	17,135	6,330
Net Assets Held in Trust for:					
Pension Benefits	10,581,319	3,033,285	208,395	61,174	22,431
Future Death Benefits	-	-	-	-	-
State and Local Units	-	-	-	-	-
Total Net Assets Held in Trust	\$ 10,581,319	\$ 3,033,285	\$ 208,395	\$ 61,174	\$ 22,431

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

Statement of Fiduciary Net Assets, continued

As of June 30, 2010 (with Comparative Totals as of June 30, 2009)*

	Other Employment Benefit Trust Funds				Investment Trust Fund		
	Legislators' Retirement System		State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	2010 Totals	2009 Totals
	Defined Contribution Plan	Defined Benefit Plan					
Assets							
Cash and Cash Equivalents	\$ 4,139	\$ 319	\$ 255	\$ 290	\$ 98,736	\$ 1,361,868	\$ 1,197,416
Securities Lending Collateral	1,781	628	2,659	1,136	-	2,467,848	2,367,249
Receivables							
Contributions	3	-	-	-	-	140,773	139,942
Investment Income	33	11	69	24	21	44,926	45,396
Due From Other Funds	7	38	-	-	-	24,355	19,662
Investment and Contract Sales	733	259	-	-	-	1,014,481	1,176,336
Member Loans	934	-	-	-	-	934	773
Miscellaneous Receivable	57	-	-	-	-	579	682
Due From Teachers' Retirement Fund	-	-	-	-	-	167	1,633
Total Receivables	1,767	308	69	24	21	1,226,215	1,384,424
Other Current Assets							
Prepaid Expenses	-	-	-	-	-	-	29
Investments							
Debt Securities	2,897	1,021	6,772	2,932	-	4,016,896	3,788,890
Equity Securities	3,480	1,226	-	-	-	4,813,640	4,251,248
Mutual Funds and Collective Trust Funds	9,167	191	-	-	-	1,193,057	2,196,523
Other	1,897	668	-	-	-	2,624,249	1,360,449
Total Investments	17,441	3,106	6,772	2,932	-	12,647,842	11,597,110
Capital Assets							
Land	-	-	-	-	-	547	547
Building	-	-	-	-	-	2,893	2,893
Computer Software & Equipment	-	-	-	-	-	6,050	3,629
Accumulated Depreciation	-	-	-	-	-	(1,497)	(763)
Total Capital Assets	-	-	-	-	-	7,993	6,305
Total Assets	25,128	4,361	9,755	4,382	98,757	17,711,766	16,552,534
Liabilities							
Accounts Payable	5	4	5	2	13	12,820	55,978
Salaries and Benefits Payable	-	-	-	-	-	932	771
Investments Payable	898	296	-	-	-	1,162,714	1,685,480
Due to Teachers' Retirement Fund	-	-	-	-	-	1,371	618
Securities Lending Collateral	1,781	628	2,659	1,136	-	2,467,848	2,367,249
Due to Other Funds	88	38	-	-	40	24,356	19,662
Total Current Liabilities	2,772	965	2,664	1,138	53	3,670,041	4,129,758
Compensated Absences Liability-Long Term	-	-	-	-	-	330	243
Total Liabilities	2,772	965	2,664	1,138	53	3,670,371	4,130,002
Net Assets Held in Trust for:							
Pension Benefits	22,356	3,396	-	-	-	13,932,356	12,307,684
Future Death Benefits	-	-	7,091	3,244	-	10,335	9,408
State and Local Units	-	-	-	-	98,704	98,704	105,441
Total Net Assets Held in Trust	\$ 22,356	\$ 3,396	\$ 7,091	\$ 3,244	\$ 98,704	\$ 14,041,395	\$ 12,422,533

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

FINANCIAL SECTION

Statement of Changes in Fiduciary Net Assets

For the Year Ended June 30, 2010 (with comparative totals for the year ended June 30, 2009)*

	Pension Trust Funds				
	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund
<i>(dollars in thousands)</i>					
Additions					
Contributions:					
Members	\$ 158,089	\$ 39,826	\$ 2,229	\$ 1,010	\$ 1,268
Employers	331,090	130,774	18,631	5,256	170
Other Contributions from State of Indiana:					
Cigarette Tax	-	-	-	-	-
Alcohol Tax	-	-	-	-	-
Bail Bond and Private University Fees	-	-	-	-	-
Pension Relief State Appropriation	-	-	-	-	-
Lottery Proceeds	-	-	-	-	-
Total Contributions	489,179	170,600	20,860	6,266	1,438
Investment Income					
Investment Income (Loss)	1,344,183	356,195	24,892	7,120	2,734
Securities Lending Income	9,601	2,816	195	57	21
Less Investment Expenses:					
Securities Lending Expenses	(2,899)	(850)	(59)	(17)	(6)
Other Investment Expenses	(53,342)	(20,395)	(1,406)	(411)	(154)
Net Investment Income (Loss)	1,297,543	337,766	23,622	6,749	2,595
Other Additions	2,400	327	59	9	-
Intergovernmental Transfers - Other Retirement Funds	2,339	237	59	9	-
Miscellaneous Income	61	90	-	-	-
Total Other Additions	2,400	327	59	9	-
Total Additions	1,789,122	508,693	44,541	13,024	4,033
Deductions					
Pension and Disability Benefits	579,711	62,349	15,470	3,150	1,163
Death Benefits	-	564	-	-	-
Distribution of Contributions and Interest	39,632	2,304	-	31	80
Intergovernmental Transfers - Other Retirement Funds	5,837	-	-	-	-
Pension Relief Distributions	-	-	-	-	-
Local Unit Withdrawals	-	-	-	-	-
Administrative Expenses	24,959	1,865	104	73	55
Total Deductions	650,139	67,082	15,574	3,254	1,298
Net Increase (Decrease)	1,138,983	441,611	28,967	9,770	2,735
Beginning Net Assets Held in Trust for:					
Pension Benefits	9,442,336	2,591,674	179,428	51,404	19,696
Future Death Benefits	-	-	-	-	-
State and Local Units	-	-	-	-	-
Ending Net Assets Held in Trust	\$ 10,581,319	\$ 3,033,285	\$ 208,395	\$ 61,174	\$ 22,431

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

Statement of Changes in Fiduciary Net Assets, continued

For the Year Ended June 30, 2010 (with comparative totals for the year ended June 30, 2009)*

	Legislators' Retirement System		Other Employee Benefit Trust Funds		Investment Trust Fund		2010 Totals	2009 Totals
	Defined Contribution Plan	Defined Benefit Plan	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund			
Additions								
Contributions:								
Members	\$ 1,146	\$ -	\$ -	\$ -	\$ -	\$ 203,568	\$ 204,391	
Employers	-	-	-	-	-	485,921	479,578	
Other Contributions from State of Indiana:								
Cigarette Tax	-	-	-	-	25,839	25,839	27,811	
Alcohol Tax	-	-	-	-	3,152	3,152	3,111	
Bail Bond and Private University Fees	-	-	-	626	-	626	539	
Pension Relief State Appropriation	-	-	-	-	136,000	136,000	48,611	
Lottery Proceeds	-	-	-	-	30,000	30,000	30,000	
Total Contributions	1,146	-	-	626	194,991	885,106	794,041	
Investment Income								
Investment Income (Loss)	2,238	467	529	227	11,939	1,750,524	(3,211,796)	
Securities Lending Income	9	3	8	4	-	12,714	35,443	
Less Investment Expenses:								
Securities Lending Expenses	(3)	(1)	(2)	(1)	-	(3,838)	(16,706)	
Other Investment Expenses	(1)	(50)	(10)	(4)	(28)	(75,801)	(63,771)	
Net Investment Income (Loss)	2,243	419	525	226	11,911	1,683,599	(3,256,830)	
Other Additions	2,243	419	525	226	11,911	1,683,599	(3,256,830)	
Intergovernmental Transfers - Other Retirement Funds	-	-	-	-	-	2,644	3,402	
Miscellaneous Income	25	-	-	-	-	176	166	
Total Other Additions	25	-	-	-	-	2,820	3,568	
Total Additions	3,414	419	525	852	206,902	2,571,525	(2,459,221)	
Deductions								
Pension and Disability Benefits	-	356	-	-	-	662,199	611,277	
Death Benefits	-	-	-	450	450	1,464	806	
Distribution of Contributions and Interest	803	-	-	-	-	42,850	40,742	
Intergovernmental Transfers - Other Retirement Funds	-	-	-	-	-	5,837	5,137	
Pension Relief Distributions	-	-	-	-	213,035	213,035	167,279	
Local Unit Withdrawals	-	-	-	-	96	96	4,020	
Administrative Expenses	33	35	-	-	58	27,182	26,064	
Total Deductions	836	391	-	450	213,639	952,663	855,325	
Net Increase (Decrease)	2,578	28	525	402	(6,737)	1,618,862	(3,314,546)	
Beginning Net Assets Held in Trust for:								
Pension Benefits	19,778	3,368	-	-	-	12,307,684	15,555,953	
Future Death Benefits	-	-	6,566	2,842	-	9,408	8,710	
State and Local Units	-	-	-	-	105,441	105,441	172,416	
Ending Net Assets Held in Trust	\$ 22,356	\$ 3,396	\$ 7,091	\$ 3,244	\$ 98,704	\$ 14,041,395	\$ 12,422,533	

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

Note 1. Description of Retirement Plans

(A) Public Employees' Retirement Fund

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

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

At June 30, 2010, the number of participating political subdivisions was 1,202. At July 1, 2009, the PERF Plan membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	65,099
Terminated employees entitled to benefits but not yet receiving them	10,670
Active employees: vested and non-vested	147,792
Total	223,561
Total covered payroll (dollars in thousands)	\$ 4,931,423

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

The pension benefit vests after 10 years of creditable service. The vesting period is eight years for certain elected officials. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account instead of receiving the amount as an annuity. Vested PERF members leaving a covered position must wait 30 days before being eligible to withdraw their annuity savings account. However, if a member is eligible for a full or reduced retirement at the time of the withdrawal request, he or she will have to begin drawing their pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw their annuity savings account at any time.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual

compensation times the number of years of PERF plan covered employment. The average annual compensation in this calculation is an average of the member's highest 20 calendar quarters' salaries during PERF plan covered employment. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's salary.

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

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

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

There was no cost of living adjustment (COLA) for the year ended June 30, 2010.

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

The 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) is a defined benefit, multiple-employer, cost-sharing public employee retirement system. It was established in 1977 and is governed by IC 36-8-8 to provide coverage to full-time sworn officers of a police force of an Indiana city or town and full-time firefighters employed by an Indiana city, town, township or county.

At June 30, 2010, the number of participating employer units totaled 164 (which includes 258 police and fire departments). At July 1, 2009, the 1977 Fund membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	2,608
Terminated employees entitled to benefits but not yet receiving them	108
Active employees: vested and non-vested	13,184
Total	15,900
Total covered payroll (<i>dollars in thousands</i>)	\$ 649,018

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

A member vests after 20 years of service. If the member retires at or after the age of 52 with 20 years of service, the benefit is equal to 50 percent of the salary of a first class officer, as reported by the employer in the year the 1977 Fund member ended service plus 1 percent of that salary for each six months of active service over 20 years to a maximum of 12 years. A member may elect to receive an actuarially reduced benefit at age 50.

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

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

There was no COLA for the year ended June 30, 2010.

(C) Judges' Retirement System

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

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

At July 1, 2009, the Judges' Retirement System membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	293
Terminated employees entitled to benefits but not yet receiving them	83
Active employees: vested and non-vested	288
Total	664
Total covered payroll (<i>dollars in thousands</i>)	\$ 36,196

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

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

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

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

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

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

There was no COLA for the year ended June 30, 2010.

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

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

At July 1, 2009, the E, G & C Plan membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	157
Terminated employees entitled to benefits but not yet receiving them	7
Active employees: vested and non-vested	443
Total	607
Total covered payroll (dollars in thousands)	\$ 25,238

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

The E, G & C Plan provides retirement, disability and survivor benefits. Generally, retirement benefits vest after 15 years of creditable service. Each participant is required to retire on or before the first day of the month following the participant's 65th birthday. However, officers who become a participant after reaching 50 years of age are required to retire on the earlier of: (1) the first day of the month following the participant's 65th birthday or (2) the first day of the month following the completion of 15 years of service. A participant who is at least 55 years of age and the sum of the participant's years of creditable service and age in years equals at least 85 may retire and become eligible for full retirement benefits. In addition, a participant may elect full retirement benefits at age 50 with 25 years of service. A step-rate benefits formula specified by statute is used to calculate benefits that are payable monthly for life. A reduced benefit is provided for early retirements that are elected upon attainment of age 45 with 15 years of creditable service. The retirement benefit is increased 1.67 percent of the participant's average annual salary for each year of service after 10 years.

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

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

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

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

COLA increases for E, G & C Plan are equal to the increase for the PERF Plan subject to the general assembly providing sufficient funding for the increased cost of benefits. There was no COLA for the year ended June 30, 2010.

(E) Prosecuting Attorneys' Retirement Fund

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

Notes to the Financial Statements, continued – June 30, 2010

At July 1, 2009, the PARF membership consisted of:

Retirees, disabilitants and beneficiaries receiving benefits	50
Terminated employees entitled to benefits but not yet receiving them	77
Active employees: vested and non-vested	221
Total	348
Total covered payroll (<i>dollars in thousands</i>)	\$ 20,782

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

PARF provides retirement, disability and survivor benefits. A participant is entitled to a retirement benefit if the participant is at least 65 years of age (62 years for reduced benefits), has at least eight years of service, has ceased service in a PARF covered position and is not receiving, nor is entitled to receive, any salary for services currently performed except for services rendered as a senior prosecuting attorney under IC 33-39-7-15. A member whose service ended prior to July 1, 2006 must have at least ten years of service.

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 of this fund are also participating members of the PERF Plan. 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. The state of Indiana has elected to pay the 3 percent employee contribution for the member's annuity savings account in the PERF plan.

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

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

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

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

(F) Legislators' Retirement System

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

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

At July 1, 2009, the Legislators' Retirement System membership consisted of:

	Defined Benefit Plan	Defined Contribution Plan
Retirees, disabilitants and beneficiaries receiving benefits	59	-
Terminated employees entitled to benefits but not yet receiving them	19	-
Active employees: vested and non-vested	33	224
Total	111	224
Total covered payroll (<i>dollars in thousands</i>)		\$ 8,649

Legislators' Defined Contribution Plan

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

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

A participant of the LDC Plan who terminates service as a member of the General Assembly is entitled to withdraw both the employee and employer contributions to the LDC Plan. The amount available for withdrawal is the fair market value of the participant's account

on the payment date. Account balances are fully vested to the participants. The withdrawn amount can be paid in a lump sum, a partial lump sum, a monthly annuity as purchased by the PERF board, or a series of monthly installment payments over 60, 120, or 180 months as elected by the participant.

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

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

Legislators' Defined Benefit Plan

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

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

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

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

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

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

pant was receiving at the time of death or that the participant would have been entitled to receive at 55 years of age, or at the date of death, whichever is later. If there is not a surviving spouse, there are provisions for dependents to receive benefits.

COLA increases for the LDB plan are equal to the increase for the PERF Plan as determined by statute passed by the Indiana General Assembly on an ad hoc basis and are generally based on date of retirement, and other eligibility factors. There was no COLA for the year ended June 30, 2010.

Note 2. Description of Non-Retirement Funds

(A) State Employees' Death Benefit Fund

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

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

(B) Public Safety Officers' Special Death Benefit Fund

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

(C) Pension Relief Fund

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

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

Distributions are made from the PR Fund to units of local government by June 30 and September 30. Effective January 1, 2009 the distribution is determined by an estimate of the total amount of pension, disability and survivors benefits from the 1925 police pension fund, the 1937 firefighters' fund and the 1953 police pension fund. The estimate is prepared on a city by city basis, and on a departmental basis. The distribution is offset by distributions from the Public Deposit Insurance Fund. In addition, distribution from the PR Fund is made to cover death benefits for surviving spouses of members of the 1925, 1937 and 1953 local pension funds in excess of 30 percent of the salary of a first class patrolman or a first class firefighter.

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

Units of local government are permitted to defer receiving their earmarked relief payments from the PR Fund. The deferred amounts remain invested in the fund and are available to the units of local government at their request. As of June 30, 2010, units of local government had investments with a market value of approximately \$7.7 million on deposit in the PR Fund. In the fund's financial statements, the earmarked relief payments are reflected as distributions, and the deferred amounts are reflected as additions from units of local government.

Note 3. Summary of Significant Accounting Policies

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

(A) Reporting Entity

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

The following funds are included in the financial statements:

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

See Notes 1 and 2 for descriptions of these funds.

(B) Basis of Accounting

The financial statements of PERF have been prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with generally accepted accounting principles as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash

flows. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. PERF applies all applicable GASB pronouncements in accounting and reporting for its operations.

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

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

(C) Contributions

Contributions are recognized as revenues when due, pursuant to formal commitments as well as statutory or contractual requirements. Employers are not required to submit the contributions until the month following the end of the quarter. The estimates for contributions receivable at year-end for each of the retirement funds were determined on the basis that best represents that fund's receivable. The different bases include actual third quarter contributions received during the quarter ended June 30, 2010, actual contributions received in July for workdays in June, or a combination of the two.

(D) Benefits and Distributions

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

(E) Administrative Expenses

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

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

(F) Deposits and Investments

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

(G) Method Used to Value Investments

GASB Statement Nos. 25 and 50 require that investments of defined benefit plans be reported at fair value. Short-term investments are reported at market value when available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the official closing price at current exchange rates. Fair values of collective trust funds are determined by the fair value per share of the pool's underlying portfolio as provided by the trustee. Mortgages are valued on the basis of future principal

and interest payments and are discounted at prevailing interest rates for similar instruments. Values for limited partnership interests are those estimates most recently provided by the general manager, plus or minus cash flows transacted since the valuation date.

(H) Investment Unit Trust Accounting

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

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

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

(I) Investment and Contract Sales Receivables and Investments Payable

Investment and contract sales receivables and investments payable consists primarily of forward currency contracts, spot currency contracts, and receivables or payables for securities purchased or sold but not settled as of June 30, 2010.

(J) Other Investments

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

(K) Building

PERF owns and resides in the building at 143 W. Market Street. The building is depreciated over 20 years using the straight-line method. At June 30, 2010 the accumulated depreciation on the building was approximately \$854,000.

(L) Equipment

Equipment with a cost of \$20,000 or more is capitalized at its original cost and depreciation is recognized in administrative expenses. Depreciation is computed on the straight-line method over the estimated useful life of the assets. Accumulated depreciation as of June 30, 2010, was approximately \$71,000. No new equipment was capitalized during the year.

(M) Intangible Assets

PERF is in the process of implementing new computer systems. GASB Statement No.51, Accounting and Financial Reporting for Intangible Assets, was implemented by PERF in 2009, and charges for development of internally generated computer software in the

amount of \$2.4 million were capitalized during the year ended June 30, 2010. PERF began using the financial system portion of the implementation in November 2009. Amortization is computed on the straight-line basis over a 5 year period. Accumulated amortization as of June 30, 2010 was approximately \$571,000.

(N) Inventories

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

(O) Reserves and Designations

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

1. Member Reserve – The member reserve represents member contributions made by or on behalf of the members plus any earnings, 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 accumulated employer contributions, plus earnings, less transfers made to the benefits in force reserve. The funding status of the employer reserve is outlined in Note 5 and accompanying Required Supplementary Information.

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

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

(dollars in thousands)

Retirement Funds	Member Reserve	Employer Reserve	Benefits in Force	Undistributed Income
PERF Plan	\$ 2,780,570	\$ 3,168,099	\$ 4,507,839	\$ -
1977 Fund	635,073	1,579,292	818,921	-
Judges' Retirement System	23,254	23,403	161,738	-
E, G & C Plan	6,267	21,242	33,666	-
PARF	20,902	(9,545)	11,074	-
Legislators' Retirement System –				
LDC Plan	22,356	N/A	N/A	-
LDB Plan	N/A	490	2,905	-

5. Administrative Expense – This designation represents the following fiscal year’s administrative budget in the PERF Plan, which initially pays administrative expenses. The budget for the fiscal year ending June 30, 2011 includes total expenditures of approximately \$151.2 million, including investment manager fees and capital expenditures.

(P) Compensated Absences

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

No liability is reported for unpaid accumulated sick leave. Vacation and personal leave are reported as Compensated Absences Liability.

(Q) PERF Annual Pension Cost and Net Pension Obligation

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

As of June 30, 2009, PERF contributed \$.5 million representing 125% of the Annual Pension Cost.

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	107,981
Interest on net pension obligation	(4,389)
Adjustment to annual required contribution	5,002
Annual pension cost	108,594
Contributions made	(111,214)
Increase (decrease) in net pension obligation	(2,620)
Net pension obligation, beginning of year	(60,541)
Net pension obligation, end of year	(63,161)

Contribution rate **7.0%**

Three-Year Trend Information
(dollars in thousands)

Actuarial Valuation Date	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
July 1, 2009	108,594	102.4%	(63,161)
July 1, 2008	99,675	107.2%	(60,541)
July 1, 2007	97,043	92.5%	(53,349)

(R) Transfers to and from Teachers' Retirement Fund

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

(S) Adoption of New Accounting Standard

In June 2008, the GASB issued Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, effective for financial statements for periods beginning after June 15, 2009. The provisions of Statement No. 53 address the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. A key provision is that certain derivative instruments now be reported at fair value in the financial statements. PERF has implemented the provisions of Statement No. 53 for the fiscal year ended June 30, 2010.

Note 4. Contributions Required and Contributions Made**(A) Public Employees' Retirement Fund**

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

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

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

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

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

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

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

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

Effective July 1, 2009 the valuation date for measuring assets and liabilities of the 1977 Fund for actuarial purposes was changed from January 1 to July 1.

(C) Judges' Retirement System

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

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

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

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

(E) Prosecuting Attorneys' Retirement Fund

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

(F) Legislators' Retirement System

For the LDC Plan, each participant is required to contribute 5 percent of annual salary. In addition, the state of Indiana is required to contribute a percentage of the member's annual salary on behalf of the participant as determined by PERF and confirmed by the State

Budget Agency each year. Effective January 1, 2010 the rate was established at 9.5 percent. For the LDB Plan, the amount required to actuarially fund participants' retirement benefits, as determined by the PERF Board of Trustees on the recommendation of the actuary, is to be appropriated from the state of Indiana General Fund.

(G) Other Contribution Information

Beginning with the July 1, 2007 actuarial valuations for the PERF Plan, E,G & C Plan, and PARF, smoothing rules were applied to the employer contribution rate to help reduce wide variations in the employer contribution rates from year to year. Beginning with the January 1, 2007 actuarial valuation for the 1977 Fund, the same smoothing rules were applied.

Note 5. Funded Status and Funding Progress – Pension Plans

The funded status of each plan as of July 1, 2009, the most recent actuarial valuation date, is as follows:

Retirement Plans (dollars in thousands)	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfund- ed AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
PERF Plan	\$ 12,569,336	\$ 13,506,280	\$ 936,944	93.1%	\$ 4,931,423	19.0%
1977 Fund	3,265,598	3,332,686	67,088	98.0%	649,018	10.3%
Judges' Retirement System	240,954	330,551	89,597	72.9%	36,196	247.5%
E,G & C Plan	68,170	89,296	21,126	76.3%	25,238	83.7%
PARF	26,467	44,632	18,165	59.3%	20,782	87.4%
LDB Plan	4,730	5,087	357	93.0%	N/A	N/A

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

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

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

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

Notes to the Financial Statements, continued – June 30, 2010

Actuarial calculations reflect a long term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Additional information as of the latest actuarial valuation follows:

	PERF Plan	Judges' Retirement System	E, G & C Plan
Valuation Date	July 1, 2009	July 1, 2009	July 1, 2009
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Entry Age Normal Cost
Amortization Method	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period
Remaining Amortization Period	29 Years	27 Years	28 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	4.00%	4.00%	4.50%
Postretirement Benefit Increases	N/A	4.00%	N/A
Cost of Living Increases	1.50%	4.00%	1.50%
	1977 Fund	PARF	LDB Plan
Valuation Date	July 1, 2009	July 1, 2009	July 1, 2009
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal Cost	Unit Credit
Amortization Method	Level Dollar, Open Amortization Period	Level Dollar, Closed Amortization Period	Level Dollar, Closed Amortization Period
Remaining Amortization Period	30 Years	28 Years	13 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	4.00%	4.00%	3.00%
Postretirement Benefit Increases	N/A	N/A	N/A
Cost of Living Increases	2.75%	N/A	1.50%

Note 6. Deposits and Investments

Investment Guidelines and Limitations:

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

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

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

Asset Classes	Target Norm	Allowable Ranges
Equities	40%	30% - 50%
Fixed Income - Core & Core Opportunistic	20	15 - 25
Fixed Income - TIPS	10	5 - 15
Alternatives – Private Equity	10	5 - 15
Alternatives – Real Assets	10	5 - 15
Alternatives – Absolute Return	10	5 - 15

Investments in the PERF annuity savings accounts and the LDC Plan are directed by the members in each plan and as such the asset allocation will differ from that of the CRIF. The Pension Relief Fund is invested 100 percent in a money market fund. The Special Death Benefit Funds are 100 percent fixed income.

Custodial Credit Risk

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

There was no custodial credit risk for investments including investments related to securities lending collateral as of June 30, 2010. Per IC 5-10.3-5-4(a) and IC 5-10.3-5-5, securities held for the fund are held by banks under custodial agreements in the fund’s name. While PERF’s Investment Policy Statement does not specify custodial risk, statutes provide certain custodial requirements.

Deposit Risks

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

Notes to the Financial Statements, continued – June 30, 2010

Deposits with the Indiana Treasurer of State are entirely insured. Deposits held with the investment custodian are insured up to \$250,000.

Cash Deposits (dollars in thousands)	Total	JP Morgan Chase	PNC Bank	Bank of New York Mellon
Demand deposit account – carrying value	\$ 1,350.0	\$ 980.1	\$ 27.7	\$ 342.2
Demand deposit account – bank balance	11,114.9	4,971.4	28.2	6,115.3
Held with Treasurer of State	7,699.0	-	-	-
Held with investment custodian:				
Cash	39,694.0	-	-	-

Credit Risk

PERF's IPS sets credit quality rating guidelines and benchmark indices for each of its sub-asset classes and is outlined in each portfolio manager contract. The guidelines and benchmarks are as follows: the Core fixed income portfolio (excluding TIPS) must maintain an average credit quality rating of at least A1 (Moody's) or the equivalent; securities must be rated at least Baa3 (Moody's) or the equivalent at the time of purchase unless specifically approved by the PERF Board of Trustees. In the case of a split rating, the higher rating will be used. The Core-Opportunistic fixed income portfolio must maintain an average credit quality rating of at least investment grade by Moody's or the equivalent. The benchmark for the fixed income portfolio is the Barclays Capital Aggregate Bond Index and Barclays Capital Universal Bond Index. The Treasury Inflation Protection Securities (TIPS) and global linkers portfolio must substantially match the quality of its benchmarks, the Barclays Capital US TIPS Index and the Global Customized Benchmark, respectively. 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, 2010 is as follows:

Quality Rating (dollars in millions)	Fair Value	% of Portfolio
AAA	\$ 2,738.6	51.0%
AA	106.3	2.0
A	406.2	7.6
A-1	227.4	4.2
BBB	378.7	7.0
BB	103.3	1.9
B	87.8	1.6
CCC	78.2	1.5
CC	15.0	0.3
C	0.2	0.0
D	5.8	0.1
Not Rated	1,226.1	22.8
Total	\$ 5,373.6	100%

The credit risk schedule includes debt securities, short-term money market funds, bond mutual funds and bond commingled funds. Of the total fair value reported, approximately \$2.3 billion (43.3 percent) is AAA rated US Treasury, US Agency or US Agency Mortgage Backed Securities. The remaining balance of approximately \$3.0 billion (56.7 percent) consists of corporate debt, short-term custodial money market funds, commingled or mutual funds, municipal securities, asset-backed, mortgage-backed securities, and emerging markets debt of various credit quality ratings.

The \$1.2 billion not rated by Standard & Poor's is primarily in money market funds, mutual funds or commingled funds.

Concentration of Credit Risk

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

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

At June 30, 2010, there was no concentration of credit risk for the CRIF.

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, measured in years, is an indicator of a bond price's sensitivity to a 100 basis point change in interest rates.

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

Duration information is provided below:

Investment Type (dollars in millions)	Net Asset Fair Value	% of Net Asset Fair Value	Duration
Short-term Investment Fund	\$ 1,039.2	18.1 %	0.00
Government & Agency Obligations	2,000.8	34.9	4.02
Residential & Commercial Mortgage- Backed Securities	790.2	13.8	1.52
Corporate Bonds	1,082.5	18.9	5.13
Asset-backed	180.6	3.1	0.72
Municipal Securities	21.7	0.4	8.25
Other ¹	620.7	10.8	0.57
Total Net Asset Fair Value	\$ 5,735.7	100 %	2.70

¹ Includes commingled funds, collective trusts, and derivatives

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

Foreign Currency Risk

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

PERF's IPS refers to foreign currency guidelines that are linked directly, or indirectly, to the benchmark indices for each sub-asset class or as outlined in each portfolio manager contract. The equity portfolio sub-asset classes have specific guidelines for international equities and global equity investments. Certain sub-asset classes do not allow emerging markets investments while some allow up to 30 percent of market value to be held in emerging markets. PERF has exposure to foreign currency fluctuation as follows:

Currency (dollars in millions)	Equity Securities	Debt Securities	Other Securities ¹	Total Fair Value	% of Foreign Currency	% of Total Investments (USD)
Euro	\$ 595.3	\$ 138.6	\$ 136.1	\$ 870.0	28.6%	6.5%
Pound Sterling	418.8	63.8	28.1	510.7	16.8	3.8
Japanese Yen	456.0	9.1	8.2	473.3	15.5	3.6
Hong Kong Dollar	152.2	0.0	18.0	170.2	5.6	1.3
Australian Dollar	124.0	7.0	24.0	155.0	5.1	1.2
Swiss Franc	121.8	0.0	5.1	126.9	4.2	1.0
Other	592.0	140.0	8.1	740.1	24.2	5.5
Total	\$ 2,460.1	\$ 358.5	\$ 227.6	\$ 3,046.2	100.0%	22.9%

¹Other securities include currencies, exchange traded funds (ETFs), forwards, futures, global depositary receipts (GDR), money markets, real estate investment trusts (REITs), rights, swaps, swaptions, and warrants.

Securities Lending

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

Statute requires that collateral initially in excess of the total market value of the loaned securities must be pledged by the borrower and must be maintained at no less than the total market value of the loaned securities. The PERF Board of Trustees requires that collateral securities and cash be initially pledged at 102 percent of the market value of the securities lent. No more than 40 percent of CRIF's total assets may be lent at one time. The custodian bank and/or its securities lending subagents provide 100 percent indemnification to the PERF Board of Trustees and the CRIF against borrower default, overnight market risk and failure to return loaned securities. Securities received as collateral cannot be pledged or sold by the PERF Board of Trustees unless the borrower defaults. PERF retains the market value risk with respect to the investment of the cash collateral. Per the disclosure regarding last year's credit event PERF injected capital into the pool during fiscal year 2010 to bring the value of the collateral pool back to 102% of the market value of securities lent.

Cash collateral investments are subject to the investment guidelines specified by PERF's IPS. It states that the maximum weighted average days to maturity may not exceed 60. The average term to maturity of the cash collateral portfolio was approximately 25 days at June 30, 2010. 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, 2010

Investment Type (<i>dollars in millions</i>)	Loan Value
Government Obligation	\$ 1,058.4
Corporate Bonds	159.5
Equities	936.2
Total Fair Value	\$ 2,154.1

The credit quality of the cash collateral investments as described by Standard and Poor's at June 30, 2010

Cash Collateral Investments		
Quality Rating (<i>dollars in millions</i>)	Fair Value	Percent of Portfolio
AAA	\$ 183.5	6.5%
AA	110.0	4.9
A-1 and A-1+	1,830.7	84.2
A2	-	-
Not Rated	97.9	4.4
Total	\$ 2,222.1	100%

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

At June 30, 2010, PERF had loaned approximately \$238.3 million US Treasury and government agency obligations for securities collateral. The securities collateral value was approximately \$241.9 million which represented 102 percent coverage.

Note 7. Derivative Financial Instruments

Derivative transactions involve, to varying degrees, the following risks:

Market risk – Market risk is the possibility that a change in the referenced position 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.

Interest Rate Risk — Interest rate risk is the risk of change in the market value of the assets due to a change in interest rates. Bond futures, interest rate swaps and interest rate swaptions are generally used to manage interest rate risk, adjust portfolio duration, or rebalance the total portfolio to the target asset allocation. A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date. Interest rate swap agreements involve the exchange by the Master Trust, with a counterparty, of respective commitments to pay or receive interest, e.g., an exchange of floating rate payments for fixed rate payments, with respect to the notional amount of principal. Interest rate swaptions are options to enter into an interest rate swaps based off a set of predetermined conditions. Refer to Note 6 for the interest rate risk of the Fund.

Credit Risk — Credit risk is the risk of change in the market value of assets due to the change in creditworthiness of the underlying issuer. Credit default swaps are used to achieve the desired credit exposure of a security or basket of securities. Credit default swap agreements involve one party (referred to as the buyer of protection) making a stream of payments to another party (the seller of protection) in exchange for the right to receive a specified return in the event of a default or other credit event for the referenced entity, obligation or index.

Currency Risk — Currency risk is the risk of a change in market value due to the change in foreign currency exchange rates. Generally, currency futures, forward contracts and options are used to achieve the desired currency exposure, generate value-added performance, or rebalance the total portfolio to the target asset allocation. Foreign currency futures and forwards are agreements between two parties to buy and sell a set of currencies at a set exchange rates on a specified future dates. A currency option gives the buyer the right, but not the obligation, to buy one currency or sell another currency at a set exchange rate on or before a given date.

Equity Risk — Equity risk is the risk of a change in market value of assets due to the change in equity or equity index prices. Equity futures are generally used to achieve the desired market exposure of a security or index or rebalance the total portfolio to the target asset allocation. An equity futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

Future Settlement Risk — Future settlement risk is the risk of not receiving the asset or associated gains specified in the contract. Associated gains are derived from the change in market value of the contract due to a change in price of the underlying security. Mortgage to be announced (TBAs) and treasury forwards are used to achieve the desired market exposure of a security or asset class or adjust portfolio duration. A TBA is a contract for the purchase or sale of agency mortgage-backed securities to be delivered at a future agreed-upon date; similarly, a treasury forward is a contract for the purchase or sale of U.S. Treasury securities to be delivered at a future agreed-upon date.

PERF's IPS authorizes the use of derivative instruments as a meaningful component of the strategies within the absolute return and commodities allocations. The fair value of total investments in the absolute return portfolio was \$1.1 billion and the fair value of total investments in the commodities portfolio was \$568 million at June 30, 2010. PERF's directly held investments in derivatives are not leveraged. In the case of an obligation to purchase (long a financial future or a call option), the full value of the obligation is held in cash or cash equivalents. For obligations to sell (short a financial future or buy a put option), the reference security is held in the portfolio. During the year, PERF's derivative investments included but were not limited to, foreign currency forward contracts, swaps, options, TBAs and futures. The table below summarizes PERF's derivative information for the year ending June 30, 2010:

Derivative Type (dollars in thousands)	Changes in Fair Value		Fair Value at June 30, 2010		Notional
	<u>Classification</u>	<u>Amount</u>	<u>Classification</u>	<u>Amount</u>	
Governmental activities	N/A	N/A	N/A	N/A	N/A
Business-type activities	N/A	N/A	N/A	N/A	N/A
Fiduciary funds					
<u>Hedging derivatives</u>	N/A	N/A	N/A	N/A	N/A
<u>Investment derivatives</u>					
Futures	Realized and unrealized gain (loss)	\$ 35,154.9	Equity	\$ 1,383.6	\$ 12.1
Options	Realized and unrealized gain (loss)	3,872.7	Other	(1,798.4)	(214,100.7)
Swaps	Realized and unrealized gain (loss)	3,725.0	Other	2,154.4	890,191.7
TBAs	Realized and unrealized gain (loss)	9,760.9	Debt	135,912.9	126,900.0
Forward currency contracts	Realized and unrealized gain (loss)	4,562.4	Cash	(775.4)	224,830.2

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, 2010, PERF's investments included the following currency forwards balances (dollars in millions):

Forward Currency Contract Receivables	\$783.7
Forward Currency Contract Payables	\$779.6

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

A derivative instrument could be a contract negotiated on behalf of the Master Trust and a specific counterparty; this would typically be referred to as an "over the counter (OTC) contract" such as swaps, forward contracts and TBAs. Alternatively, a derivative instrument, such as futures, could be listed and traded on an exchange and referred to as "exchange traded."

Inherent in the use of OTC derivatives, the Master Trust is exposed to counterparty credit risk on all open OTC positions. Counterparty credit risk is the risk that a derivative counterparty may fail to meet its payment obligation under the derivative contract. As of June 30, 2010, the Master Trust counterparty risk was not deemed to be significant, whether evaluating counterparty exposure outright or netting collateral against net asset positions on contracts with each counterparty. Additionally, with the use of collateral, master netting agreements assist in mitigating counterparty credit risk.

Credit Risk		
Counterparty	Quality ratings of counterparty	Fair value exposure (dollars in thousands)
HSBC Bank USA	AA	\$ 1,200.5
Barclays Bank	AA-	991.9
J.P. Morgan	AA-	973.4
Bank of America	A+	910.8
Bank on New York Mellon	AA	639.0
Societe Generale SA	A+	610.8
Royal Bank of Canada	AA-	410.9
Brown Brothers Harriman	A+	225.1
BNP PARIBAS S.A.	AA	87.8
Standard Chartered Bank	A	77.1
State Street Bank & Trust	AA-	39.2
Royal Bank of Scotland	A+	24.9
Citibank	A+	10.5
Goldman Sachs & Co	A	3.9
Morgan Stanley Capital Services Inc.	A	(0.9)
Credit Suisse	A+	(86.2)
Deutsche Bank	A+	(416.8)

The aggregate amount of plan collateral with brokers was \$1.06 million, while the aggregate amount of collateral posted by counterparties was \$2.8 million. The aggregate amount of liabilities included in netting arrangements was \$1.2 million. Securities

eligible as collateral are typically United States government bills and US dollar cash. Collateral movement threshold is typically zero with a \$.25 million minimum transfer account per counterparty, per account. It is important to note that margin may be called at a minimum weekly, with the ability to call as frequently as daily.

The Master Trust may be subject to credit-related contingent features for those contracts governed by an International Swaps and Derivatives Association Master Agreement (generally swaps) with each counterparty for each open contract in a net liability position. In those instances, the Master Trust is generally regarded as having liquidity risk. In the event the Master Trust's assets decline by various, pre-specified rates over predetermined time periods, the Master Trust is either required to post more collateral or may be required to pay off the open liability contracts given the counterparties right to terminate the contract. At June 30, 2010, the Master Trust had a fair value of \$29.6 million in contracts in a net liability position with contingent features; \$1.1 million was posted in collateral against those positions. Contingent features that could result in an immediate payment from the counterparty include a downgrade of the counterparty below a specified rating, commonly A-/A3. Additionally, immediate payment can be made to the counterparty in the event assets under management of the portfolio falls below certain thresholds. It is important to note that these contingent features are not compulsory, rather they are voluntary.

Note 8. Long Term Commitments for Alternative Investments

PERF had entered into long term commitments for funding alternative investments in private equity, private real estate, and absolute return of approximately \$3.7 billion as of June 30, 2010. The fund has disbursed approximately \$1.76 billion toward the commitments as of June 30, 2010. The expected investment term of these commitments extend through 2028. These amounts include five Euro-denominated and one Norwegian Kroner-denominated commitments to limited liability partnerships converted to United States dollars at the closing exchange rate as of June 30, 2010.

Note 9. Risk Management

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

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

Note 10. Required and Other Supplementary Information

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

Note 11. Subsequent Events

Member Accounts

Effective August 2, 2010, the existing LDC and PERF annuity savings account investment options were expanded to include target date funds. In addition, member accounts were converted from a quarterly valuation to daily valuation environment.

Legislative Changes

Below is a summary of significant legislative changes that are effective July 1, 2010.

Public Employees' Retirement Fund

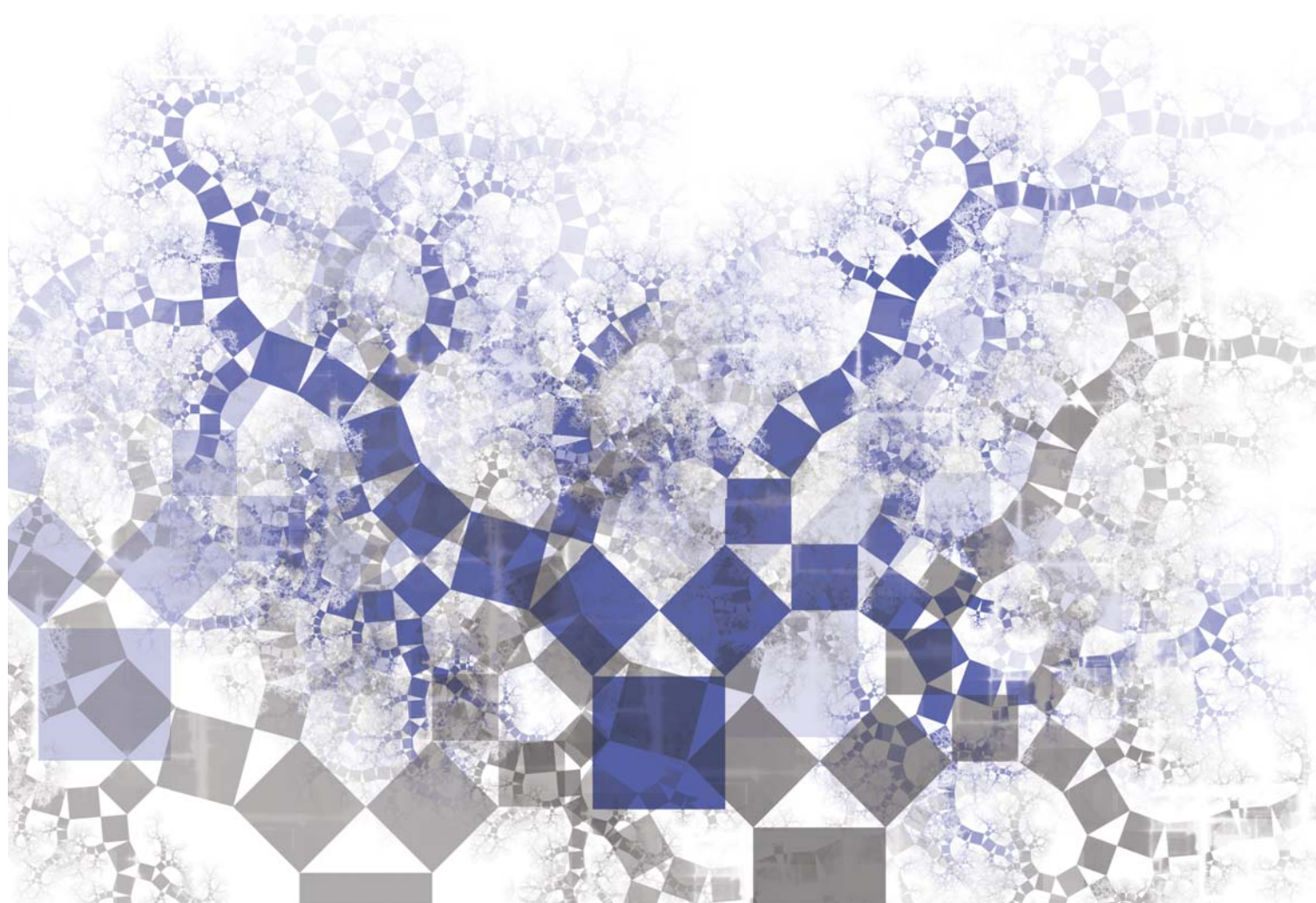
- Certain members of PERF fund may withdraw their annuity savings account (ASA) if the member has separated employment and is not employed in a covered position for 30 days following.
- PERF members, beneficiaries, and survivors will receive a thirteenth check based on years of service, to be paid not later than October 1, 2010.

1977 Police Officers' and Firefighters' Pension and Disability Fund

- A 2.4 percent COLA will be calculated and paid effective July 1, 2010.
- A member of the 1977 Fund may purchase, at full actuarial cost, service earned out of state in a position for which the 1977 Fund would have given credit if the service were earned in Indiana.
- A member of the 1977 Fund may purchase, at full actuarial cost, prior service in certain public retirement funds.

Judges' Retirement System

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



FINANCIAL SECTION

Required Supplementary Information: Schedule of Funding Progress

(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
Public Employees' Retirement Fund						
7/1/2004	\$ 9,853,976	\$ 9,844,353	\$ (9,623)	100.1%	\$ 4,198,942	(0.2)%
7/1/2005	10,471,937	10,858,322	386,385	96.4	4,318,450	8.9
7/1/2006	11,177,971	11,450,928	272,957	97.6	4,322,180	6.3
7/1/2007	12,220,934	12,439,798	218,864	98.2	4,385,676	5.0
7/1/2008	12,780,116	13,103,221	323,105	97.5	4,600,354	7.0
7/1/2009	12,569,336	13,506,280	936,944	93.1	4,931,423	19.0
Judges' Retirement System						
7/1/2004	\$ 135,798	\$ 209,992	\$ 74,194	64.7%	\$ 25,693	288.8%
7/1/2005	151,003	272,855	121,852	55.3	32,231	378.1
7/1/2006	178,276	272,997	94,721	65.3	34,065	278.1
7/1/2007	211,747	283,995	72,248	74.6	29,712	243.2
7/1/2008	234,881	338,749	103,868	69.3	33,729	307.9
7/1/2009	240,954	330,551	89,597	72.9	36,196	247.5
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan						
7/1/2004	\$ 38,772	\$ 50,010	\$ 11,238	77.5%	\$ 10,209	110.1%
7/1/2005	41,663	59,964	18,301	69.5	13,223	138.4
7/1/2006	48,496	64,765	16,269	74.9	14,892	109.2
7/1/2007	57,414	74,451	17,037	77.1	17,715	96.2
7/1/2008	65,375	77,177	11,802	84.7	21,333	55.3
7/1/2009	68,170	89,296	21,126	76.3	25,238	83.7
1977 Police Officers' and Firefighters' Pension and Disability Fund						
7/1/2004	\$ 1,797,124	\$ 1,875,518	\$ 78,394	95.8%	\$ 469,750	16.7%
7/1/2005	1,976,905	2,064,171	87,266	95.8	493,707	17.7
7/1/2006	2,347,986	2,415,053	67,067	97.2	522,227	12.8
7/1/2007	2,860,512	2,649,525	(210,987)	108.0	557,644	(37.8)
7/1/2008	3,281,480	2,889,295	(392,185)	113.6	603,963	(64.9)
7/1/2009	3,265,598	3,332,686	67,088	98.0	649,018	10.3
Prosecuting Attorneys' Retirement Fund						
7/1/2004	\$ 14,655	\$ 22,588	\$ 7,933	64.9%	\$ 15,149	52.4%
7/1/2005	16,876	25,744	8,868	65.6	16,659	53.2
7/1/2006	20,053	29,184	9,131	68.7	19,225	47.5
7/1/2007	23,815	32,052	8,237	74.3	18,092	45.5
7/1/2008	26,350	38,069	11,719	69.2	20,617	56.8
7/1/2009	26,467	44,632	18,165	59.3	20,782	87.4
Legislators' Retirement System - Defined Benefit Plan						
7/1/2004	\$ 4,206	\$ 4,856	\$ 650	86.6%	N/A ¹	N/A ¹
7/1/2005	4,339	4,999	660	86.8	N/A ¹	N/A ¹
7/1/2006	4,721	5,232	511	90.2	N/A ¹	N/A ¹
7/1/2007	5,035	5,169	134	97.4	N/A ¹	N/A ¹
7/1/2008	5,120	5,039	(81)	101.6	N/A ¹	N/A ¹
7/1/2009	4,730	5,087	357	93.0	N/A ¹	N/A ¹

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

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

Required Supplementary Information:
Schedule of Employer Contributions

(dollars in thousands)

Public Employees' Retirement Fund			Judges' Retirement System		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended June 30	Annual Required Contributions	Percentage Contributed
2005	\$ 212,658	97.0%	2005	\$ 10,064	134.5%
2006	248,120	92.9	2006	14,932	90.7
2007	275,171	92.2	2007	12,249	119.7
2008	291,397	104.3	2008	10,028	158.8
2009	316,059	102.2	2009	16,131	129.3
2010	360,183	91.9	2010	16,077	115.9

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan			1977 Police Officers' and Firefighters' Pension and Disability Fund		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended December 31	Annual Required Contributions	Percentage Contributed
2005	\$ 1,867	116.0%	2004	\$ 92,833	110.8%
2006	2,710	92.2	2005	97,286	111.8
2007	3,128	107.4	2006	102,964	139.0
2008	3,676	132.0	2007	108,741	112.7
2009	4,427	119.6	2008	117,773	112.6
2010	5,237	100.4	2009	125,763	101.6
			Year Ended June 30	Annual Required Contributions	Percentage Contributed
			2010	126,558	103.3

Prosecuting Attorneys' Retirement Fund			Legislators' Retirement System Defined Benefit Plan		
Year Ended June 30	Annual Required Contributions	Percentage Contributed	Year Ended June 30	Annual Required Contributions	Percentage Contributed
2005	\$ 889	108.1%	2005	\$ 89	231.5%
2006	952	17.9	2006	91	109.9
2007	1,044	18.2	2007	120	83.3
2008	1,040	16.3	2008	66	151.5
2009	1,340	12.7	2009	45	222.2
2010	1,663	10.2	2010	63	-

See accompanying Note 5 to the Financial Statements.

FINANCIAL SECTION

Other Supplementary Information: Administrative Expenses — Year Ended June 30, 2010

(dollars in thousands)

Personnel Services:

Salaries and Wages	\$ 9,280
Employee Benefits	3,637
Supplemental Services	3,329
Total Personnel Services	16,246

Contractual and Professional Services:

Actuarial	165
Legal	439
Consultants	6,368
Contractual Services	3,112
Information System Development Services	628
Recovery of IT shared services cost from TRF	(5,311)
Total Contractual and Professional Services	5,401

Communications:

Telephone	110
Postage	880
Printing	421
Other	15
Total Communications	1,426

Miscellaneous:

Data Processing	918
Travel	117
Training	80
Supplies and Maintenance	1,377
Dues and Subscriptions	39
Office Supplies	43
Office Equipment	17
Operating and Other Expenses	1,518
Total Miscellaneous	4,109

Total Administrative Expenses

\$27,182

Allocation of Administrative Expenses:

Public Employees' Retirement Fund	\$ 24,959
1977 Police Officers' and Firefighters' Pension and Disability Fund	1,864
Judges' Retirement System	104
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	72
Prosecuting Attorneys' Retirement Fund	55
Legislators' Retirement System - Defined Contribution Plan	34
Legislators' Retirement System - Defined Benefit Plan	36
State Employees' Death Benefit Fund	0
Public Safety Officers' Special Death Benefit Fund	0
Pension Relief Fund	58

Total Administrative Expenses Allocation

\$ 27,182

Other Supplementary Information:
Investment Expenses – Year Ended June 30, 2010

(dollars in thousands)

Investment Expenses

Custodial and Consulting

Aksia LLC	Investment Consulting	\$ 563
J. P. Morgan Investment Mgmt Inc.	Custodial Fees	514
ORG Portfolio Management LLC	Investment Consulting	275
Strategic Investment Solutions	Investment Consulting	250
Mercer Investment Consulting	Investment Consulting	200
Capital Cities	Investment Consulting	93
RiskMetrics Group	Investment Consulting	61

Total Custodial and Consulting		1,956
---------------------------------------	--	--------------

Domestic Equity

T Rowe Price Structured	Equity - Large Cap Core	1,346
Numeric Investors, LP	Equity - Small Cap Value	1,065
Times Square Capital Management	Equity - Small Cap Growth	1,050
Artisan	Equity - Mid Cap Value	1,024
Wells Capital Management	Equity - Mid Cap Growth	924
Barclays Global Investors	Equity - Large Cap Core	859
Leading Edge Investment Advisors	Equity - Large Cap Value	567
RhumbLine Investment Advisers	Equity - Large Cap Core	188
Russell Implementation Services	Equity - Large Cap Core	116
State Street Global Advisors	Equity - Small and Large Cap Value	69

Total Domestic Equity		7,208
------------------------------	--	--------------

International Equity

Barclays Global Investors	Equity - International Core	2,016
Baillie Gifford and Company	Equity - International Growth	1,873
Arrowstreet Capital	Equity - International Core	1,426
Schroder Investment Management North America, Inc.	Equity - International Emerging Markets	1,390
Mondrian Investment Partners Limited	Equity - International Value	961
Martin Currie	Equity - International Growth	764
Altrinsic Global Advisors	Equity - International Value	705

Total International Equity		9,135
-----------------------------------	--	--------------

Global Equity

Invesco	Equity - Global Core	1,283
Brandes Investment Partners	Equity - Global Value	187
Russell Implementation Services	Equity - Global Core	173
Capital Guardian Trust Company	Equity - Global Growth	(57)

Total Global Equity		1,586
----------------------------	--	--------------

Fixed Income

Goldman Sachs	Fixed Income - Core Opportunistic	2,837
Pacific Investment Management Company (PIMCO)	Fixed Income - Core Opportunistic	1,687
Loomis Sayles	Fixed Income - Core Opportunistic	1,556
BlackRock Financial Management, Inc.	Fixed Income - Core Active	871

FINANCIAL SECTION

Other Supplementary Information:
Investment Expenses, continued – Year Ended June 30, 2010

(dollars in thousands)

Reams Asset Management Co.	Fixed Income - Core Active	522
Taplin, Canida & Habacht	Fixed Income - Core Active	311
Hughes Capital Management, Inc.	Fixed Income - Core Active	242
BlackRock TIPS	Fixed Income - Global TIPS Active	210
Northern Trust Company	Fixed Income - TIPS Index	164
Northern Trust Company	Fixed Income - Core Opportunistic	28
Allegiant	Fixed Income - Core Active	15
Barclays Global Investors	Fixed Income - Core	11
Total Fixed Income		8,454
Alternative Investments		
PAAMCO, LLC	Absolute Return	1,420
Blackstone Quarry Fund, LP	Absolute Return	1,378
EnCap Energy Infrastructure Fund	Private Equity	1,355
Lindsay Goldberg & Bassemer III, LP	Private Equity	1,240
Cerberus Institutional Partners, Series Four	Private Equity	1,117
Gresham Investment Management	Commodities	1,053
Indiana Investment Fund, LP	Private Equity	1,044
Mesa West Real Estate Income Fund II	Real Estate	963
Bridgewater Pure Alpha Fund I	Absolute Return	943
White Deer Energy, LP	Private Equity	911
Blackstone Real Estate Partners VI, LP	Real Estate	900
Triton Fund III, LP	Private Equity	890
Lion Capital Fund II, LP	Private Equity	887
Lindsay Goldberg & Bassemer II, LP	Private Equity	857
MBK Partners Fund II, LP	Private Equity	840
Terra Firma Capital Partners III, LP	Private Equity	794
Ares Capital Opportunities Fund III, LP	Private Equity	771
New Mountain Partners III, LP	Private Equity	762
Warburg Pincus X, LP	Private Equity	748
Hellman & Friedman Capital Partners VI, LP	Private Equity	745
Natural Gas Partners IX, LP	Private Equity	731
WLR Recovery Fund IV, LP	Private Equity	730
Herkules Private Equity III	Private Equity	719
NB Indiana PERF Directed Venture Capital Fund, LP	Private Equity	717
Caspian Corporate Loan Fund, LLC	Absolute Return	708
Brigade Leveraged Capital Structures Fund, LP	Absolute Return	659
Energy Capital Partners I, LP	Private Equity	654
King Street Capital, LP	Absolute Return	651
Viking Global Equities III Ltd.	Absolute Return	650
OCM Asia Principal Opportunities Fund, LP	Private Equity	599
Advent International GPE VI, LP	Private Equity	598
Actis Emerging Markets 3, LP	Private Equity	597
Brevan Howard, LP	Absolute Return	569
Silver Lake Partners III, LP	Private Equity	537

Other Supplementary Information:
Investment Expenses, continued – Year Ended June 30, 2010

(dollars in thousands)

Horsley Bridge IX, LP	Private Equity	536
Falcon Strategic Partners III	Private Equity	530
Brentwood Associates Fund IV, LP	Private Equity	527
Wayzata Opportunities Fund II, L.P.	Private Equity	519
PAAMCO II, LLC	Absolute Return	517
Davidson Kempner International, Ltd.	Absolute Return	507
Energy Capital Partners II, LP	Private Equity	500
Goldman Sachs Asset Management LP	Commodities	499
Tower Brook	Private Equity	494
Crestview Partners II	Private Equity	486
Vista Equity Partners III, LP	Private Equity	479
Technology Partners Fund VIII, LP	Private Equity	476
NB Crossroads Fund XVIII - Venture Capital, LP	Private Equity	475
EnCap Energy Capital Fund VII, LP	Private Equity	474
Brookside Capital Partners Fund II, LP	Absolute Return	470
OCM Opportunities Fund VIII, LP	Private Equity	457
Paulson Advanatage, LP	Absolute Return	454
Avenue Special Situations Fund V, L.P.	Private Equity	450
CVC European Equity Partners V, LP	Private Equity	434
PACVEN Walden International Venture Fund VI, LP	Private Equity	430
Merit Mezzanine Fund IV, LP	Private Equity	409
Greenpark International Investors III, LP	Private Equity	408
Scale Venture Partners III, LP	Private Equity	396
Clarity China Partners II	Private Equity	389
Mill Road Capital I, LP	Private Equity	384
Level Global, LP	Absolute Return	376
A.M. Pappas Life Science Ventures IV	Private Equity	375
Horsley Bridge International IV, LP	Private Equity	357
Indiana Co-Investment Fund, LP	Private Equity	350
Court Square Capital Partners II, LP	Private Equity	349
Colony Credit Opportunity Fund, LP	Real Estate	343
OCM Opportunities Fund VII, LP	Private Equity	341
GSO Capital Opportunities Fund, LP	Private Equity	337
Lexington Capital Partners VI-B, LP	Private Equity	335
Arch Venture Fund VII, LP	Private Equity	320
Invesco	Real Estate	314
Prima Mortgage Investment Trust	Real Estate	291
Advent Capital Management, LLC	Absolute Return	279
Lindsay Goldberg & Bassemmer I, LP	Private Equity	269
European Investors (E.I.I.)	Real Estate	251
OCM Opportunities Fund VI, LP	Private Equity	233
York Special Opportunities Fund, LP	Private Equity	225
H/2 Investors II, LP	Real Estate	222
Dorchester Capital Partners Select Opportunities, LP	Absolute Return	191
Arch Venture Fund VI, LP	Private Equity	177

FINANCIAL SECTION

Other Supplementary Information:
Investment Expenses, continued – Year Ended June 30, 2010

(dollars in thousands)

Lone Star Fund VI (Secondary)	Real Estate	144
Credit Suisse VCAF	Private Equity	113
Linden Investors, LP	Absolute Return	107
Elm Ridge Capital Partners, LP	Absolute Return	95
Panda Power Generation Infrastructure Fund B, LP	Private Equity	83
Crestview Partners II Secondary	Private Equity	82
Perella Weinberg Partners ABV Opportunity Fund II, LP	Absolute Return	63
Indiana Future Fund I, LP	Private Equity	58
Horsley Bridge Growth VIII, LP	Private Equity	52
Crestview Partners II (AIG)	Private Equity	45
EnCap Energy Capital Fund V, LP (HI)	Private Equity	38
EnCap Energy Capital Fund VI, LP (HI)	Private Equity	26
TCW PPIP	Real Estate	22
House Investments - Real Estate Opportunities Fund IV, LP	Real Estate	20
Citadel Residential Mortgage Opportunities Fund, LLC	Real Estate	19
EnCap Energy Capital Fund VI-B, LP (RF)	Private Equity	17
EnCap Energy Capital Fund V-B, LP (RF)	Private Equity	8
House Investments - Real Estate Opportunity Fund III, L.P.	Real Estate	(81)
House Investments - Real Estate Opportunities Fund III-A, LP	Real Estate	(90)
Walton Street Fund VI	Real Estate	(394)
Total Alternative Investments		46,799
Short Term Investments		
J. P. Morgan Investment Mgmt Inc.	Sweep fees	663
Total Investment Expenses		\$ 75,801

Other Supplementary Information:
Contractual and Professional Services Expenses – Year Ended June 30, 2010

(dollars in thousands)

Vendor Name	Fee	Nature of Services
Affiliated Computer Services, Inc.	\$ 3,015	Record Keeper Fees
MMY Consulting, Inc.	2,793	Project Management and IT Supplemental Staffing
Ciber	1,605	IT Supplemental Staffing
Oracle America	864	Licenses and training
BlueLock	622	Infrastructure Support
KPMG	545	Strategic Assessment and Information Security Risk
Ernst & Young	380	Accounting & Process Documentation/ Internal Audit
McCready and Keene, Inc.	165	Actuarial Services
K & L Gates	158	Legal Services
Foster Pepper, LLC	151	Legal Services
Mariani Law	69	Legal Services
AIRvan Consulting LLC	49	Market Research Services
Ice Miller Legal & Business Advisors	43	Legal Services
Kreig Devault, LLP	41	Legal Services
LexisNexis	36	Address Search Services
CEM Benchmarking Inc.	35	Benchmarking Services
Omkar Markand, M.D.	35	Medical Consulting - Police & Fire Fund
Stephenson Morow & Semler	24	Legal Services
Other Contractual and Professional Services	82	Other Services
Recovery of IT shared services cost from TRF	(5,311)	IT Shared Services
Total Contractual and Professional Services Expense	\$ 5,401	



2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Investment Section

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MERCER

Investment Consulting

155 North Wacker Drive, Suite 1500
Chicago, IL 60606-7500
312 917 0764 Fax 312 910 8990
douglas.krystio@mercer.com
www.mercer.com

August 27, 2010

Board of Trustees

State of Indiana Public Employees' Retirement Fund

143 West Market Street

Indianapolis, IN 46204

Dear Trustees:

Mercer is pleased to present the State of Indiana Consolidated Retirement Investment Fund (CRIF) results for the fiscal year ended June 30, 2010.

As of June 30, 2010, the CRIF had a market value of \$13.3 billion, an increase of \$1.5 billion since June 30, 2009. The increase in assets was due to positive investment performance over the one-year period. During the previous twelve months:

- The U.S. economy began to stabilize as the financial situation improved. GDP growth was positive in all four quarters; however, the unemployment rate remained steady at 9.5% over the one-year period. Reflective of improving economic conditions, oil prices and stock prices showed positive signs of growth. Housing prices, as measured by the S&P/Case-Shiller 20-City Composite Home Price Index, increased 4.6% over the past twelve months as of May 2010. The broad market rebounded and rallied during the first three quarters of the past year, but suffered significant losses in the last quarter as the European debt crisis and fears of a double-dip recession surfaced. The Federal Open Market Committee left the Federal Funds Rate unchanged, at a target rate of 0.00% to 0.25%.
- The U.S. equity markets improved over the trailing one-year period. The S&P 500 Index, an index of domestic large capitalization stocks, increased 14.4% while smaller capitalization stocks, as measured by the Russell 2000 Index, grew 21.5%. Value stocks outpaced growth stocks in the large, mid and small cap spaces. The consumer discretionary (+26.1% return) and industrials (+24.6% return) sectors were the best performers in the S&P 500 Index while the telecommunication services (-2.1% return) and energy (-0.1% return) sectors experienced negative results.
- Developed international equity markets trailed their domestic counterparts over the past year, returning 6.4% in U.S. Dollar terms, as measured by the MSCI EAFE (Europe, Australasia and Far East) Index. Sweden (+30.8% return) and Singapore (+29.4% return) were among the top performing developed markets while Greece (-46.7% return) significantly underperformed. The MSCI Emerging Markets Index increased 23.5% in U.S. Dollar terms over the same time period, indicating that emerging markets continued to outperform developed markets. Indonesia (+66.9% return), Colombia (+53.6% return) and Peru (+52.2% return) led all emerging markets as Morocco (-11.2% return) lagged.



Marsh & McLennan Companies

- The investment grade fixed income market performed positively over the trailing one-year period, returning 9.5% as measured by the Barclays Capital Aggregate Bond Index. Intermediate-term bonds (+8.3% return) lagged longer-term issues (+16.5% return) during the period. The Barclays Capital High Yield Bond Index returned 26.8% over the same period, significantly outperforming their investment grade counterparts. The mortgage sector, as measured by the Barclays Capital Mortgage-Backed Securities Index, returned 7.5% while Treasuries, as measured by the Barclays Capital Treasury Index, returned 6.7%.

Within this environment, the CRIF rose 13.6% (net of fees) during the one-year period ending June 30, 2010, outpacing the Target Reference Index (+10.7% return) and the Dynamic Index (+11.7% return). Three-year (-6.1% return) and five-year (+1.5% return) performance lagged the benchmarks. Longer-term underperformance can partially be attributed to relative results in the domestic equity segment of the Fund. Conversely, the international equity, fixed income and alternative investments segments outperformed their benchmarks over the trailing three- and five-year periods.

The CRIF's domestic equity managers collectively appreciated 15.7% (net of fees) during the trailing year, approximating the Russell 3000 Index. TimesSquare and Numeric outperformed their respective benchmark measures while T. Rowe Price, Wells and Artisan underperformed. Collectively, the CRIF's domestic equity managers trailed the Russell 3000 Index over the three and five-year periods.

The Fund's international equity segment returned 9.7% (net of fees) over the trailing twelve months, lagging the MSCI ACWI Ex-US Index by 1.2%. On a relative basis, Mondrian and Baillie Gifford outperformed while Schroders lagged its benchmark. Over the three- and five-year periods, the international equity segment of the CRIF outpaced the MSCI ACWI Ex-US Index.

The fixed income portion of the Fund, excluding Treasury Inflation-Protected Securities (TIPS), returned 16.3% (net of fees) over the trailing one-year period, outpacing the blended Barclays Capital Aggregate Bond Index / Barclays Capital US Universal Index return of 10.1%. The Fund's TIPS managers gained 10.2% (net of fees) over the same one-year period, outpacing the Dynamic Benchmark by 90 basis points. The combined fixed income portfolio outperformed the blended index over the three- and five-year periods.

The past twelve months were a positive period for the Fund on both an absolute and relative basis. Mercer continues to have confidence in the Fund's structure and managers moving forward.

Sincerely,



Douglas J. Kryscio, CFA
Partner

The PERF Board of Trustees serves as the ultimate fiduciary of PERF. The PERF Board of Trustees is comprised of six members. Five members are appointed by the governor of Indiana and the sixth is the director of the state's budget agency or his/her designee. One must be a member of the PERF plan with at least 10 years of creditable service. Additionally, one trustee must be a member of: (a) the PERF plan, (b) a state collective bargaining unit, or (c) a labor union that represents the state. No more than three of the trustees may be of the same political affiliation. The PERF Board of Trustees appoints the executive director of PERF subject to the approval of the governor.

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

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

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

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

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

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

The PERF Board of Trustees employs professional investment managers selected through a due diligence search process. This process incorporates the state of Indiana's statutory requirements supported by staff and consultant coordination and analysis. It is the PERF

INVESTMENT SECTION

Outline of Investment Policies, continued

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 PERF Board of Trustees, the actual investments of the Guaranteed Fund are the same as the general PERF portfolio. The PERF Board of Trustees annually establishes the interest crediting rate for the Guaranteed Fund based on a uniform methodology. The interest crediting rate for the Guaranteed Fund during the last 10 years is included in the Investment Highlights of this section on page 84.

Investment Summary

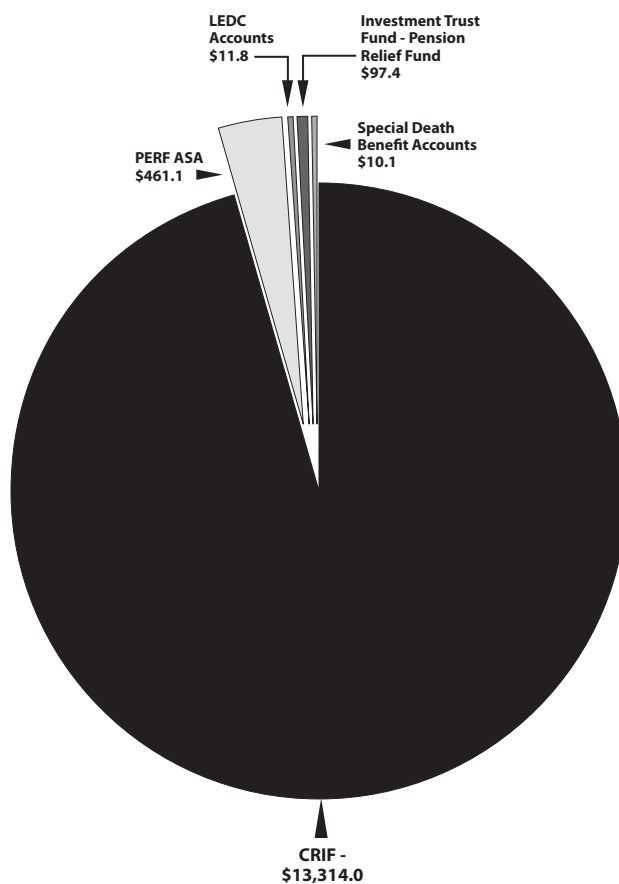
June 30, 2010
(dollars in millions)

Consolidated Retirement Investment Fund (CRIF)	\$	13,314.0
PERF Annuity Savings Accounts ¹		461.1
Legislators' Defined Contribution Accounts ²		11.8
Investment Trust Fund - Pension Relief Fund		97.4
Special Death Benefit Accounts		10.1
Total Investments, Cash and Cash Equivalents³	\$	13,894.4

¹Balances directed outside the Guaranteed Fund.

²Balances directed outside the Legislators' CRIF Option.

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



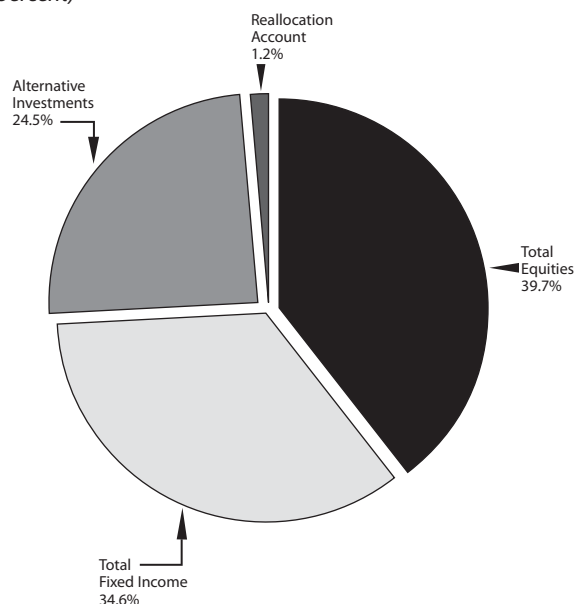
INVESTMENT SECTION

Investment Highlights, continued

Consolidated Retirement Investment Fund (CRIF) Asset Allocation Summary

June 30, 2010

(in percent)

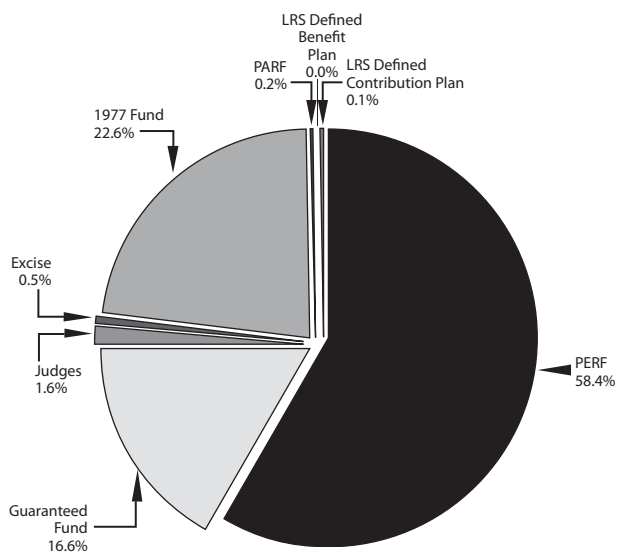


	June 30, 2010	June 30, 2009
Total Equities	39.7%	50.5%
Total Fixed Income	34.6	31.9
Alternative Investments	24.5	16.5
Reallocation Account ¹	1.2	1.1
Total Fund	100%	100%

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

Retirement Plans in the Consolidated Fund (CRIF)

June 30, 2010



	Assets (in millions)	Percent of Consolidated Fund
Public Employees' Retirement Fund	\$ 7,779.7	58.4%
PERF (Guaranteed Fund)	2,215.0	16.6%
Judges' Retirement System	209.7	1.6%
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	61.1	0.5%
1977 Police Officers' and Firefighters' Pension and Disability Fund	3,013.0	22.6%
Prosecuting Attorneys' Retirement Fund	22.5	0.2%
Legislators' Retirement System – Defined Benefit Plan	3.4	0.0%
Legislators' Retirement System – Defined Contribution Plan	9.6	0.1%
Total Consolidated Fund	\$ 13,314.0	100.0%

Investment Highlights, continued

Comparative Investment Results

for Periods Ended June 30, 2010
(percent return)⁵

	1 yr ⁴	3 yr ⁴	5 yr ⁴
Total CRIF¹ Fund	13.9%	(5.8)%	1.8%
vs. Mercer Public Funds Universe median ²	13.5	(3.6)	3.0
Target Reference Index ³	10.7	(5.3)	2.0
Total CRIF Domestic Equity	16.0	(10.4)	(1.2)
vs. Mercer Equity Universe median	17.0	(8.0)	1.0
Russell 3000 Index	15.7	(9.5)	(0.5)
S&P 500 Index	14.4	(9.8)	(0.8)
Total CRIF International Equity	10.0	(9.8)	4.7
vs. Mercer International Equity Universe median	9.1	(11.2)	2.9
ACWI Ex-US Index	10.9	(10.3)	3.8
MSCI EAFE Index	6.4	(12.9)	1.4
Total CRIF Fixed Income	15.0	8.5	6.1
vs. Mercer Core Investment Grade Universe median	11.3	8.2	6.0
Barclay's Capital Aggregate Index	9.5	7.6	5.5

¹CRIF = Consolidated Retirement Investment Fund.

²Universe of Public Funds.

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

⁴Gross of Fees.

⁵Based on performance calculations made by the fund's custodian, JP Morgan.

The 1 yr, 3 yr and 5 yr are time-weighted rates of return for the year ended June 30, 2010.

Ten-Year Total CRIF Investment Rates of Return

(dollars in millions)

		Market Value	Actuarial Return Basis	Actual Rate of Return ²	Actuarial Assumed Rate
2001	\$	9,883.0	5.8%	(2.5)%	7.25%
2002		9,627.8	3.1	(4.5)	7.25
2003		9,704.1	4.2	4.7	7.25
2004		11,338.2	6.3	16.3	7.25
2005		12,435.3	7.0	9.8	7.25
2006		13,694.9	7.9	10.7	7.25
2007		16,114.3	10.4	18.2	7.25
2008		14,851.0	5.3	(7.6)	7.25
2009		11,795.1	(0.9)	(20.6)	7.25
2010		13,314.0	N/A ¹	13.9	7.25

¹N/A denotes not available.

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

Investment Summary

June 30, 2010
(dollars in millions)

	Beginning Account Balance	Ending Account Balance	Percentage of Total Fair Value
Domestic Equity	\$ 3,183.3	\$ 2,291.9	17.2%
Global Equity ²	991.7	-	
International Equity	1,782.3	2,993.6	22.5
Total Equity	5,957.3	5,285.5	39.7%
Alternative Investments	1,941.7	3,260.2	24.5
Fixed Income ¹	3,896.1	4,768.3	35.8
Total CRIF	\$ 11,795.1	\$ 13,314.0	100.0%

¹Includes Reallocation Account for cash flow and allocation purposes.

²Global Equity allocation consolidated into Domestic and International.

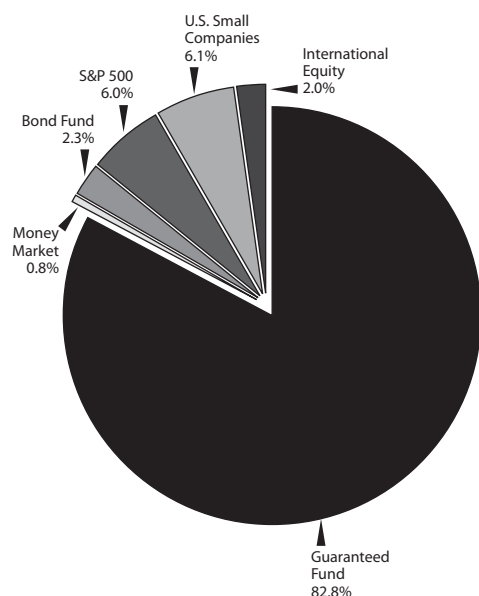
INVESTMENT SECTION

Investment Highlights, continued

PERF Annuity Savings Account Investment Highlights by Dollar Amount

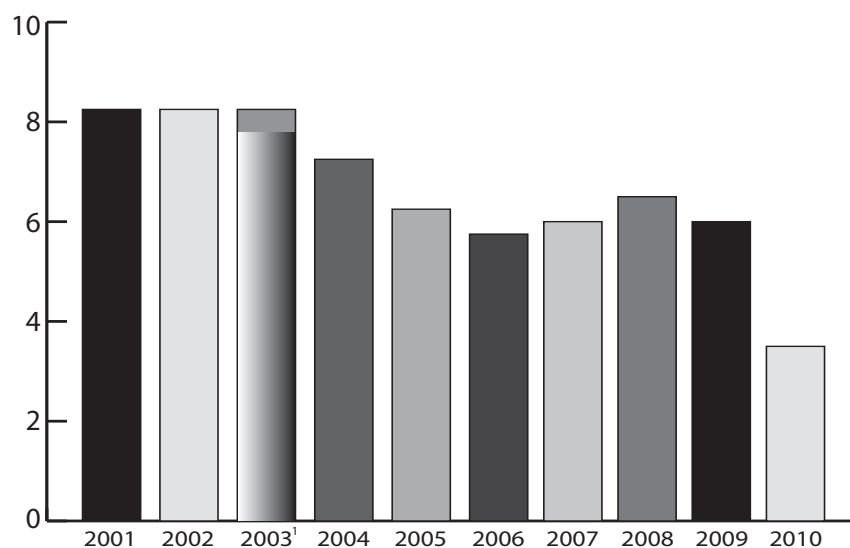
June 30, 2010

(dollars in millions)



Investment Option	Assets	Percent of Self-Directed Investments
Guaranteed Fund	\$ 2,215.0	82.8%
Money Market Fund	21.7	0.8
Bond Fund	61.8	2.3
S&P 500 Stock Index Fund	160.1	6.0
U.S. Small Companies Stock Fund	164.8	6.1
International Equity Index Fund	52.7	2.0
Total Assets	\$ 2,676.1	100%

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



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

Investment Highlights, continued

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

For Period Ended June 30, 2010

Investment Option	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
Money Market Fund	0.2%	2.0%	3.2%	4.6%
Bond Fund	10.0	7.5	5.7	7.6
S&P 500 Stock Index Fund	14.2	(9.2)	(0.4)	2.0
U.S. Small Companies Stock Fund	27.2	(11.6)	(0.6)	10.4
International Equity Index Fund	5.6	(13.4)	1.0	4.7

¹Gross of Fees.

²Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2010.

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

For Period Ended June 30, 2010

Investment Option	1 yr ¹	3 yr ¹	5 yr ¹	Since Inception
CRIF	13.9%	(5.8)%	1.8%	6.7%
Money Market Fund	0.1	2.0	3.1	2.6
Bond Fund ²	9.1	7.4	5.5	5.2
S&P 500 Stock Index Fund ²	14.0	(9.9)	(1.2)	0.4
International Equity Index Fund ²	4.0	(14.1)	0.6	2.9
Royce Small Cap Stock Fund ²	24.9	(4.5)	5.5	5.3

¹ Gross of Fees.

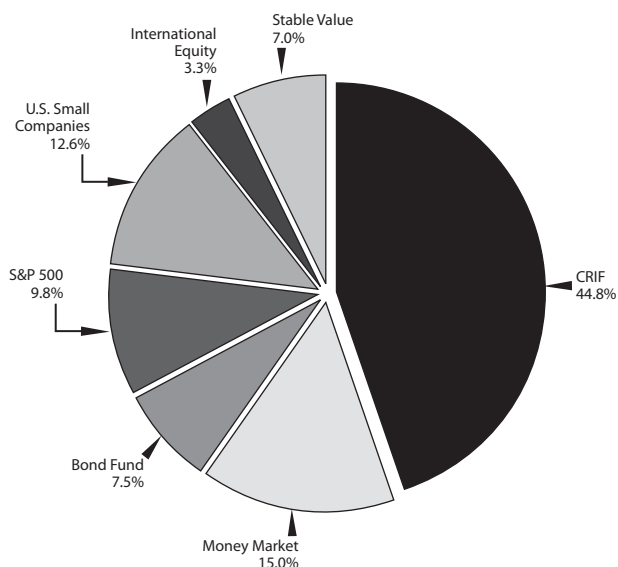
² Made available to plan participants on September 1, 2004.

³Based on performance calculations made by the fund's custodian, JP Morgan. The 1yr, 3 yr, 5 yr and since inception rates are time-weighted rates of return for the year ended June 30, 2010.

Legislators' Retirement Defined Contribution Plan Investment Highlights by Dollar Amount

June 30, 2010

(dollars in millions)



Investment Options	Assets	Percent of Self-Directed Investments
CRIF	\$ 9.6	44.8%
Money Market Fund	3.2	15.0
Bond Fund	1.6	7.5
S&P 500 Stock Index Fund	2.1	9.8
U.S. Small Companies Stock Fund	2.7	12.6
International Equity Index Fund	0.7	3.3
Stable Value Fund	1.5	7.0
Total Assets	\$ 21.4	100 %

INVESTMENT SECTION

List of Largest Assets Held

Largest Equity Holdings¹

(dollars in thousands)

Description	Shares	Market Value
Exxon Mobil Corp	742,116	\$ 42,353
GlaxoSmithKline	2,225,587	38,554
Apple Inc.	135,275	34,026
Nestle	658,738	32,098
Microsoft Corp	1,218,499	28,038
Sanofi-aventis	456,551	27,699
Procter & Gamble Co.	436,756	26,197
Roche	175,576	24,474
Novartis	495,015	24,465
Johnson & Johnson	410,925	24,269
General Electric Co.	1,591,975	23,118
International Bus Mach Corp	186,663	23,049
AstraZeneca	472,854	22,419
JPMorgan Chase & Co.	602,975	22,075
AT&T Inc.	908,729	21,982

Largest Bond Holdings¹

(dollars in thousands)

Description	Maturity Date	Coupon Rate	Par Value	Market Value
US Treasury Inflation Bond	1/25/2025	2.375	\$ 54,764	\$ 70,925
Federal National Mortgage Association	7/14/2040	6.500	62,000	67,900
US Treasury Inflation Note	4/15/2029	3.875	37,215	66,589
US Treasury Inflation Note	7/15/2013	1.875	49,556	62,774
US Treasury Inflation Note	8/20/2020	3.000	45,792	59,912
US Treasury Inflation Note	1/15/2014	2.000	45,254	57,445
US Treasury Inflation Bond	4/15/2028	3.625	31,450	55,069
US Treasury Inflation Bond	1/15/2026	2.000	42,390	49,693
US Treasury Inflation Bond	7/15/2016	2.500	40,703	49,419
US Treasury Inflation Note	7/15/2015	1.875	40,101	48,604
US Treasury Inflation Note	7/15/2014	2.000	38,194	47,822
US Treasury Inflation Note	1/15/2017	2.375	37,637	45,364
US Treasury Inflation Note	1/15/2016	2.000	36,107	43,177
US Treasury Inflation Note	4/15/2012	2.000	38,448	43,001
US Treasury Inflation Note	1/15/2027	2.375	32,780	39,692

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
Morgan Stanley & Co, Inc.	\$ 487
Goldman Sachs & Co	407
Instinet	376
UBS Warburg LLC	370
Investment Technology Group Inc.	360
Barclays Capital	333
JP Morgan Securities Inc.	290
Merrill Lynch, Pierce, Fenner & Smith	276
State Street Bank and Trust Co.	185
Societe Generale Securities Corp	174
Total of Top Ten Commission Fees	3,258
Other Brokers	2,872
Total	\$ 6,130

CUSTODIAN

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

CONSULTANTS

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

Capital Cities
47 South Meridian, Suite 425
Indianapolis, IN 46204

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

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

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

CRIF DOMESTIC EQUITY

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

Barclays Global Investors – Terminated 4/10
45 Fremont Street
San Francisco, CA 94105

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

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

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

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

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

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

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

GLOBAL EQUITY

Brandes Investment Partners, LP –
Terminated 8/09
11988 El Camino Real, Suite 500
PO Box 919048
San Diego, CA 92191-9048

Invesco – Terminated 4/10
1360 Peachtree St., NE, Suite 100
One Midtown Plaza
Atlanta, GA 30309

INTERNATIONAL EQUITY

Altrius Global Advisors, LLC
100 First Stamford Place
Stamford, CT 06902

Arrowstreet Capital, LP
200 Claredon Street, 30th Floor
John Hancock Tower
Boston, MA 02116

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

BlackRock Financial Management, Inc.
40 East 52nd Street
New York, NY 10022

Earnest Partners, LLC
1180 Peachtree Street NE, Suite 2300
Atlanta, GA 30309

GMO, LLC
40 Rowes Wharf
Boston, MA 02110

Martin Currie Inc.
1350 Avenue of the Americas, Suite 3010
New York, NY 10019

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

Schroders
875 Third Avenue
New York, NY 10022-6225

Wellington Management Company, LLP
1230 Peachtree Street, Suite 2400
Atlanta, GA 30309

FIXED INCOME

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

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

FIXED INCOME

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

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

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

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

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

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

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

REAL ASSETS

The Blackstone Group
345 Park Avenue
New York, NY 10154

Citadel Asset Management
131 South Dearborn Street
Chicago, Illinois 60603

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

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

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

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

H/2 Capital Partners
680 Washington Boulevard, 7th Floor
Stamford, CT 06901

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

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

Lone Star
2711 North Haskell Avenue, Suite 1700
Dallas, TX 75204

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

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

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

ABSOLUTE RETURN

Advent Capital Management, LLC
1065 Avenue of the Americas, 31st Floor
New York, NY 10018

Brevan Howard Asset Management, LLP
2nd Floor Almack House
28 King Street
London SW1Y 6XA

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

Brigade Capital Management
399 Park Avenue, 16th Floor
New York, NY 10022

Brookside Capital, LLC
111 Huntington Ave., #3500
Boston, MA 02199

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

Davidson Kempner Capital Management
65 East 55th Street, 19th Floor
New York, NY 10022

Elm Ridge Capital Management, LLC
3 West Main Street, 3rd Floor
Irvington, NY 10533

King Street Capital Management, LLC
65 East 55th Street, 30th Floor
New York, NY 10022

Level Global
888 Seventh Avenue, 27th Floor
New York, NY 10019

Linden Advisors
590 Madison Avenue, 15th Floor
New York, NY 10022

Dorchester Capital Advisors, LLC –
Terminated 12/09
11111 Santa Monica Blvd., Suite 1250
Los Angeles, CA 90025

ABSOLUTE RETURN

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

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

The Blackstone Group
345 Park Avenue
New York, NY 10154

Viking Global Investors
280 Park Avenue
New York, NY 10017

PRIVATE EQUITY

Actis
2 More London Riverside
London SE1 2JT
United Kingdom

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

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

Ares Management, LLC
1999 Avenue of the Stars, 19th Floor
Los Angeles, CA 90067

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

Brentwood Associates
11150 Santa Monica Blvd., Suite 1200
Los Angeles, CA 90025

Cerberus Institutional Partners
299 Park Avenue
New York, NY 10171

Clarity China Partners
Capital Mansion, Suite #2101
6 Xin Yuan Nan Lu
Chaoyang District,
Beijing, China 100004

Court Square Capital Partners
Park Avenue Plaza
55 E 52nd St., 34th Floor
New York, NY 10055

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

Crestview Capital
667 Madison Avenue, 10th Floor
New York, NY 10021

CVC Capital Partners
111 Strand
London WC2R 0AG
United Kingdom

Encap Investments
1100 Louisiana Street, Suite 1100
Houston, TX 77002

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

Falcon Investment Advisors
21 Custom House Street, 10th Floor
Boston, MA 02110

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

GSO Capital Partners
280 Park Avenue
New York, NY 10017

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

Herkules Capital
Strandveien 50
P.O. Box 34
1324 Lysaker Norway

Horsley Bridge Partners
505 Montgomery Street
San Francisco, CA 94111

JFM China Partners
Mackie Research Capital Corporation
1550, 335 – 8th Ave SW
Calgary, AB T2P 1C9

Lexington Partners
660 Madison Avenue
New York, NY 10021

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

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

MBK Partners
4th Floor, Aksaka Intercity,
1-11-44 Aksaka, Minato-ku
Tokyo, Japan 107-0052

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

PRIVATE EQUITY

Mill Road Capital
2 Soundview Drive, Suite 300
Greenwich, Ct 06830

Natural Gas Partners
125 E. John Carpenter Freeway, Suite 600
Irving, TX 75062

Neuberger Investment Management
190 South LaSalle Street, 26th Floor
Chicago, IL 60603

New Mountain Capital
One Market Street, Spear Tower, Suite 1735
San Francisco, CA 94105

Oak Investment Partners
One Gorham Island
Westport, CT 06880

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

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

Panda Energy
4100 Spring Valley, Suite 1001
Dallas, TX 75244

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

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

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

Technology Partners
550 University Avenue
Palo Alto, CA 94301

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

TowerBrook Investors
430 Park Avenue
New York, NY 10022

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

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

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

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

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

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

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

DEFINED CONTRIBUTION PLANS

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

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

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

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

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

PENSION RELIEF FUND

Barclays Global Investors – Terminated 1/10
45 Fremont Street
San Francisco, CA 94105

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

SPECIAL DEATH FUNDS

PNC Institutional Investments
101 West Washington Street, Suite 720
Indianapolis, IN 46255



2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Actuarial Section

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McCready and Keene, Inc.

7941 Castleway Drive

PO Box 50460

Indianapolis, Indiana 46250-0460

August 30, 2010

Via E-Mail Only

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

Dear Members of the Board:

Certification of Actuarial Valuations

The actuarial data presented in this report describes the current actuarial condition of the defined benefit pension plans ("Plans") administered by the Indiana Public Employees' Retirement Fund ("PERF"). Valuations are prepared annually as of July 1 for all Plans. Previously the 1977 Police Officers' and Firefighters' Pension and Disability Fund had Valuations prepared annually as of January 1 but effective July 1, 2010, their valuations will also be prepared as of July 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, 2009 actuarial valuation were used by the Board when certifying the employer contribution rates for the year beginning January 1, 2011 (or for the year beginning July 1, 2010 for state employees). If new legislation is enacted between the valuation date and the date the contribution rates become effective, the Board may adjust the recommended rates before certifying them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Funding Objectives and Funding Policy

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

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

Funding Objectives and Funding Policy, continued

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

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

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

For 2008 an additional smoothing rule was adopted which stated that any employer contribution amount or rate developed based on the 2008 valuation could not be less than the employer contribution amount or rate based on the 2007 valuation. This smoothing rule was adopted in anticipation of the recent economic downturn much of which happened after the 2008 actuarial valuation dates. This new smoothing rule was continued for the 2009 valuations but will be reconsidered in future years.

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

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

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans decreased by about 1% from the preceding year due primarily to net actual experience losses when compared to the experience anticipated by the actuarial assumptions.

Benefit Provisions

The benefit provisions reflected in this report are those which were in effect on each Plan's valuation date. None of the pension funds had any material changes in benefit provisions from the 2008 valuations.

Assumptions and Methods

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

Data

Member data for retired, active and inactive members was supplied as of each Plan's valuation date by PERF. The data was in a different format and was of higher quality when compared to data received for prior valuations. 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 also supplied by PERF.

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 2009 valuation date.

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

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

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

Sincerely,



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

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

ACTUARIAL SECTION

Summary of Actuarial Assumptions and Methods as of July 1, 2009

Note 1: Prior to July 1, 2003, the COLA assumption was assumed to be 2 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2003, the time period for the actuarial assumption for COLA was changed from the remaining lifetime of the benefit recipient to five years from the valuation date. This change was applied to the Indiana Public Employees' Retirement Fund (PERF Plan), the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan. Effective July 1, 2004, the COLA assumption was assumed to be 0.5 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2005, the COLA assumption was assumed to be 1 percent for the remaining lifetime of the benefit recipient. Effective July 1, 2006, the COLA assumption was assumed to be 1.5 percent for the remaining lifetime of the benefit recipient. These changes were applied to the PERF Plan, the State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan, and the Legislators' Defined Benefit Plan. An additional benefit payment, known as a 13th check, has been provided to the PERF members in lieu of a COLA for the past two years; therefore, effective July 1, 2009, the COLA assumption was changed to one percent for the remaining lifetime of the benefit recipient.

Note 2: All systems are using the 1994 U.S. UP-94 (sex distinct) for post-retirement.

Note 3: 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. Although actual cash funding for the Judges' Retirement System is on a pay-as-you-go basis, the Entry age Normal Cost actuarial funding method is used for GASB reporting purposes. 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 4: Actuarial asset valuation method phases in the difference between expected investment return and actual investment return over a 4-year period for all systems except the PERF Plan where valuation assets are equal to 75 percent of expected actuarial value plus 25 percent of market value.

Note 5: For all systems, the assumed salary increase includes a 3 percent assumption attributable to the effects of inflation on salaries.

Public Employees' Retirement Fund

July 1, 2009 Actuarial Valuation

Investment Return	COLA	Salary Scale		Retirement Rates		Disability Rates			Termination Rates (State)		
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	13%	45	0.11%	0.09%	25	2%	2%
		35	4	62	29	50	0.20	0.16	30	2	2
		45	4	65	43	55	0.35	0.28	35	2	2
		60	4	70	39	60	0.62	0.49	45	2	2

Summary of Actuarial Assumptions and Methods as of July 1, 2009

Judges' Retirement System

July 1, 2009 Actuarial Valuation

Investment Return	COLA	Salary Scale	Retirement Rates		Disability Rates		Termination Rates	
7.25%	4% for 1977 System	4.0%	Based on Experience 2000-2005 Sample Rates:		1964 OASDI, Sample Rates:		Based on Experience 2000-2005 Sample Rates:	
	4% for 1985 System Beginning January 1, 2010							
			Age	Male and Female	Age	Male and Female	Age	Male and Female
			62	25%	40	0.22%	30	4%
			64	10	50	0.61	40	4
			65	25	60	1.63	50	4
			75	100	64	2.32	55	4

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

July 1, 2009 Actuarial Valuation

Investment Return	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:	
			Ages	Male and Female	Age	Rate	Age	Male and Female
			50	3%	40	0.33%	30	3.7%
			55 ¹	2 ¹	50	0.91	40	1.1
			60 ¹	20 ¹	60	2.44	50	0.0
			65 ¹	100 ¹	64	3.48	55	0.0

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

January 1, 2009 Actuarial Valuation

Investment Return	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:	
			Ages	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

ACTUARIAL SECTION

Summary of Actuarial Assumptions and Methods as of July 1, 2009

Prosecuting Attorneys' Retirement Fund

July 1, 2009 Actuarial Valuation

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

Legislators' Defined Benefit Plan

July 1, 2009 Actuarial Valuation

Investment Return	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:
			Ages 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, 2008 UAAL ²	Amortized Payments, Prior Year	Interest for Year	Liability (Gain) / Loss	Asset (Gain) / Loss	Change in Benefit Provisions or Assumptions	July 1, 2009 UAAL ²
Public Employees' Retirement Fund	\$ 323,105	\$ (25,269)	\$ 21,593	\$ (424,818)	\$ 1,042,333	0	\$ 936,944
Judges' Retirement System	103,868	(8,173)	6,938	(32,802)	19,766	0	89,597
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	11,802	(918)	789	4,013	5,440	0	21,126
1977 Police Officers' and Firefighters' Pension and Disability Fund ¹	(392,185)	45,764	(39,752)	(51,524)	504,785	0	67,088
Prosecuting Attorneys' Retirement Fund	11,719	(912)	783	4,3854	2,190	0	18,165
Legislators' Defined Benefit Plan	(81)	(9)	8	(467)	(33)	0	357

¹ Beginning date of January 1, 2008 rather than July 1, 2008, and ending date of July 1, 2009.

² UAAL = Unfunded Actuarial Accrued Liability.

ACTUARIAL SECTION

Solvency Test

(dollars in thousands)

Actuarial Accrued Liabilities					
System	As of July 1	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities
Public Employees' Retirement Fund	2004 ¹	\$ 2,211,326	\$ 2,927,884	\$ 4,705,143	\$ 9,844,353
	2005 ¹	2,382,280	3,301,265	5,174,777	10,858,322
	2006 ¹	2,515,984	3,648,764	5,286,181	11,450,929
	2007 ¹	2,707,176	4,007,389	5,725,233	12,439,798
	2008 ¹	2,694,331	4,227,366	6,181,524	13,103,221
	2009	2,669,318	4,611,257	6,225,705	13,506,280
Judges' Retirement System	2004	\$ 18,415	\$ 105,922	\$ 85,655	\$ 209,992
	2005	19,515	137,631	115,709	272,855
	2006 ^{1,2}	20,861	134,272	117,865	272,998
	2007	21,276	143,645	119,074	283,995
	2008	22,243	155,177	161,329	338,749
	2009	21,649	170,962	137,940	330,551
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2004 ¹	\$ 3,613	\$ 17,788	\$ 28,608	\$ 50,009
	2005 ¹	3,488	18,907	37,569	59,964
	2006 ^{1,2}	3,644	20,870	40,251	64,765
	2007 ²	3,527	24,606	46,318	74,451
	2008 ^{1,2}	4,314	28,902	43,961	77,177
	2009	5,274	35,039	48,982	89,296
1977 Police Officers' and Firefighters' Pension and Disability Fund	2004 ³	\$ 344,775	\$ 452,755	\$ 1,077,988	\$ 1,875,518
	2005 ³	362,908	436,606	1,264,657	2,064,171
	2006 ³	403,643	503,498	1,507,912	2,415,053
	2007 ³	455,476	546,628	1,647,421	2,649,525
	2008 ^{1,3}	498,662	655,827	1,734,806	2,889,295
	2009 ³	534,303	765,909	1,850,615	3,150,827
Prosecuting Attorneys' Retirement Fund	2004	\$ 12,237	\$ 2,419	\$ 7,932	\$ 22,588
	2005	13,132	2,303	10,309	25,744
	2006 ¹	14,893	2,252	12,039	29,184
	2007	16,014	3,192	12,846	32,052
	2008 ¹	17,428	5,173	15,468	38,069
	2009	19,239	10,384	15,009	44,632
Legislators' Defined Benefit Plan	2004 ¹	\$ 0	\$ 2,128	\$ 2,728	\$ 4,856
	2005 ¹	0	2,121	2,878	4,999
	2006 ¹	0	2,270	2,962	5,232
	2007	0	2,432	2,737	5,169
	2008	0	2,258	2,781	5,039
	2009	0	3,147	1,940	5,087

¹ Actuarial assumptions and/or methods Revised

² Improvement in benefit provisions

³ As of January 1 instead of July 1

Solvency Test (continued)

(dollars in thousands)

Portion of Actuarial Accrued Liabilities Covered by Assets						
System	Actuarial Value of Assets	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Member (Employer Financed Portion)	(4) Total Actuarial Accrued Liabilities	
Public Employees' Retirement Fund	\$ 9,853,976	100%	100%	100%	100.1%	
	10,471,937	100%	100%	92.5%	96.4%	
	11,177,971	100%	100%	94.8%	97.6%	
	12,220,934	100%	100%	96.2%	98.2%	
	12,780,116	100%	100%	94.8%	97.5%	
	12,569,336	100%	100%	85.0%	93.1%	
Judges' Retirement System	\$ 135,798	100%	100%	13.4%	64.7%	
	151,003	100%	95.5%	0.0%	55.3%	
	178,276	100%	100%	19.6%	65.3%	
	211,747	100%	100%	39.3%	74.6%	
	234,881	100%	100%	35.6%	69.3%	
	240,954	100%	100%	35.0%	72.9%	
State Excise Police, Gaming Agent, Gaming Control Officer & Conservation Enforcement Officers' Retirement Plan	\$ 38,772	100%	100%	60.7%	77.5%	
	41,663	100%	100%	51.3%	69.5%	
	48,496	100%	100%	59.6%	74.9%	
	57,414	100%	100%	63.2%	77.1%	
	65,375	100%	100%	73.2%	84.7%	
	68,170	100%	100%	56.9%	76.3%	
1977 Police Officers' & Firefighters' Pension & Disability Fund	\$ 1,797,124	100%	100%	92.7%	95.8%	
	1,976,905	100%	100%	93.1%	95.8%	
	2,347,986	100%	100%	95.6%	97.2%	
	2,860,512	100%	100%	100.0%	108.0%	
	3,281,480	100%	100%	100.0%	113.6%	
	3,352,705	100%	100%	100.0%	106.4%	
Prosecuting Attorneys' Retirement Fund	\$ 3,265,598	100%	100%	96.0%	98.0%	
	14,655	100%	100%	0.0%	64.9%	
	16,876	100%	100%	14.0%	65.6%	
	20,053	100%	100%	24.2%	68.7%	
	23,815	100%	100%	35.9%	74.3%	
	26,350	100%	100%	24.2%	69.2%	
Legislators' Defined Benefit Plan	\$ 26,467	100%	69.6%	0.0%	59.3%	
	4,206	N/A	100%	76.2%	86.6%	
	4,339	N/A	100%	77.0%	86.8%	
	4,721	N/A	100%	82.8%	90.2%	
	5,035	N/A	100%	95.1%	97.4%	
	5,120	N/A	100%	100.0%	101.6%	
	4,730	N/A	100%	81.6%	93.0%	

ACTUARIAL SECTION

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	2004	142,913	\$ 4,214,390 ²	\$ 29,489	4.5%	
	2005	141,428	4,318,450	30,535	3.5	
	2006	140,563	4,322,180	30,749	4.3	
	2007	138,863	4,385,676	31,583	2.7	
	2008	140,146	4,600,354	32,825	3.9	
	2009	147,792	4,931,423	33,367	1.7	
Judges' Retirement System	2004	275	\$ 25,693	\$ 93,431	2.3%	
	2005	282	32,231	114,293	22.3	
	2006	274	34,065	124,323	8.8	
	2007	258	29,712	115,163	(7.4)	
	2008	267	33,729	126,327	9.7	
	2009	288	36,196	125,680	(0.5)	
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2004	251	\$ 10,209	\$ 40,675	(13.5)%	
	2005	262	13,223	50,469	24.1	
	2006	310	14,892	48,039	(4.8)	
	2007	344	17,715	51,497	7.2	
	2008	410	21,333	52,033	1.0	
	2009	443	25,238	56,971	9.5	
1977 Police Officers' and Firefighters' Pension and Disability Fund	2004 ³	11,238	\$ 469,750	\$ 41,800	3.7%	
	2005 ³	11,424	493,707	43,217	3.4	
	2006 ³	11,728	522,227	44,528	3.0	
	2007 ³	12,056	557,644	46,254	3.9	
	2008 ³	12,611	603,963	47,892	3.5	
	2009 ²	13,095	644,936	49,251	2.8	
	2009	13,184	649,018	49,228	0.0	
Prosecuting Attorneys' Retirement Fund	2004	214	\$ 15,149	\$ 70,790	17.3%	
	2005	220	16,659	75,724	7.0	
	2006	218	19,225	88,188	16.5	
	2007	206	18,092	87,825	(0.4)	
	2008	209	20,617	98,646	12.3	
	2009	221	20,782	94,037	(4.7)	
Legislators' Defined Benefit Plan¹	2004	50	N/A	N/A	N/A	
	2005	48	N/A	N/A	N/A	
	2006	46	N/A	N/A	N/A	
	2007	43	N/A	N/A	N/A	
	2008	34	N/A	N/A	N/A	
	2009	33	N/A	N/A	N/A	

¹ Benefits are not based on annual payroll.

² Prior year totals have been restated.

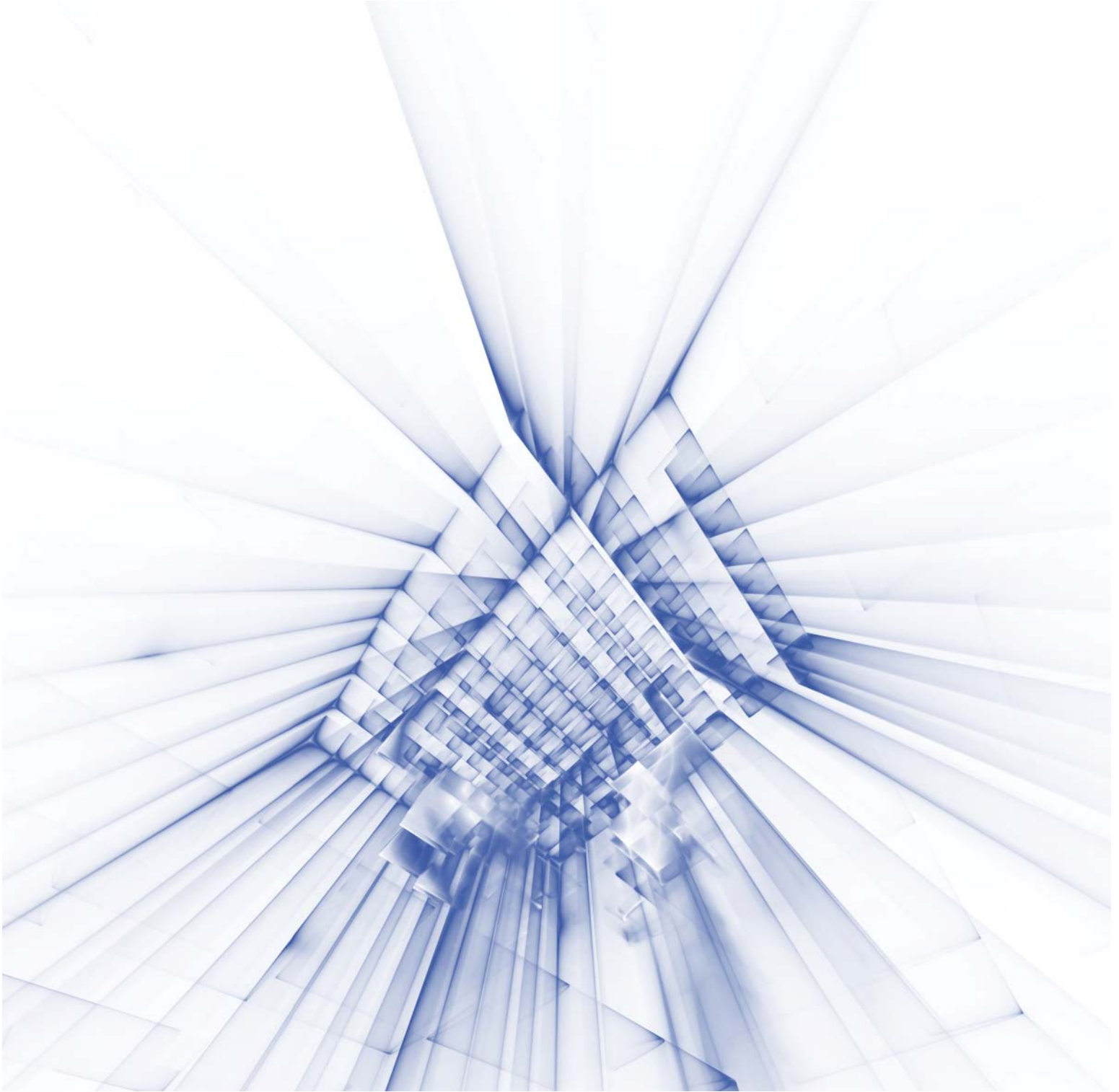
³ As of January 1 instead of July 1

Schedules of Retirants and Beneficiaries

(dollars in thousands – except average)

	Year Begin July 1	Added to Rolls		Removed from Rolls		Rolls - End of Year		% Increase in Annual Allowances	Average Annual Allowances ¹
		No.	Annual Allowances ¹	No.	Annual Allowances ¹	No.	Annual Allowances ¹		
Public Employees’ Retirement Fund	2003	3,975	\$ 34,244	2,577	\$ 12,511	54,354	\$ 325,711	12.4%	\$ 5,992
	2004	4,499	35,845	1,732	8,358	57,121	354,285	8.8	6,202
	2005	3,403	29,572	2,241	14,440	58,283	377,611	6.6	6,479
	2006	4,633	42,653	2,584	15,229	60,332	412,745	9.3	6,841
	2007	5,376	43,915	3,284	18,022	62,424	436,749	5.8	6,996
	2008	6,047	55,726	3,372	19,103	65,099	477,553	9.3	7,336
Judges’ Retirement System	2003	8	\$ 313	4	\$ 208	262	\$ 9,854	(0.6)%	\$ 37,609
	2004	13	667	11	374	264	12,272	24.5	46,485
	2005	12	868	7	474	269	12,983	5.8	48,266
	2006	18	976	8	409	279	13,899	7.1	49,819
	2007	23	1,257	26	991	276	14,754	6.1	53,455
	2008	74	3,744	57	1,835	293	15,230	3.2	51,978
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers’ Retirement Plan	2003	4	\$ 116	4	\$ 58	128	\$ 1,738	3.9%	\$ 13,580
	2004	4	114	4	65	128	1,787	2.8	13,962
	2005	5	127	1	26	132	1,888	5.6	14,304
	2006	13	359	5	74	140	2,176	15.2	15,539
	2007	9	302	12	119	137	2,518	15.8	18,382
	2008	59	748	39	258	157	3,056	21.3	19,465
1977 Police Officers’ and Firefighters’ Pension and Disability Fund (As of January 1 instead of July 1)	2003	65	\$ 1,320	65	\$ 1,215	1,906	\$ 34,258	0.5%	\$ 17,974
	2004	14	255	22	387	1,898	33,706	(1.5)	17,759
	2005	257	5,493	28	554	2,127	38,648	14.7	18,170
	2006	172	3,860	34	592	2,265	41,973	8.6	18,531
	2007	333	8,101	50	886	2,548	49,537	18.0	19,442
	2008	255	5,861	273	4565	2530	53,588	8.2	21,181
Prosecuting Attorneys’ Retirement Fund	2003	2	\$ 38	1	\$ 7	18	\$ 257	13.8%	\$ 14,259
	2004	0	0	0	0	18	249	(3.0)	13,831
	2005	0	0	0	0	18	249	0.1	13,850
	2006	4	121	2	32	20	338	35.6	16,905
	2007	7	207	1	14	26	522	54.3	20,068
	2008	26	536	2	26	50	1,032	97.8	20,636
Legislators’ Defined Benefit Plan	2003	0	\$ 0	0	\$ 0	39	\$ 246	0.0%	\$ 6,303
	2004	0	0	0	0	39	244	(0.5)	6,268
	2005	2	12	2	9	39	260	6.2	6,658
	2006	6	31	0	0	45	283	9.1	6,298
	2007	1	0	2	10	44	274	(3.4)	6,223
	2008	17	88	2	2	59	371	35.3	6,281

¹ For PERF only, this includes employee annuities.



2010

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

Statistical Section

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STATISTICAL SECTION



Summary of Statistical Section

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

Contents

Financial Trends

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

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

Demographic and Economic Information

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

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

Sources: Unless otherwise noted, the information in these schedules is obtained from the Comprehensive Annual Financial Reports for the relevant years.

STATISTICAL SECTION

Schedule of Additions by Source Year Ended June 30

(dollars in thousands)

	Year	Member Contributions	Employer Contributions	Employer Contributions as a Percent of Covered Payroll	Net Investment Income (Loss)	Transfers from Systems	Other Additions	Total Additions
Public Employees' Retirement Fund	2001	\$ 113,969	\$ 198,744	5.5%	\$ (260,788)	\$ 2,057	\$ 348	\$ 54,330
	2002	119,377	208,020	5.2	(389,286)	1,251	446	(60,192)
	2003	128,828	213,370	5.1	340,970	-	2,272	685,440
	2004	135,963	234,918	5.2	1,351,210	2,364	18	1,724,473
	2005	136,009	206,323	4.6	896,408	2,982	560	1,242,282
	2006	145,753	230,357	4.7	1,093,658	1,495	46	1,471,309
	2007	147,740	260,150	6.0	2,024,539	2,658	183	2,435,270
	2008	155,728	303,877	7.0	(1,079,918)	6,355	288	(613,670)
	2009	160,034	323,151	7.0	(2,517,955)	3,115	32	(2,031,623)
	2010	158,089	331,090	6.7	1,297,543	2,339	61	1,789,122
Judges' Retirement System	2001	\$ 1,604	\$ 12,279	41.3%	\$ (3,366)	\$ -	\$ 10	\$ 10,527
	2002	1,515	12,543	41.8	(5,198)	-	-	8,860
	2003	1,558	13,276	42.6	6,238	-	-	21,072
	2004	1,560	12,965	49.9	20,780	-	1	35,306
	2005	1,569	13,540	51.8	14,815	-	-	29,924
	2006	1,839	13,537	44.2	18,291	18	-	33,685
	2007	1,925	14,662	43.0	35,419	-	-	52,006
	2008	2,062	15,920	53.6	(19,133)	64	-	(1,087)
	2009	2,196	20,861	61.8	(48,194)	151	-	(24,986)
	2010	2,229	18,631	51.5	23,622	59	-	44,541
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2001	\$ 70	\$ 2,026	16.2%	\$ (1,117)	\$ -	\$ -	\$ 979
	2002	69	1,904	15.2	(1,687)	-	-	286
	2003	68	1,951	15.7	1,627	-	-	3,646
	2004	74	2,120	15.9	5,971	-	-	8,165
	2005	68	2,164	16.8	4,093	-	-	6,325
	2006	96	2,498	18.9	4,907	-	10	7,511
	2007	129	3,359	22.6	9,508	-	-	12,996
	2008	981	4,854	27.4	(5,156)	-	-	679
	2009	1,025	5,294	24.8	(12,951)	5	-	(6,627)
	2010	1,010	5,256	20.8	6,749	9	-	13,024
1977 Police Officers' and Firefighters' Pension and Disability Fund	2001	\$ 25,229	\$ 82,643	21.0%	\$ (45,778)	\$ -	\$ 37	\$ 62,131
	2002	23,840	85,062	21.0	(70,509)	-	-	38,393
	2003	30,350	94,920	21.0	79,234	-	-	204,504
	2004	28,029	98,489	21.0	278,248	-	141	404,907
	2005	32,622	117,678	21.0	201,043	-	132	351,475
	2006	32,231	104,247	21.0	246,767	-	78	383,323
	2007	33,898	118,816	21.0	490,857	-	76	643,647
	2008	36,787	129,553	21.0	(265,745)	-	57	(99,348)
	2009	38,520	130,002	21.0	(662,681)	131	115	(493,913)
	2010	39,826	130,774	19.5	337,766	237	90	508,693
Prosecuting Attorneys' Retirement Fund	2001	\$ 843	\$ 275	2.0%	\$ (322)	\$ -	\$ -	\$ 796
	2002	803	436	3.3	(524)	-	-	715
	2003	836	446	3.2	614	-	-	1,896
	2004	900	933	6.2	2,147	-	-	3,980
	2005	856	961	6.7	1,597	-	-	3,414
	2006	1,089	170	0.9	1,988	-	-	3,247
	2007	1,133	190	1.0	3,948	-	-	5,271
	2008	1,208	170	0.9	(2,108)	-	-	(730)
	2009	1,274	170	0.8	(5,254)	-	-	(3,810)
	2010	1,268	170	0.8	2,595	-	-	4,033

Schedule of Additions by Source Year Ended June 30, continued

(dollars in thousands)

	Year	Member Contributions	Employer Contributions	Employer Contributions as a Percent of Covered Payroll	Net Investment Income (Loss)	Transfers from Systems	Other Additions	Total Additions
Legislators' Retirement System – Defined Benefit Plan	2001	\$ -	\$ 170	-%	\$ (157)	\$ -	\$ -	\$ 13
	2002	-	187	-	(233)	-	13	(33)
	2003	-	187	-	157	-	-	344
	2004	-	206	-	646	-	-	852
	2005	-	206	-	393	-	-	599
	2006	-	100	-	439	-	-	539
	2007	-	100	-	799	-	-	899
	2008	-	100	-	(523)	-	-	(423)
	2009	-	100	-	(1,037)	-	15	(922)
	2010	-	-	-	419	-	-	419
Legislators' Retirement System – Defined Contribution Plan	2001	\$ 954	\$ -	-%	\$ (393)	\$ -	\$ -	\$ 561
	2002	1,092	-	-	(446)	-	-	646
	2003	1,226	-	-	519	-	-	1,745
	2004	1,329	-	-	1,974	-	36	3,339
	2005	1,387	-	-	1,240	-	27	2,654
	2006	1,414	-	-	2,041	-	33	3,488
	2007	1,468	-	-	3,639	429	32	5,568
	2008	1,366	-	-	(1,741)	-	60	(315)
	2009	1,342	-	-	(4,495)	-	4	(3,149)
	2010	1,146	-	-	2,243	-	25	3,414
State Employees' Death Benefit Fund	2001	\$ -	\$ -	-%	\$ 552	\$ -	\$ (1,091)	\$ (539)
	2002	-	-	-	-	-	-	-
	2003	-	-	-	490	-	-	490
	2004	-	-	-	16	-	-	16
	2005	-	-	-	261	-	-	261
	2006	-	-	-	(13)	-	-	(13)
	2007	-	-	-	293	-	-	293
	2008	-	-	-	460	-	-	460
	2009	-	-	-	374	-	-	374
	2010	-	-	-	525	-	-	525
Public Safety Officers' Special Death Benefit Fund	2001	\$ -	\$ -	-%	\$ 292	\$ -	\$ 30	\$ 322
	2002	-	-	-	-	-	-	-
	2003	-	-	-	251	-	11	262
	2004	-	-	-	(4)	-	22	18
	2005	-	-	-	97	-	19	116
	2006	-	-	-	(5)	-	307	302
	2007	-	-	-	98	-	485	583
	2008	-	-	-	162	-	517	679
	2009	-	-	-	147	-	539	686
	2010	-	-	-	226	-	626	852
Pension Relief Fund	2001	\$ -	\$ -	-%	\$ 18,687	\$ -	\$ 68,134	\$ 86,821
	2002	-	-	-	5,144	-	95,762	100,906
	2003	-	-	-	35,519	-	67,351	102,870
	2004	-	-	-	21,740	-	61,695	83,435
	2005	-	-	-	19,991	-	61,834	81,825
	2006	-	-	-	6,945	-	63,051	69,996
	2007	-	-	-	28,826	-	63,993	92,819
	2008	-	-	-	2,205	-	61,521	63,726
	2009	-	-	-	(4,784)	-	109,533	104,749
	2010	-	-	-	11,911	-	194,991	206,902

STATISTICAL SECTION

Schedule of Deductions by Type Year Ended June 30

(dollars in thousands)

	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Public Employees' Retirement Fund						
	2001	\$ 283,055	\$ 28,884	\$ 2,415	\$ 8,451	\$ 322,805
	2002	297,293	29,104	1,254	14,567	342,218
	2003	322,754	29,637	3,847	9,247	365,485
	2004	361,454	32,906	2,781	13,418	410,559
	2005	375,843	35,009	3,973	15,605	430,430
	2006	418,567	65,804	5,110	14,273	503,754
	2007	466,009	48,334	6,795	17,943	539,081
	2008	501,637	45,610	6,844	21,183	575,274
	2009	536,783	36,099	5,132	21,497	599,511
	2010	579,711	39,632	5,837	24,959	650,139
Judges' Retirement System						
	2001	\$ 8,201	\$ 59	\$ -	\$ 199	\$ 8,459
	2002	8,355	2	-	250	8,607
	2003	8,611	46	-	110	8,767
	2004	9,041	45	-	197	9,283
	2005	9,487	119	-	134	9,740
	2006	11,215	6	-	149	11,370
	2007	11,664	72	-	194	11,930
	2008	12,579	50	-	244	12,873
	2009	14,649	55	-	308	15,012
	2010	15,470	-	-	104	15,574
State Excise Police, Gaming Agent Gaming Control Officers and Conservation Enforcement Officers' Retirement Plan						
	2001	\$ 1,420	\$ 1	\$ -	\$ 151	\$ 1,572
	2002	1,571	-	-	239	1,810
	2003	1,711	40	-	40	1,791
	2004	1,821	-	-	63	1,884
	2005	1,919	15	-	40	1,974
	2006	2,102	-	12	47	2,161
	2007	2,373	3	-	64	2,440
	2008	2,681	11	-	83	2,775
	2009	2,915	36	-	94	3,045
	2010	3,150	31	-	73	3,254
1977 Police Officers' and Firefighters' Pension and Disability Fund						
	2001	\$ 28,463	\$ 1,574	\$ -	\$ 656	\$ 30,693
	2002	30,547	2,091	-	1,409	34,047
	2003	32,073	2,321	-	1,510	35,904
	2004	34,717	2,465	-	2,405	39,587
	2005	37,134	2,475	-	1,777	41,386
	2006	41,825	2,642	-	2,153	46,620
	2007	45,989	3,293	-	2,559	51,841
	2008	56,082	3,186	3	3,156	62,427
	2009	55,866	3,172	5	3,766	62,809
	2010	62,913	2,304	-	1,865	67,082
Prosecuting Attorneys' Retirement Fund						
	2001	\$ 224	\$ 32	\$ -	\$ 76	\$ 332
	2002	267	49	-	125	441
	2003	254	172	-	21	447
	2004	357	-	-	25	382
	2005	423	148	-	15	586
	2006	531	35	-	17	583
	2007	633	71	-	23	727
	2008	806	4	-	36	846
	2009	1,007	55	-	45	1,107
	2010	1,163	80	-	55	1,298

Schedule of Deductions by Type Year Ended June 30, continued

(dollars in thousands)

	Year	Benefit Payments	Distributions	Transfers to Systems	Administrative	Total Deductions
Legislators' Retirement System --	2001	\$ 223	\$ -	\$ -	\$ 107	\$ 330
Defined Benefit Plan	2002	231	-	-	133	364
	2003	328	-	-	23	351
	2004	263	-	-	24	287
	2005	283	-	-	23	306
	2006	306	-	-	65	371
	2007	333	-	133	56	522
	2008	345	-	-	56	401
	2009	363	-	-	21	384
	2010	356	-	-	35	391
Legislators' Retirement System --	2001	\$ -	\$ 378	\$ -	\$ -	\$ 378
Defined Contribution Plan	2002	-	149	-	-	149
	2003	-	343	-	-	343
	2004	-	103	-	-	103
	2005	-	886	-	-	886
	2006	-	686	-	-	686
	2007	-	708	-	-	708
	2008	-	1,116	-	-	1,116
	2009	-	1,325	-	46	1,371
	2010	-	803	-	33	836
State Employees' Death Benefit Fund	2001	\$ 100	\$ -	\$ -	\$ 73	\$ 173
	2002	-	-	-	-	-
	2003	200	-	-	3	203
	2004	50	-	-	6	56
	2005	100	-	-	4	104
	2006	50	-	-	4	54
	2007	-	-	-	4	4
	2008	-	-	-	6	6
	2009	50	-	-	9	59
	2010	-	-	-	-	-
Public Safety Officers' Special Death Benefit Fund	2001	\$ 450	\$ -	\$ -	\$ 73	\$ 523
	2002	-	-	-	-	-
	2003	150	-	-	2	152
	2004	600	-	-	3	603
	2005	300	-	-	1	301
	2006	150	-	-	1	151
	2007	150	-	-	1	151
	2008	450	-	-	2	452
	2009	300	-	-	3	303
	2010	450	-	-	-	450
Pension Relief Fund	2001	\$ 825	\$ 79,735	\$ -	\$ 292	\$ 80,852
	2002	450	196,579	-	444	197,473
	2003	150	101,281	-	307	101,738
	2004	300	109,467	-	421	110,188
	2005	450	119,319	-	246	120,015
	2006	-	128,147	-	228	128,375
	2007	150	142,994	-	183	143,327
	2008	450	137,370	-	197	138,017
	2009	150	171,299	-	275	171,724
	2010	450	213,131	-	58	213,639

STATISTICAL SECTION

Schedule of Benefit Deductions by Type Year Ended June 30

(dollars in thousands)

	Year	Pension Benefits	Disability Benefits	Death and Funeral Benefits	Total Benefits
Public Employees' Retirement Fund					
	2001	\$ 269,415	\$ 13,640	\$ -	\$ 283,055
	2002	282,294	14,999	-	297,293
	2003	305,908	16,843	-	322,751
	2004	346,878	14,576	-	361,454
	2005	350,810	25,032	1	375,843
	2006	391,173	27,394	-	418,567
	2007	433,463	32,546	-	466,009
	2008	467,994	33,643	-	501,637
	2009	500,214	36,569	-	536,783
	2010	539,540	40,171	-	579,711
Judges' Retirement System					
	2001	\$ 7,974	\$ 227	\$ -	\$ 8,201
	2002	8,176	179	-	8,355
	2003	8,491	120	-	8,611
	2004	9,004	37	-	9,041
	2005	9,393	94	-	9,487
	2006	11,102	113	-	11,215
	2007	11,554	110	-	11,664
	2008	12,514	65	-	12,579
	2009	14,595	54	-	14,649
	2010	15,441	29	-	15,470
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan					
	2001	\$ 1,377	\$ 43	\$ -	\$ 1,420
	2002	1,523	48	-	1,571
	2003	1,644	67	-	1,711
	2004	1,795	26	-	1,821
	2005	1,850	69	-	1,919
	2006	2,039	63	-	2,102
	2007	2,309	64	-	2,373
	2008	2,616	65	-	2,681
	2009	2,855	60	-	2,915
	2010	3,092	58	-	3,150
1977 Police Officers' and Firefighters' Pension and Disability Fund					
	2001	\$ 20,583	\$ 7,724	\$ 156	\$ 28,463
	2002	22,089	8,359	99	30,547
	2003	23,002	8,765	306	32,073
	2004	30,538	4,121	58	34,717
	2005	26,967	10,158	9	37,134
	2006	30,427	11,389	9	41,825
	2007	33,661	12,256	72	45,989
	2008	42,790	13,184	108	56,082
	2009	41,019	14,541	306	55,866
	2010	47,150	15,199	564	62,913
Prosecuting Attorneys' Retirement Fund					
	2001	\$224	\$ -	\$ -	\$ 224
	2002	267	-	-	267
	2003	254	-	-	254
	2004	347	10	-	357
	2005	403	20	-	423

Schedule of Benefit Deductions by Type Year Ended June 30, continued

(dollars in thousands)

	Year	Pension Benefits	Disability Benefits	Death and Funeral Benefits	Total Benefits
Prosecuting Attorneys' Retirement Fund					
	2006	\$ 512	\$ 19	\$ -	\$ 531
	2007	614	19	-	633
	2008	787	19	-	806
	2009	988	19	-	1,007
	2010	1,143	20	-	1,163
Legislators' Retirement System – Defined Benefit Plan					
	2001	\$ 223	\$ -	\$ -	\$ 223
	2002	231	-	-	231
	2003	322	6	-	328
	2004	261	2	-	263
	2005	280	3	-	283
	2006	303	3	-	306
	2007	330	3	-	333
	2008	342	3	-	345
	2009	360	3	-	363
	2010	353	3	-	356
State Employees' Death Benefit Fund					
	2001	\$ -	\$ -	\$ 100	\$ 100
	2002	-	-	-	-
	2003	-	-	200	200
	2004	-	-	50	50
	2005	-	-	100	100
	2006	-	-	50	50
	2007	-	-	-	-
	2008	-	-	-	-
	2009	-	-	50	50
	2010	-	-	-	-
Public Safety Officers' Special Death Benefit Fund					
	2001	\$ -	\$ -	\$ 450	\$ 450
	2002	-	-	-	-
	2003	-	-	150	150
	2004	-	-	600	600
	2005	-	-	300	300
	2006	-	-	150	150
	2007	-	-	150	150
	2008	-	-	450	450
	2009	-	-	300	300
	2010	-	-	450	450
Pension Relief Fund					
	2001	\$ -	\$ -	\$ 825	\$ 825
	2002	-	-	450	450
	2003	-	-	150	150
	2004	-	-	300	300
	2005	-	-	450	450
	2006	-	-	-	-
	2007	-	-	150	150
	2008	-	-	450	450
	2009	-	-	150	150
	2010	-	-	450	450

STATISTICAL SECTION

Schedule of Benefit Recipients by Type of Benefit Option Year Ended June 30, 2010

Number of Benefit Recipients by Benefit Option											
	Amount of Monthly Benefit (amounts in dollars)	1	2	3	4	5	6	7	8	9	Total
Public	\$1-500	13,192	7,221	10,481	1,155	2,142	289	1,081	1,188	-	36,749
Employees'	501-1,000	6,310	5,056	5,144	917	1,691	153	924	442	-	20,637
Retirement	1,001-1,500	1,792	1,957	1,913	442	738	51	351	108	-	7,352
Fund	1,501-2,000	530	719	661	200	275	24	128	21	-	2,558
	2,001-3,000	242	431	360	134	167	17	104	15	-	1,470
	over 3,000	40	74	59	25	33	2	22	2	-	257
	Total	22,106	15,458	18,618	2,873	5,046	536	2,610	1,776	-	69,023
Judges'	\$1-1,000	-	-	-	-	17	-	-	-	-	17
Retirement	1,001-2,000	-	-	-	-	50	-	-	-	-	50
System	2,001-3,000	-	-	-	-	37	-	-	-	-	37
	3,001-4,000	-	-	-	-	24	-	-	-	-	24
	4,001-5,000	-	-	-	-	5	-	-	-	-	5
	over 5,000	-	-	-	-	168	-	-	-	-	168
	Total	-	-	-	-	301	-	-	-	-	301
State Excise Police	\$1-500	-	-	-	-	23	-	-	-	-	23
Gaming Agent, Gaming	501-1,000	-	-	-	-	34	-	-	-	-	34
Control Officer and	1,001-1,500	-	-	-	-	21	-	-	-	-	21
Conservation	1,501-2,000	-	-	-	-	16	-	-	-	-	16
Enforcement Officers'	2,001-3,000	-	-	-	-	58	-	-	-	-	58
Retirement Plan	over 3,000	-	-	-	-	9	-	-	-	-	9
	Total	-	-	-	-	161	-	-	-	-	161
1977 Police Officers'	\$1-500	-	-	-	-	-	-	-	-	121	121
and Firefighters'	501-1,000	-	-	-	-	-	-	-	-	235	235
Pension and Disability	1,001-1,500	-	-	-	-	-	-	-	-	694	694
Fund	1,501-2,000	-	-	-	-	-	-	-	-	871	871
	2,001-3,000	-	-	-	-	-	-	-	-	954	954
	over 3,000	-	-	-	-	-	-	-	-	60	60
	Total	-	-	-	-	-	-	-	-	2,935	2,935
Prosecuting Attorneys'	\$1-500	-	-	-	-	5	-	-	-	-	5
Retirement Fund	501-1,000	-	-	-	-	9	-	-	-	-	9
	1,001-1,500	-	-	-	-	11	-	-	-	-	11
	1,501-2,000	-	-	-	-	3	-	-	-	-	3
	2,001-3,000	-	-	-	-	7	-	-	-	-	7
	over 3,000	-	-	-	-	8	-	-	-	-	8
	Total	-	-	-	-	43	-	-	-	-	43
Legislators' Retirement	\$1-500	-	-	-	-	34	-	-	-	-	34
System -- Defined	501-1,000	-	-	-	-	14	-	-	-	-	14
Benefit Plan	1,001-1,500	-	-	-	-	8	-	-	-	-	8
	1,501-2,000	-	-	-	-	1	-	-	-	-	1
	2,001-3,000	-	-	-	-	-	-	-	-	-	0
	over 3,000	-	-	-	-	-	-	-	-	-	0
	Total	-	-	-	-	57	-	-	-	-	57

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

(amounts in dollars)

(amounts in dollars)		Years of Service						
	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund ¹	2001	Average Monthly Defined Benefit	\$ 100	\$ 219	\$ 330	\$ 413	\$ 605	\$ 964
		Average Monthly Annuity	\$ 40	\$ 92	\$ 131	\$ 161	\$ 223	\$ 355
		Average Final Average Salary	\$ 16,582	\$ 20,783	\$ 23,691	\$ 22,597	\$ 26,717	\$ 31,823
		Number of Benefit Recipients	11	220	222	210	157	154
	2002	Average Monthly Defined Benefit	\$ 134	\$ 192	\$ 302	\$ 388	\$ 505	\$ 867
		Average Monthly Annuity	\$ 40	\$ 84	\$ 134	\$ 159	\$ 210	\$ 364
		Average Final Average Salary	\$ 19,717	\$ 20,278	\$ 23,903	\$ 22,435	\$ 24,229	\$ 31,447
		Number of Benefit Recipients	31	262	280	218	149	123
	2003	Average Monthly Defined Benefit	\$ 136	\$ 248	\$ 341	\$ 453	\$ 612	\$ 994
		Average Monthly Annuity	\$ 30	\$ 76	\$ 112	\$ 138	\$ 188	\$ 268
		Average Final Average Salary	\$ 18,492	\$ 20,986	\$ 23,385	\$ 24,026	\$ 26,228	\$ 31,972
		Number of Benefit Recipients	75	380	427	328	209	260
	2004	Average Monthly Defined Benefit	\$ 151	\$ 249	\$ 340	\$ 491	\$ 650	\$ 1,127
		Average Monthly Annuity	\$ 48	\$ 93	\$ 124	\$ 177	\$ 234	\$ 398
		Average Final Average Salary	\$ 17,976	\$ 18,941	\$ 21,873	\$ 25,337	\$ 26,288	\$ 33,592
		Number of Benefit Recipients	61	423	500	383	346	564
	2005	Average Monthly Defined Benefit	\$ 134	\$ 257	\$ 378	\$ 494	\$ 658	\$ 1,027
		Average Monthly Annuity	\$ 39	\$ 106	\$ 149	\$ 189	\$ 261	\$ 382
		Average Final Average Salary	\$ 17,570	\$ 22,404	\$ 24,371	\$ 25,748	\$ 27,534	\$ 32,644
		Number of Benefit Recipients	55	333	429	346	306	373
	2006	Average Monthly Defined Benefit	\$ 124	\$ 253	\$ 392	\$ 559	\$ 689	\$ 1,008
		Average Monthly Annuity	\$ 39	\$ 109	\$ 156	\$ 226	\$ 275	\$ 424
		Average Final Average Salary	\$ 18,213	\$ 21,193	\$ 26,040	\$ 27,899	\$ 28,258	\$ 33,756
		Number of Benefit Recipients	49	401	569	370	355	429
	2007	Average Monthly Defined Benefit	\$ 167	\$ 262	\$ 401	\$ 533	\$ 708	\$ 1,053
		Average Monthly Annuity	\$ 69	\$ 116	\$ 160	\$ 233	\$ 294	\$ 464
		Average Final Average Salary	\$ 21,898	\$ 23,477	\$ 26,348	\$ 27,749	\$ 29,535	\$ 35,162
		Number of Benefit Recipients	84	457	616	446	365	442
	2008	Average Monthly Defined Benefit	\$ 170	\$ 267	\$ 394	\$ 563	\$ 731	\$ 1,095
		Average Monthly Annuity	\$ 58	\$ 117	\$ 162	\$ 260	\$ 303	\$ 477
		Average Final Average Salary	\$ 21,233	\$ 21,731	\$ 25,681	\$ 29,038	\$ 29,485	\$ 36,157
		Number of Benefit Recipients	50	492	665	497	399	452
	2009	Average Monthly Defined Benefit	\$ 210	\$ 287	\$ 409	\$ 544	\$ 737	\$ 1,148
		Average Monthly Annuity	\$ 77	\$ 112	\$ 172	\$ 230	\$ 300	\$ 492
		Average Final Average Salary	\$ 23,910	\$ 24,131	\$ 27,058	\$ 29,322	\$ 31,213	\$ 37,909
		Number of Benefit Recipients	77	479	578	538	366	493
	2010	Average Monthly Defined Benefit	\$ 166	\$ 292	\$ 450	\$ 591	\$ 831	\$ 1,214
		Average Monthly Annuity	\$ 55	\$ 115	\$ 189	\$ 247	\$ 351	\$ 530
		Average Final Average Salary	\$ 24,568	\$ 25,825	\$ 29,692	\$ 31,401	\$ 35,429	\$ 39,957
		Number of Benefit Recipients	51	487	613	516	398	633
Public Employees' Retirement Fund ²	2001	Average Monthly Defined Benefit	\$ 110	\$ 217	\$ 217	\$ 446	\$ 597	\$ 1,035
		Average Total ASA Distribution	\$ 4,817	\$ 11,161	\$ 11,161	\$ 22,947	\$ 29,191	\$ 44,352
		Average Final Average Salary	\$ 19,810	\$ 19,869	\$ 19,869	\$ 24,866	\$ 26,046	\$ 33,862
		Number of Benefit Recipients	11	207	207	289	231	243
	2002	Average Monthly Defined Benefit	\$ 113	\$ 191	\$ 294	\$ 402	\$ 530	\$ 840
		Average Total ASA Distribution	\$ 4,527	\$ 10,411	\$ 14,847	\$ 19,289	\$ 24,338	\$ 39,530
		Average Final Average Salary	\$ 17,721	\$ 20,627	\$ 24,415	\$ 26,292	\$ 26,995	\$ 33,773
		Number of Benefit Recipients	38	233	355	361	255	290
	2003	Average Monthly Defined Benefit	\$ 148	\$ 252	\$ 348	\$ 507	\$ 672	\$ 1,039
		Average Total ASA Distribution	\$ 6,584	\$ 11,109	\$ 16,212	\$ 20,446	\$ 24,393	\$ 35,515
		Average Final Average Salary	\$ 21,488	\$ 22,491	\$ 25,601	\$ 27,491	\$ 29,760	\$ 33,529
		Number of Benefit Recipients	68	271	386	356	302	428
	2004	Average Monthly Defined Benefit	\$ 123	\$ 259	\$ 354	\$ 504	\$ 639	\$ 1,199
		Average Total ASA Distribution	\$ 5,394	\$ 9,350	\$ 12,848	\$ 14,247	\$ 15,566	\$ 21,413
		Average Final Average Salary	\$ 18,490	\$ 20,472	\$ 25,592	\$ 26,941	\$ 28,301	\$ 35,511
		Number of Benefit Recipients	57	211	324	295	229	421
	2005	Average Monthly Defined Benefit	\$ 145	\$ 251	\$ 407	\$ 573	\$ 830	\$ 1,239
		Average Total ASA Distribution	\$ 6,376	\$ 10,788	\$ 16,423	\$ 18,158	\$ 22,763	\$ 29,051
		Average Final Average Salary	\$ 21,333	\$ 22,108	\$ 27,920	\$ 28,587	\$ 31,503	\$ 35,383
		Number of Benefit Recipients	66	270	394	251	232	275
	2006	Average Monthly Defined Benefit	\$ 248	\$ 297	\$ 474	\$ 729	\$ 955	\$ 1,499
		Average Total ASA Distribution	\$ 7,158	\$ 11,961	\$ 18,694	\$ 22,715	\$ 28,879	\$ 44,937
		Average Final Average Salary	\$ 23,026	\$ 23,492	\$ 28,518	\$ 31,459	\$ 30,514	\$ 37,335
		Number of Benefit Recipients	50	223	420	256	241	354
	2007	Average Monthly Defined Benefit	\$ 193	\$ 318	\$ 438	\$ 621	\$ 884	\$ 1,312
		Average Total ASA Distribution	\$ 4,495	\$ 7,929	\$ 12,538	\$ 15,469	\$ 21,939	\$ 29,065
		Average Final Average Salary	\$ 21,564	\$ 24,300	\$ 29,078	\$ 30,182	\$ 32,080	\$ 36,101
		Number of Benefit Recipients"	100	455	744	521	502	696

STATISTICAL SECTION

Schedule of Average Benefit Payments Year Ended June 30, continued

(amounts in dollars)

(amounts in dollars)

		Years of Service						
	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
Public Employees' Retirement Fund ²	2008	Average Monthly Defined Benefit	\$ 146	\$ 261	\$ 417	\$ 597	\$ 828	\$ 1,223
		Average Total ASA Distribution	\$ 4,917	\$ 8,256	\$ 13,578	\$ 16,522	\$ 20,341	\$ 30,627
		Average Final Average Salary	\$ 22,575	\$ 24,488	\$ 29,851	\$ 30,348	\$ 32,508	\$ 37,323
		Number of Benefit Recipients	70	459	798	613	512	696
	2009	Average Monthly Defined Benefit	\$ 276	\$ 430	\$ 601	\$ 849	\$ 1,144	\$ 1,871
		Average Total ASA Distribution	\$ 6,108	\$ 6,088	\$ 7,579	\$ 9,567	\$ 10,635	\$ 17,322
		Average Final Average Salary	\$ 24,842	\$ 25,491	\$ 30,472	\$ 32,721	\$ 33,909	\$ 39,535
		Number of Benefit Recipients	87	466	879	707	568	841
	2010	Average Monthly Defined Benefit	\$ 227	\$ 507	\$ 776	\$ 1,075	\$ 1,517	\$ 2,653
		Average Total ASA Distribution	\$ 5,405	\$ 8,565	\$ 11,929	\$ 16,769	\$ 21,443	\$ 25,777
		Average Final Average Salary	\$ 25,528	\$ 26,694	\$ 30,343	\$ 32,876	\$ 36,361	\$ 42,153
		Number of Benefit Recipients	87	324	477	414	329	566

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 PERC.

Judges' Retirement System	2001	Average Monthly Defined Benefit	\$ -	\$ 2,910	\$ 4,200	\$ 4,500	\$ 4,500	\$ 4,500
		Average Final Average Salary	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	-	2	1	6	6	1
	2002	Average Monthly Defined Benefit	\$ 1,783	\$ 1,972	\$ 3,947	\$ -	\$ 4,402	\$ 4,301
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	1	3	1	-	1	1
	2003	Average Monthly Defined Benefit	\$ 1,469	\$ 2,485	\$ 4,146	\$ 4,356	\$ 4,500	\$ 4,500
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
		Number of Benefit Recipients	2	5	3	2	6	1
	2004	Average Monthly Defined Benefit	\$ 1,800	\$ 3,615	\$ 3,832	\$ 3,648	\$ 4,500	\$ -
		Average Final Average Salary	\$ 90,000	\$ 90,000	\$ 90,000	\$ 60,000	\$ 90,000	\$ -
		Number of Benefit Recipients	1	1	1	3	1	-
	2005	Average Monthly Defined Benefit	\$ 1,840	\$ 2,237	\$ 2,024	\$ 4,599	\$ 4,599	\$ 4,599
		Average Final Average Salary	\$ 91,976	\$ 30,659	\$ -	\$ 91,976	\$ 90,000	\$ 91,976
		Number of Benefit Recipients	1	3	1	2	1	1
	2006	Average Monthly Defined Benefit	\$ -	\$ 4,470	\$ 3,869	\$ 4,709	\$ -	\$ 2,826
		Average Final Average Salary	\$ -	\$ 105,348	\$ 67,674	\$ 75,438	\$ -	\$ 113,022
		Number of Benefit Recipients	-	3	3	3	-	1
	2007	Average Monthly Defined Benefit	\$ 1,838	\$ 4,722	\$ 3,983	\$ 4,074	\$ 5,061	\$ -
		Average Final Average Salary	\$ 93,641	\$ 115,282	\$ 57,641	\$ 64,113	\$ 91,774	\$ -
		Number of Benefit Recipients	2	2	4	5	5	-
	2008	Average Monthly Defined Benefit	\$ 1,156	\$ 3,767	\$ 4,672	\$ 2,975	\$ 6,085	\$ 6,559
		Average Final Average Salary	\$ -	\$ 66,353	\$ 71,236	\$ 59,947	\$ 121,692	\$ 130,130
		Number of Benefit Recipients	1	5	2	2	1	2
	2009	Average Monthly Defined Benefit	\$ 3,010	\$ 5,410	\$ 5,516	\$ 6,838	\$ 6,282	\$ 5,890
		Average Final Average Salary	\$ 125,647	\$ 105,935	\$ 119,525	\$ 99,727	\$ 125,647	\$ 125,647
		Number of Benefit Recipients	1	12	11	5	7	8
	2010	Average Monthly Defined Benefit	\$ 1,631	\$ 5,105	\$ 4,263	\$ 4,915	\$ 6,282	\$ -
		Average Final Average Salary	\$ 80,310	\$ 125,647	\$ 120,465	\$ 92,813	\$ 125,647	\$ -
		Number of Benefit Recipients	3	1	2	7	1	-
State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	2001	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 1,378	\$ 2,237	\$ 2,133
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 38,168	\$ 49,728	\$ 43,351
		Number of Benefit Recipients	-	-	-	1	3	3
	2002	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 1,011	\$ 1,838	\$ 2,173
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 44,215	\$ 45,652	\$ 46,295
		Number of Benefit Recipients	-	-	-	1	3	3
	2003	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 1,011	\$ 1,847	\$ 2,130
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 44,215	\$ 48,242	\$ 45,251
		Number of Benefit Recipients	-	-	-	1	2	2
	2004	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,946
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,945
		Number of Benefit Recipients	-	-	-	-	-	4
	2005	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 696	\$ 607	\$ 1,785
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 28,106	\$ -	\$ 31,300
		Number of Benefit Recipients	-	-	-	1	1	3
	2006	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ -	\$ 1,208	\$ 2,304
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ 35,234	\$ 49,386
		Number of Benefit Recipients	-	-	-	-	3	4
	2007	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 1,346	\$ 1,969	\$ 2,558
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 47,642	\$ 46,466	\$ 55,388
		Number of Benefit Recipients	-	-	-	2	4	7
	2008	Average Monthly Defined Benefit	\$ -	\$ -	\$ 398	\$ -	\$ 1,887	\$ 2,394
		Average Final Average Salary	\$ -	\$ -	\$ 20,048	\$ -	\$ 39,481	\$ 48,780
		Number of Benefit Recipients	-	-	1	-	5	9

Schedule of Average Benefit Payments Year Ended June 30, continued

(amounts in dollars)

		Years of Service					
Year		5-9 ³	10-14	15-19	20-24	25-29	30+
2009	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 1,058	\$ 1,979	\$ 2,166
	Average Final Average Salary	\$ -	\$ -	\$ -	\$ 24,100	\$ 45,375	\$ 51,871
	Number of Benefit Recipients	-	-	-	2	5	3
2010	Average Monthly Defined Benefit	\$ -	\$ -	\$ 582	\$ 1,023	\$ 2,596	\$ 2,026
	Average Final Average Salary	\$ -	\$ -	\$ 15,823	\$ 42,697	\$ 57,624	\$ 51,962
	Number of Benefit Recipients	-	-	2	1	5	4

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

1977 Police Officers' and Firefighters' Pension and Disability Fund⁴	2001	Average Monthly Defined Benefit	\$ 1,441	\$ 1,478	\$ 4,200	\$ 1,490	\$ 1,915	\$ 1,800
		Average Final Average Salary	\$ 36,718	\$ 35,489	\$ 90,000	\$ 35,774	\$ 35,318	\$ 30,000
		Number of Benefit Recipients	9	9	1	15	5	1
	2002	Average Monthly Defined Benefit	\$ 1,219	\$ 1,552	\$ 1,348	\$ 1,432	\$ 2,352	\$ 1,798
		Average Final Average Salary	\$ 32,183	\$ 39,458	\$ 30,446	\$ 29,444	\$ 42,774	\$ 23,000
		Number of Benefit Recipients	2	5	4	50	1	1
	2003	Average Monthly Defined Benefit	\$ 1,087	\$ 1,411	\$ 885	\$ 1,430	\$ 1,392	\$ 819
		Average Final Average Salary	\$ 37,992	\$ 38,508	\$ 38,468	\$ 37,056	\$ 39,998	\$ 28,055
		Number of Benefit Recipients	17	10	21	58	10	3
	2004	Average Monthly Defined Benefit	\$ 1,121	\$ 1,167	\$ 1,452	\$ 1,566	\$ 1,814	\$ 1,248
		Average Final Average Salary	\$ 36,790	\$ 29,968	\$ 34,631	\$ 33,285	\$ 32,382	\$ -
		Number of Benefit Recipients	10	13	14	65	18	7
	2005	Average Monthly Defined Benefit	\$ 1,651	\$ 1,426	\$ 1,477	\$ 1,594	\$ 1,964	\$ 1,551
		Average Final Average Salary	\$ 36,733	\$ 38,434	\$ 34,659	\$ 34,158	\$ 34,757	\$ 9,864
		Number of Benefit Recipients	9	10	13	46	28	9
	2006	Average Monthly Defined Benefit	\$ 1,895	\$ 1,496	\$ 1,580	\$ 1,646	\$ 2,056	\$ 1,300
		Average Final Average Salary	\$ 34,798	\$ 37,887	\$ 37,238	\$ 34,180	\$ 37,036	\$ 4,491
		Number of Benefit Recipients	5	9	18	67	49	10
	2007	Average Monthly Defined Benefit	\$ 1,495	\$ 1,767	\$ 1,524	\$ 1,712	\$ 2,145	\$ 1,140
		Average Final Average Salary	\$ 44,548	\$ 44,413	\$ 33,760	\$ 36,526	\$ 38,134	\$ -
		Number of Benefit Recipients	8	6	13	82	58	2
	2008	Average Monthly Defined Benefit	\$ 1,332	\$ 1,310	\$ 1,434	\$ 1,805	\$ 2,251	\$ 2,131
		Average Final Average Salary	\$ 36,089	\$ 43,705	\$ 33,028	\$ 38,350	\$ 40,654	\$ 26,818
		Number of Benefit Recipients	9	12	12	107	125	10
	2009	Average Monthly Defined Benefit	\$ 1,906	\$ 1,763	\$ 1,755	\$ 1,749	\$ 2,375	\$ 2,261
		Average Final Average Salary	\$ 45,753	\$ 41,007	\$ 39,988	\$ 39,766	\$ 43,964	\$ 28,487
		Number of Benefit Recipients	6	9	9	85	63	10
	2010	Average Monthly Defined Benefit	\$ 2,220	\$ 1,425	\$ 1,822	\$ 1,868	\$ 2,388	\$ 2,521
		Average Final Average Salary	\$ 46,899	\$ 36,160	\$ 39,804	\$ 42,207	\$ 42,987	\$ 38,611
		Number of Benefit Recipients	6	12	17	64	74	32

¹Members in the 1977 Fund with less than 20 years of service are receiving a disability benefit.

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

Prosecuting Attorneys' Retirement Fund	2001	Average Monthly Defined Benefit	\$ -	\$ -	\$ 462	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ 32,008	\$ -	\$ -	\$ -
		Number of Benefit Recipients	-	-	1	-	-	-
	2002	Average Monthly Defined Benefit	\$ -	\$ 882	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ 40,500	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	-	1	-	-	-	-
	2003	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 2,552	\$ 1,321	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 90,000	\$ 54,006	\$ -
		Number of Benefit Recipients	-	-	-	1	3	-
	2004	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	-	-	-	-	-	-
	2005	Average Monthly Defined Benefit	\$ -	\$ 429	\$ 444	\$ 940	\$ -	\$ 1,290
		Average Final Average Salary	\$ -	\$ 40,558	\$ 32,009	\$ 35,280	\$ -	\$ 92,461
		Number of Benefit Recipients	-	1	1	1	-	1
	2006	Average Monthly Defined Benefit	\$ -	\$ 1,674	\$ 1,012	\$ 2,916	\$ 1,028	\$ -
		Average Final Average Salary	\$ -	\$ 47,333	\$ 38,369	\$ 43,568	\$ 90,000	\$ -
		Number of Benefit Recipients	-	3	1	1	1	-
	2007	Average Monthly Defined Benefit	\$ -	\$ 2,133	\$ 3,328	\$ 3,485	\$ 3,730	\$ -
		Average Final Average Salary	\$ -	\$ 69,461	\$ 114,071	\$ 114,071	\$ 115,282	\$ -
		Number of Benefit Recipients	-	1	1	1	1	-
	2008	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ 2,793	\$ 3,730	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ 81,122	\$ 115,282	\$ -
		Number of Benefit Recipients	-	-	-	3	1	-

STATISTICAL SECTION

Schedule of Average Benefit Payments Year Ended June 30, continued

(amounts in dollars)

(amounts in dollars)		Years of Service						
	Year		5-9 ³	10-14	15-19	20-24	25-29	30+
Prosecuting Attorneys' Retirement Fund	2009	Average Monthly Defined Benefit	\$ 832	\$ 2,836	\$ 3,119	\$ 2,710	\$ -	\$ -
		Average Final Average Salary	\$ 61,820	\$ 78,737	\$ 86,840	\$ 94,235	\$ -	\$ -
		Number of Benefit Recipients	2	3	2	1	-	-
	2010	Average Monthly Defined Benefit	\$ -	\$ -	\$ 1,250	\$ 2,228	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ 69,082	\$ 44,550	\$ -	\$ -
		Number of Benefit Recipients	-	-	2	1	-	-
Legislators' Retirement System -- Defined Benefit Plan ⁵	2001	Average Monthly Defined Benefit	\$ -	\$ 490	\$ 680	\$ 840	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ 18,275	\$ 11,600	\$ 39,521	\$ -	\$ -
		Number of Benefit Recipients	-	1	1	1	-	-
	2002	Average Monthly Defined Benefit	\$ -	\$ 447	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ 11,600	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	-	1	-	-	-	-
	2003	Average Monthly Defined Benefit	\$ 249	\$ 480	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ 31,980	\$ 37,675	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	3	1	-	-	-	-
	2004	Average Monthly Defined Benefit	\$ 230	\$ 338	\$ 640	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ 13,167	\$ 8,505	\$ 30,813	\$ -	\$ -	\$ -
		Number of Benefit Recipients	2	2	2	-	-	-
	2005	Average Monthly Defined Benefit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	-	-	-	-	-	-
	2006	Average Monthly Defined Benefit	\$ 270	\$ -	\$ -	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ 27,890	\$ -	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	1	-	-	-	-	-
	2007	Average Monthly Defined Benefit	\$ 1,495	\$ 338	\$ 760	\$ 920	\$ -	\$ -
		Average Final Average Salary	\$ 44,548	\$ 25,036	\$ 35,354	\$ 33,554	\$ -	\$ -
		Number of Benefit Recipients	8	3	1	1	-	-
	2008	Average Monthly Defined Benefit	\$ 309	\$ 274	\$ 551	\$ -	\$ -	\$ -
		Average Final Average Salary	\$ 26,119	\$ -	\$ -	\$ -	\$ -	\$ -
		Number of Benefit Recipients	2	1	1	-	-	-
2009	Average Monthly Defined Benefit	\$ 284	\$ -	\$ -	\$ -	\$ -	\$ -	
	Average Final Average Salary	\$ 27,584	\$ -	\$ -	\$ -	\$ -	\$ -	
	Number of Benefit Recipients	2	-	-	-	-	-	
2010	Average Monthly Defined Benefit	\$ 142	\$ 440	\$ -	\$ -	\$ 577	\$ -	
	Average Final Average Salary	\$ 15,218	\$ 4,640	\$ -	\$ -	\$ 17,950	\$ -	
	Number of Benefit Recipients	1	1	-	-	1	-	

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

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

Schedule of Average Death Benefit Payments Year Ended June 30

(amounts in dollars)

		State Employees' Death Benefit Fund ¹	Public Safety Officers' Special Death Benefit Fund ²	Pension Relief Fund ³
2001	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	2	3	5
2002	Average Death Benefit	\$ –	\$ –	\$ 150,000
	Average Final Average Salary	\$ –	\$ –	N/A
	Number of Benefit Recipients	–	–	3
2003	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	4	1	1
2004	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	4	2
2005	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	2	2	3
2006	Average Death Benefit	\$ 50,000	\$ 150,000	\$ –
	Average Final Average Salary	N/A	N/A	\$ –
	Number of Benefit Recipients	1	1	–
2007	Average Death Benefit	\$ –	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ –	N/A	N/A
	Number of Benefit Recipients	–	1	1
2008	Average Death Benefit	\$ –	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ –	N/A	N/A
	Number of Benefit Recipients	–	3	3
2009	Average Death Benefit	\$ 50,000	\$ 150,000	\$ 150,000
	Average Final Average Salary	N/A	N/A	N/A
	Number of Benefit Recipients	1	2	1
2010	Average Death Benefit	\$ –	\$ 150,000	\$ 150,000
	Average Final Average Salary	\$ –	N/A	N/A
	Number of Benefit Recipients	–	3	3

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

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

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

STATISTICAL SECTION

Schedule of Changes in Net Assets Year Ended June 30

(dollars in thousands)

	Public Employees' Retirement Fund	1977 Police Officers' and Firefighters' Pension and Disability Fund	Judges' Retirement System	State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan	Prosecuting Attorneys' Retirement Fund	Legislators' Retirement System – Defined Contribution Plan	Legislators' Retirement System – Defined Benefit Plan	State Employees' Death Benefit Fund	Public Safety Officers' Special Death Benefit Fund	Pension Relief Fund	Total
2001	\$ (268,479)	\$ 31,438	\$ 2,068	\$ (593)	\$ 464	\$ 183	\$ (317)	\$ (712)	\$ (201)	\$ 5,969	\$ (230,180)
2002	(402,410)	4,359	253	(1,524)	274	497	(410)			(96,567)	(495,528)
2003	319,958	168,600	12,305	1,855	1,449	1,455	(7)	287	110	1,132	507,144
2004	1,313,914	365,320	26,023	6,281	3,598	3,236	565	(40)	(585)	(26,753)	1,691,559
2005	811,769	310,089	20,183	4,350	2,829	1,767	292	157	(185)	(38,190)	1,113,061
2006	967,555	336,703	22,315	5,350	2,664	2,802	168	(67)	151	(58,379)	1,279,262
2007	1,896,188	591,806	40,076	10,556	4,544	4,960	377	289	432	(50,508)	2,498,720
2008	(1,188,944)	(161,775)	(13,960)	(2,096)	(1,576)	(1,431)	(824)	454	227	(74,291)	(1,444,216)
2009	(2,631,134)	(556,722)	(39,998)	(9,672)	(4,917)	(4,520)	(1,306)	315	383	(66,975)	(3,314,546)
2010	1,138,983	441,611	28,967	9,770	2,735	2,578	28	525	402	(6,737)	1,618,862

Schedule of Participating Employers¹ Year Ended June 30

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

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

Employer's Name	Fund
Counties	
Clark County	PE
Clay County	PE
Clinton County	PE
Crawford County	PE
Daviess County	PE
Dekalb County	PE
Dearborn County	PE
Decatur County	PE
Delaware County	PE
Dubois County	PE
Elkhart County	PE
Fayette County	PE
Floyd County	PE
Franklin County	PE
Fulton County	PE
Gibson County	PE
Grant County	PE
Greene County	PE
Hamilton County	PE
Hancock County	PE
Harrison County	PE
Hendricks County	PE
Henry County	PE
Howard County	PE
Huntington County	PE
Jackson County	PE
Jasper County	PE
Jay County	PE
Jefferson County	PE
Johnson County	PE
Knox County	PE
Kosciusko County	PE
Lagrange County	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Counties	
Laporte County	PE
Lake County	PE
Lawrence County	PE
Madison County	PE
Marion County	PE
Marshall County	PE
Martin County	PE
Miami County	PE
Monroe County	PE
Morgan County	PE
Newton County	PE
Noble County	PE
Orange County	PE
Owen County	PE
Parke County	PE
Perry County	PE
Pike County	PE
Porter County	PE
Posey County	PE
Pulaski County	PE
Putnam County	PE
Randolph County	PE
Ripley County	PE
Rush County	PE
St Joseph County	PE
Scott County	PE
Shelby County	PE
Spencer County	PE
Starke County	PE
Steuben County	PE
Tippecanoe County	PE
Union County	PE
Vanderburgh County	PE

Employer's Name	Fund
Counties	
Vermillion County	PE
Vigo County	PE
Wabash County	PE
Warren County	PE
Warrick County	PE
Washington County	PE
Wayne County	PE
Wells County	PE
White County	PE
Whitley County	PE
Cities and Towns	
City of Alexandria	PE, 77
City of Anderson	PE, 77
City of Angola	PE, 77
City of Attica	PE, 77
City of Auburn	PE, 77
City of Aurora	PE, 77
City of Batesville	PE, 77
City of Bedford	PE, 77
City of Beech Grove	PE, 77
City of Berne	PE, 77
City of Bicknell	77
City of Bloomington	PE, 77
City of Bluffton	PE, 77
City of Boonville	PE, 77
City of Brazil	77
City of Butler	PE, 77
City of Cannelton	77
City of Carmel	PE, 77
City of Charlestown	PE, 77
City of Clinton	PE, 77
City of Columbia City	PE, 77
City of Columbus	PE, 77

Schedule of Participating Employers Year Ended June 30, continued

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

Employer's Name	Fund
Cities and Towns	
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 Loogootee	PE, 77
City of Madison	PE, 77
City of Marion	PE, 77
City of Martinsville	PE, 77
City of Michigan City	PE, 77
City of Mishawaka	PE, 77
City of Mitchell	PE, 77
City of Monticello	PE, 77
City of Montpelier	PE, 77
City of Mount Vernon	77
City of Muncie	PE, 77
City of Nappanee	PE, 77
City of New Albany	PE, 77
City of New Castle	PE, 77
City of New Haven	PE, 77
City of Noblesville	PE, 77
City of North Vernon	PE, 77
City of Oakland City	PE, 77
City of Peru	PE, 77
City of Petersburg	PE, 77
City of Plymouth	PE, 77
City of Portage	PE, 77
City of Portland	PE, 77

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Cities and Towns	
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 Westfield	PE, 77
City of Whiting	PE, 77
City of Winchester	PE, 77
City of Windfall	PE
Town of Advance	PE
Town of Akron	PE
Town of Albany	PE
Town of Albion	PE
Town of Andrews	PE

Employer's Name	Fund
Cities and Towns	
Town of Arcadia	PE
Town of Argos	PE, 77
Town of Ashley	PE
Town of Atlanta	PE
Town of Austin	PE, 77
Town of Avilla	PE
Town of Avon	77
Town of Bainbridge	PE
Town of Bargersville	77
Town of Battle Ground	PE
Town of Birdseye	PE
Town of Bloomfield	PE
Town of Boswell	PE
Town of Bourbon	PE
Town of Bremen	PE, 77
Town of Bristol	PE
Town of Brook	PE
Town of Brookston	PE
Town of Brookville	PE
Town of Brownsburg	PE, 77
Town of Bunker Hill	PE
Town of Burlington	PE
Town of Burns Harbor	PE
Town of Cambridge City – Western Wayne Regional District	PE
Town of Campbellsburg	PE
Town of Carbon	PE
Town of Carlisle	PE
Town of Cedar Lake	PE, 77
Town of Centerville	PE
Town of Chandler	PE
Town of Chesterfield	PE
Town of Chesterton	PE, 77
Town of Chrisney	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Cities and Towns	
Town of Cicero	PE, 77
Town of Clarks Hill	PE
Town of Clarksville	PE, 77
Town of Clear Lake	PE
Town of Cloverdale	PE
Town of Colfax	PE
Town of Converse	PE
Town of Corydon	PE
Town of Crothersville	PE
Town of Culver	PE
Town of Cumberland	PE
Town of Cynthiana	PE
Town of Daleville	PE
Town of Danville	PE, 77
Town of Darlington	PE
Town of Dayton	PE
Town of Dillsboro	PE
Town of Dublin	PE
Town of Dugger	PE
Town of Dyer	PE, 77
Town of Eaton	PE
Town of Edgewood	PE
Town of Edinburgh	PE
Town of Ellettsville	PE
Town of Fairmount	PE
Town of Farmland	PE
Town of Fishers	PE, 77
Town of Flora	PE
Town of Fort Branch	PE
Town of Fortville	PE
Town of Frankton	PE
Town of Fremont	PE
Town of French Lick	PE

Employer's Name	Fund
Cities and Towns	
Town of Gaston	PE
Town of Geneva	PE
Town of Grabill	PE
Town of Grandview	PE
Town of Greendale	PE, 77
Town of Greens Fork	PE
Town of Greentown	PE
Town of Griffith	PE, 77
Town of Hagerstown	PE
Town of Hamilton	PE
Town of Hamlet	PE
Town of Hanover	PE
Town of Harmony	PE
Town of Hebron	PE
Town of Highland	PE, 77
Town of Huntertown	PE
Town of Jamestown	PE
Town of Jonesboro	PE, 77
Town of Kingsford Heights	PE
Town of Knightstown	PE
Town of Ladoga	PE
Town of Lafontaine	PE
Town of Lagrange	PE
Town of Lagro	PE
Town of Lapaz	PE
Town of Lapel	PE
Town of Lewisville	PE
Town of Liberty	PE
Town of Long Beach	PE
Town of Lowell	PE, 77
Town of Lynn	PE
Town of Markle	PE
Town of Matthews	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Cities and Towns	
Town of Mentone	PE
Town of Merrillville	PE, 77
Town of Middletown	PE
Town of Milan	PE
Town of Milford	PE
Town of Millersburg	PE
Town of Milton	PE
Town of Monon	PE
Town of Monroe	PE
Town of Monroe City	PE
Town of Monroeville	PE
Town of Montgomery	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, 77
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

Employer's Name	Fund
Cities and Towns	
Town of Oolitic	PE
Town of Orland	PE
Town of Orleans	PE
Town of Osgood	PE
Town of Ossian	PE, 77
Town of Otterbein	PE
Town of Paoli	PE
Town of Paragon	PE
Town of Pendleton	PE
Town of Pierceton	PE
Town of Pittsboro	PE
Town of Plainfield	PE, 77
Town of Porter	PE, 77
Town of Poseyville	PE
Town of Prince's Lakes	PE
Town of Remington	PE
Town of Roachdale	PE
Town of Rockville	PE
Town of Rome City	PE
Town of Rossville	PE
Town of Royal Center	PE
Town of Russiaville	PE
Town of Schererville	PE, 77
Town of Sellersburg	PE, 77
Town of Sharpsville	PE
Town of Shelburn	PE
Town of Shoals	PE
Town of South Whitley	PE
Town of Speedway	PE, 77
Town of Spencer	PE
Town of Spiceland	PE
Town of St John	PE, 77
Town of St Leon	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Cities and Towns	
Town of Summitville	PE
Town of Tennyson	PE
Town of Thorntown	PE
Town of Topeka	PE
Town of Trafalgar	77
Town of Trail Creek	PE
Town of Van Buren	PE
Town of Versailles	PE
Town of Walkerton	PE
Town of Wanatah	PE
Town of Waterloo	PE
Town of West Baden Springs	PE
Town of West Terre Haute	PE
Town of Westport	PE
Town of Whiteland	PE
Town of Whitestown	PE, 77
Town of Williamsport	PE
Town of Winamac	PE
Town of Winfield	PE
Town of Winona Lake	PE
Town of Winslow	PE
Town of Wolcott	PE
Town of Wolcottville	PE
Town of Woodburn	77
Town of Worthington	PE
Town of Yorktown	PE
Town of Zionsville	PE, 77
Townships	
Aboite Township – Allen County	PE
Adams Township – Allen County	PE
Adams Township – Hamilton County	PE
Adams Township – Parke County	PE
Anderson Township – Madison County	PE

Employer's Name	Fund
Townships	
Bainbridge Township – Dubois County	PE
Beaver Township – Newton County	PE
Beech Creek Township – Greene County	PE
Bloomfield Township – Lagrange County Auditor	PE
Bloomington Township – Monroe County	PE
Bourbon Township – Marshall County	PE
Brown Township – Hendricks County	PE
Brown Township – Morgan County	PE, 77
Buck Creek Township – Hancock County	PE, 77
Calumet Township – Lake County	PE
Cass County – Eel Township	PE
Cedar Creek Township – Lake County	PE
Center Township – Boone County	PE, 77
Center Township – Delaware County	PE
Center Township – Grant County	PE
Center Township – Hendricks County	PE
Center Township – Howard County	PE
Center Township – Lake County	PE
Center Township – Laporte County	PE
Center Township – Marion County	PE
Center Township – Marshall County	PE
Center Township – Porter County	PE
Center Township – Vanderburgh County	PE
Centre Township – St Joseph County	PE
Charlestown Township – Clark County	PE
Chester Township – Wabash County	PE
Clay Township – Hamilton County	PE
Clay Township – Pike County	PE
Clay Township – St Joseph County	PE
Clear Creek Township – Monroe County	PE
Cleveland Township – Elkhart County	PE
Clinton Township – Vermillion County	PE
Columbia Township – Whitley County	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Townships	
Columbus Township – Bartholomew County	PE
Concord Township – Elkhart County	PE
Decatur Township – Marion County	PE, 77
Delaware Township – Hamilton County	PE
Eel River Township – Hendricks County	PE
Etna-Troy Township – Whitley County	PE
Fairfield Township – Tippecanoe County	PE
Fairmount Township – Grant County	PE
Franklin Township – Harrison County	PE
Franklin Township – Marion County	PE, 77
Georgetown Township – Floyd County	PE
German Township – St Joseph County	PE
German Township – Marshall County	PE
Grant Township – Newton County	PE
Guilford Civil Township	PE
Hanover Township – Lake County	PE
Hanover Township – Shelby County	PE
Harris Township – St Joseph County	PE
Harrison Township – Vigo County	PE
Helt Township – Vermillion County	PE
Henry Township – Henry County	PE
Highland Township – Green County	PE
Hobart Township – Lake County	PE
Honey Creek Township – Vigo County	PE
Huntington Township – Huntington County	PE
Jackson Township – Harrison County	PE
Jackson Township – Jackson County	PE
Jackson Township – Wayne County	PE
Jamestown Township – Steuben County	PE
Jefferson Township – Grant County	PE
Jefferson Township – Greene County	PE
Jefferson Township – Pike County	PE
Jefferson Township – Whitley County	PE

Employer's Name	Fund
Townships	
Jeffersonville Township – Clark County	PE
Johnson Township – Lagrange County	PE
Johnson Township – Lagrange County Auditor	PE
Knight Township – Vanderburgh County	PE
Lafayette Township – Floyd County	PE
Lake Township – Kosciusko County	PE
Lawrence Township – Marion County	PE, 77
Lost Creek Township – Vigo County	PE
Madison Township – Dubois County	PE
Madison Township – Jefferson County	PE
Madison Township – Pike County	PE
Marion Township	PE
Maumee Civil Township	PE
Michigan Township – Laporte County	PE
Middle Township – Hendricks County	PE, 77
Middlebury Township	PE
Mount Pleasant Township – Delaware County	PE
New Albany Township Trustee	PE
Newbury Township – LaGrange County	PE
Noble Township – Wabash County	PE
Noblesville Township – Hamilton County	PE
North Civil Township	PE
North Township – Lake County	PE
Ohio Township – Warrick County	PE
Patoka Township – Gibson County	PE, 77
Penn Civil Township – St Joseph County	PE
Perry Clear Creek – Fire Protection District	77
Perry Township – Allen County	PE
Perry Township – Marion County	PE, 77
Perry Township – Martin County	PE
Perry Township – Monroe County	PE
Perry Township – Vanderburgh County	PE
Peru Township – Miami County	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Townships	
Pigeon Township – Vanderburgh County	PE
Pike Township – Marion County	PE, 77
Pipecreek Township – Madison County	PE
Pleasant Township – Johnson County	PE
Pleasant Township – Steuben County	PE
Pleasant Township – Wabash County	PE
Portage Township – Porter County	PE
Portage Township – St Joseph County	PE
Posey Township – Fayette County	PE
Posey Township – Washington County	PE
Prairie Township – Kosciusko County	PE
Richland Township – Greene County	PE
Richland Township – Jay County	PE
Richland Township – Monroe County	PE
Root Township – Adams County	PE
Ross Township – Lake County	PE
Seward Township – Kosciusko County	PE
Shawswick Township – Lawrence County	PE
Spencer Township – Harrison County	PE
Springfield Township – Laporte County	PE
St John Township Lake County – Trustee's Office	PE
St Joseph Township – Allen County	PE
Stafford Township – Greene County	PE
Stockton Township – Greene County	PE
Sugar Creek Township – Hancock County	77
Sugar Creek Township – Montgomery County	PE
Sugar Creek Township – Vigo County	PE
Taylor Township – Greene County	PE
Taylor Township – Howard County	PE
Thorncreek Township – Whitley County	PE
Tippecanoe Township – Kosciusko County	PE
Union Township – Adams County	PE
Union Township – Marshall County	PE

Employer's Name	Fund
Townships	
Union Township – Montgomery County	PE
Union Township – Whitley County	PE
Van Buren Township – Madison County	PE
Van Buren Township – Monroe County	PE
Vincennes Township – Knox County	PE
Warren Township – Marion County	PE, 77
Warren Township – St Joseph County	PE
Washington Township – Adams County	PE
Washington Township – Daviess County	PE
Washington Township – Grant County	PE
Washington Township – Hamilton County	PE
Washington Township – Marion County	PE
Washington Township – Morgan County	PE, 77
Washington Township – Pike County	PE
Washington Township – Starke County	PE
Wayne Township – Marion County	PE, 77
Wayne Township – Wayne County	PE
West Creek Township – Lake County	PE
West Township – Marshall County	PE
Wheatfield Township – Jasper County	PE
White River Township – Randolph County	PE
White River Township Fire Protection District	PE, 77
Winfield Township – Lake County	PE
Wright Township – Greene County	PE
School Districts and Education	
21st Century Charter School – Gary, Inc.	PE
Adams Central Community Schools	PE
Alexandria Community School Corporation	PE
Anderson Community School Corporation	PE
Area 30 Career Center	PE
Argos Community Schools	PE
Attica Consolidated School Corporation	PE
Avon Community School Corporation	PE

Schedule of Participating Employers Year Ended June 30, continued

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

Employer's Name	Fund
School Districts and Education	
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
Crown Point Community School Corporation	PE
Culver Community School Corporation	PE
Daleville Community Schools	PE
Danville Community School Corporation	PE
Daviess-Martin Special Education Cooperative	PE
Decatur County Community Schools	PE
Decatur Discovery Academy, Inc.	PE
Dekalb County Central United School District	PE
Dekalb County Eastern Community School District	PE
Delaware Community School Corporation	PE
Delphi Community School Corporation	PE
Duneland School Corporation	PE
East Allen County Schools	PE
East Central Indiana Educational Service Center	PE
East Chicago School City	PE
East Chicago Urban Enterprise Academy, Inc.	PE
East Gibson School Corporation	PE
East Noble School Corporation	PE
East Porter County School Corporation	PE
East Washington School Corporation	PE
Eastbrook Community School Corporation	PE
Eastern Howard School Corporation	PE
Eastern Pulaski Community School Corporation	PE
Edinburgh Community School Corporation	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
School Districts and Education	
Elkhart Community Schools	PE
Elwood Community School Corporation	PE
Evansville – Vanderburgh School Corporation	PE
Fairfield Community Schools	PE
Fall Creek Academy	PE
Fayette County School Corporation	PE
Flanner House Elementary	PE
Flat Rock – Hawcreek School Corporation	PE
Fountain Square Academy	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
Greenwood Community School Corporation	PE
Griffith Public Schools	PE
Hamilton Community Schools	PE
Hamilton Heights School Corporation	PE

Employer's Name	Fund
School Districts and Education	
Hamilton Southeastern Schools	PE
Hammond Public Schools	PE
Hanover Community School Corporation	PE
Heartland Career Center	PE
Herron High School Charter School	PE
Hobart School City	PE
Huntington County Community School Corporation	PE
Indiana Math and Science Academy	PE
Indianapolis Public Schools Education Center	PE
Irvington Community School	PE
J.E.S.S.E. School Corporation	PE
Joshua Academy, Inc.	PE
Jac-Cen-Del Community School Corporation	PE
Jay School Corporation	PE
Jennings County School Corporation	PE
John Glenn School	PE
Johnson County Schools Special Services	PE
Kipp Indianapolis College Preparatory	PE
Kipp Lead College Preparatory, Inc.	PE
Knox Community School Corporation	PE
Kokomo – Center Township Schools	PE
Lafayette School Corporation	PE
Lake Central School Corporation	PE
Lake Ridge Schools	PE
Lakeland School Corporation	PE
Lanesville Community School Corporation	PE
Laporte Community School Corporation	PE
Lawrence Early College High School	PE
Lawrenceburg Community School Corporation	PE
Liberty-Perry Community School Corporation	PE
Linton-Stockton School Corporation	PE
Logansport Community Schools	PE
Loogootee Community School Corporation	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
School Districts and Education	
Lost River Career Cooperative	PE
Maconaquah School Corporation	PE
Madison Area Educational Special Service	PE
Madison Consolidated Schools	PE
Madison Grant School Corporation	PE
Manchester Community Schools	PE
Marion-Adams Schools	PE
Marion Community Schools	PE
Merrillville Community School Corporation	PE
Metropolitan School District – Blackford County	PE
Metropolitan School District – Boone Township	PE
Metropolitan School District of Lawrence Township	PE
Metropolitan School District of Martinsville	PE
Metropolitan School District of Mt Vernon	PE
Metropolitan School District of North Posey County	PE
Metropolitan School District of Perry Township	PE
Metropolitan School District of Pike Township	PE
Metropolitan School District of Shakamak	PE
Metropolitan School District of Southwest Allen County	PE
Metropolitan School District of Steuben County	PE
Metropolitan School District of Wabash County	PE
Metropolitan School District of Warren County	PE
Metropolitan School District Warren Township	PE
Metropolitan School District Washington Township – Marion County	PE
Metropolitan School District of Wayne Township	PE
Michigan City Area Schools	PE
Middlebury Community School Corporation	PE
Milan Schools	PE
Mill Creek Community School Corporation	PE
Mississinewa Community Schools	PE
Mitchell Community Schools	PE
Monroe Central School Corporation	PE
Monroe County Community School Corporation	PE

Employer's Name	Fund
School Districts and Education	
Monroe-Gregg School District	PE
Montessori Academy At Geist, Inc.	PE
Mooreville Consolidated School Corporation	PE
Mt Pleasant Community School Corporation	PE
Mt Vernon Community School Corporation	PE
Muncie Community Schools	PE
Nettle Creek School Corporation	PE
New Albany – Floyd County School Corporation	PE
New Castle Community School Corporation	PE
New Prairie United School Corporation	PE
Nineveh Hensley Jackson United School Corporation	PE
Noblesville Consolidated Schools	PE
North Adams Community Schools	PE
North Daviess Community Schools	PE
North Gibson School Corporation	PE
North Harrison Community School Corporation	PE
North Judson – San Pierre Schools	PE
North Knox School Corporation	PE
North Lawrence Schools	PE
North Miami Community Schools	PE
North Montgomery School Corporation	PE
North Newton School Corporation	PE
North Putnam Community School Corporation	PE
North Vermillion Community School Corporation	PE
North White School Corporation	PE
Northeast Dubois County School Corporation	PE
Northeast School Corporation	PE
Northeastern Wayne Schools	PE
Northern Community Schools	PE
Northern Wells Community Schools	PE
Northwest Allen County Schools	PE
Northwest Hendricks Schools	PE
Northwest Indiana Special Education Cooperative	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
School Districts and Education	
Northwestern Consolidated School District of Shelby County	PE
Northwestern School Corporation – Howard County	PE
Oak Hill United School Corporation	PE
Old National Trail Special Services	PE
Options Charter School – Carmel	PE
Options Charter School – Noblesville	PE
Oregon-Davis School Corporation	PE
Orleans Community Schools	PE
Paoli Community School Corporation	PE
Penn-Harris – Madison School Corporation	PE
Perry Central Community School Corporation	PE
Peru Community School Corporation	PE
Pike County School Corporation	PE
Pioneer Regional School Corporation	PE
Plainfield Community School Corporation	PE
Plymouth Community School Corporation	PE
Portage Township Schools	PE
Porter County Education Services	PE
Prairie Heights Community School Corporation	PE
Randolph Central School Corporation	PE
Randolph Eastern School Corporation	PE
Randolph Southern School Corporation	PE
Recovery High School At Fairbanks, Inc. (dba Hope Academy)	PE
Region 8 Education Service Center	PE
Renaissance Academy Charter School	PE
Rensselaer Central School Corporation	PE
Richland – Bean Blossom School Corporation	PE
Richmond Community Schools	PE
Rising Sun-Ohio County Community School Corporation	PE
River Forest Community School Corporation	PE
Rochester Community Schools	PE
Rockville Community Schools	PE
Rossville Consolidated School District	PE

Employer's Name	Fund
School Districts and Education	
Rural Community Schools, Inc.	PE
Rush County Schools	PE
Salem Community Schools – Washington County	PE
School City of Lake Station	PE
School City of Mishawaka	PE
School City of West Lafayette	PE
School Town of Highland	PE
School Town of Highland – NW	PE
School Town of Munster	PE
Scott County School District 1	PE
Scott County School District 2	PE
Seymour Community Schools	PE
Shelby Eastern Schools	PE
Shelbyville Central Schools	PE
Shenandoah School Corporation	PE
Shoals Community School Corporation	PE
Signature School	PE
Smith-Green Community Schools	PE
South Adams Schools	PE
South Bend Community School Corporation	PE
South Central Area Special Education Cooperative	PE
South Central Community School Corporation	PE
South Dearborn Community School Corporation	PE
South Gibson School Corporation	PE
South Harrison Community School Corporation	PE
South Henry School Corporation	PE
South Knox School Corporation	PE
South Madison Community School Corporation	PE
South Newton School	PE
South Putnam Community School Corporation	PE
South Ripley Community School Corporation	PE
South Spencer County School Corporation	PE
South Vermillion Community School Corporation	PE

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
School Districts and Education	
Southeast Fountain School Corporation	PE
Southeast Neighborhood School of Excellence	PE
Southeastern Cass School Corporation	PE
Southeastern School Corporation	PE
Southern Hancock Community Schools	PE
Southern Wells Community Schools	PE
Southwest Dubois County School Corporation	PE
Southwest Parke Community School Corporation	PE
Southwest School Corporation of Sullivan County	PE
Southwestern Consolidated Schools of Shelby County	PE
Southwestern High School	PE
Southwestern Jefferson County Consolidated Schools	PE
Speedway Public Schools	PE
Spencer-Owen Community Schools	PE
Springs Valley Community Schools	PE
Sunman-Dearborn Community Schools	PE
Switzerland Community School Corporation	PE
Taylor Community Schools	PE
Tell City Schools	PE
The New Community School	PE
The Project School, Inc.	PE
Thea Bowan Leadership Academy	PE
Tippecanoe School Corporation	PE
Tippecanoe Valley School Corporation	PE
Tipton Community School Corporation	PE
Tri-County School Corporation	PE
Tri-Creek School Corporation	PE
Triton Schools	PE
Turkey Run Community School Corporation	PE
Twin Lakes School Corporation	PE
Union County/College Corner Joint School District	PE
Union Township School Corporation	PE
Union-North United School Corporation	PE

Employer's Name	Fund
School Districts and Education	
Valparaiso Community Schools	PE
Veritas Academy Charter School	PE
Vigo County School Corporation	PE
Vincennes Community School Corporation	PE
Wa-Nee Community Schools	PE
Wabash City Schools	PE
Warrick County School Corporation	PE
Warsaw Community Schools	PE
Washington Community Schools	PE
Wawasee Community School Corporation	PE
Wes – Del Community Schools	PE
West Central Indiana Educational Service Center	PE
West Central School Corporation	PE
West Clark Community Schools	PE
West Lafayette School City	PE
West Noble School Corporation	PE
West Washington School Corporation	PE
Western School Corporation	PE
Western Wayne Schools	PE
Westview School Corporation	PE
White River Valley School Corporation	PE
Whiting School City	PE
Whitko Community School Corporation	PE
Whitley County Consolidated Schools	PE
Wilson Education Center	PE
Other Govt Entities	
Adams County Public Library System	PE
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

Schedule of Participating Employers Year Ended June 30, continued

Employer's Name	Fund
Other Govt Entities	
And-Tro Water Authority	PE
Argos Public Library	PE
Aurora Public Library	PE
Bargersville Community Fire Protection District	PE
Bartholomew County Library	PE
Bartholomew County – Solid Waste Management District	PE
Bedford Public Library	PE
Beech Grove Public Library	PE
Bell Memorial Public Library	PE
Ben Davis Conservancy District	PE
Benton County Highway	PE
Benton County Public Library	PE
Big Blue River Conservancy District	PE
Bloomfield-Eastern Greene County Public Library	PE
Boonville-Warrick County Public Library	PE
Bourbon Public Library	PE
Brazil Public Library	PE
Bremen Public Library	PE
Bristol Public Library	PE
Brook Iroquois Township Public Library	PE
Brown County Public Library	PE
Brown County Solid Waste Management District	PE
Brownsburg Public Library	PE
Cambridge City Library	PE
Capital Improvements Board	PE
Carmel Public Library	PE
Cass County Solid Waste District	PE
Centerville Library	PE
Central Nine Career Center	PE
City of Anderson – City Utilities	PE
City of Anderson – Housing Authority	PE
City of Angola Housing Authority	PE
City of Bloomington – Public Transportation	PE

Employer's Name	Fund
Other Govt Entities	
City of Bloomington – Utilities Department	PE
City of East Chicago – Waterway Management District	PE
City of Evansville – Water And Sewer Utility	PE
City of Frankfort – Utilities	PE
City of Hammond – Port Authority	PE
City of Hammond – Sanitary District	PE
City of Hammond – Water Works	PE
City of Indianapolis – Division of Housing	PE
City of Lawrence – Fort Harrison Refuse Authority	PE
City of Logansport – Utilities	PE
City of Michigan City – Redevelopment Department	PE
City of Muncie Housing Authority	PE
City of New Albany – Flood Control District	PE
Clarksville Sewage Department	PE
Clay Township Regional Waste District	PE
Clay Township – St Joseph County Poor Relief	PE
Clay-Owen-Vigo Solid Waste Management District	PE
Clinton Public Library	PE
Coatesville Library	PE
Connersville Utilities	PE
Converse-Jackson Township Library	PE
Cordry-Sweetwater Conservancy District	PE
Crawford County – Solid Waste District	PE
Crawfordsville Public Library	PE
Crown Point – Center Township Public Library	PE
Culver-Union Township Public Library	PE
Danville/Center Township Public Library	PE
Dearborn County – Solid Waste Management District	PE
Decatur County Board of Health	PE
Decatur County – Solid Waste District	PE
Decatur Housing Authority	PE
Delaware County Airport Authority	PE
Delaware County Housing Authority	PE

Employer's Name**Fund****Other Govt Entities**

Delaware County Regional Wastewater District	PE
Delphi Public Library	PE
Dubois County Contractual Library	PE
East Central Indiana Solid Waste District	PE
East Chicago Public Library	PE
East Chicago Water Department	PE
Eckhart Public Library	PE
Elkhart County – Solid Waste Management District	PE
Elkhart Public Library	PE
Evansville Housing Authority	PE
Evansville Public Library	PE
Evansville Redevelopment Commission	PE
Evansville – Vanderburgh Airport Authority	PE
Evansville – Vanderburgh County Building Authority	PE
Fairmount Public Library	PE
Fayette County Public Library	PE
Flora-Monroe Public Library	PE
Florence Regional Sewage District	PE
Fort Branch – Johnson Township Public Library	PE
Fort Wayne City Utilities	PE
Fort Wayne Convention & Tourism Authority	PE
Fort Wayne Housing Authority	PE
Fort Wayne – Allen County Airport Authority	PE
Fortville – Vernon Township Public Library	PE
Frankfort Community Public Library	PE
Franklin County Public Library District	PE
Freeman Municipal Airport	PE
Fremont Public Library	PE
Fulton County Library	PE
Garrett Public Library	PE
Gary Municipal Airport Authority	PE
Gary Public Library	PE
Gas City – Mill Township Public Library	PE

STATISTICAL SECTION

Employer's Name	Fund
Other Govt Entities	
Goshen Public Library	PE
Greater Lafayette Public Transportation Corporation	PE
Greentown & Eastern Howard Library	PE
Greenwood Library	PE
Hagerstown – Jefferson Township Public Library	PE
Hamilton County Solid Waste District	PE
Hamilton East Public Library	PE
Hamilton Lake Conservancy District	PE
Hammond Public Library	PE
Hancock County Public Library	PE
Harrison County – Solid Waste Management District	PE
Harrison County Public Library	PE
Hartford City Public Library	PE
Health & Hospital Corporation of Marion County	PE
Health & Hospital Corporation of Marion County – Wishard	PE
Hendricks County – Solid Waste Management District	PE
Housing Authority of The City of Kendallville	PE
Huntingburg Housing Authority	PE
Huntingburg Public Library	PE
Huntington Public Library	PE
Hussey-Mayfield Memorial Public Library	PE
Indiana 15 Regional Planning Commission	PE
Indiana Intelenet Commission	PE
Indianapolis Public Transportation Corporation	PE
Indianapolis – Airport Authority	PE
Indianapolis – Marion County Building Authority	PE
Indianapolis – Marion County Public Library	PE
Jackson County Public Library	PE
Jackson County Solid Waste Management District	PE
Jasper County Public Library	PE
Jasper Public Library	PE
Jay County Public Library	PE
Jeffersonville Flood Control District	PE



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

STATISTICAL SECTION

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

Employer's Name	Fund
Other Govt Entities	
Ohio County Public Library	PE
Ohio Township Public Library System	PE
Orange County – Highway Department	PE
Orleans Town & Township Public Library	PE
Owen County Public Library	PE
Paoli Public Library	PE
Patoka Lake Regional Water And Sewer District	PE
Peabody Public Library	PE
Pendleton Community Library	PE
Peru Public Library	PE
Peru Utilities	PE
Pike County Public Library	PE
Plainfield Public Library	PE
Plymouth Public Library	PE
Porter County Public Library System	PE
Porter County Solid Waste Management District	PE
Posey County – Highway Department	PE
Pulaski County Public Library	PE
Putnam County Public Library	PE
Randolph County – Solid Waste Management	PE
Region 3 – A Development & Region Planning	PE
Regional Bus Authority	PE
Remington Carpenter Township Public Library	PE
Richmond Sanitary District	PE
Richmond-Morrison – Reeves Library	PE
Rising Sun Municipal Utilities	PE
Rockport – Housing Authority	PE
Rockville Public Library	PE
Rome City Housing Authority	PE
Royal Center Township Library	PE
Rushville Public Library	PE
Salem Public Library	PE
Scott County Public Library	PE

STATISTICAL SECTION

Employer's Name	Fund
Other Govt Entities	
Scott County – Southeastern Indiana Solid Waste District	PE
Shelbyville – Shelby County Public Library	PE
Sheridan Public Library	PE
South Dearborn Regional Sewer District	PE
South Henry Regional Waste District	PE
South Whitley – Cleveland Township Public Library	PE
Southeastern Career Center	PE
Southern Indiana Development Commission	PE
Southwest Allen County Fire District	PE
Speedway Public Library	PE
Spencer County Public Library	PE
St Joseph County Airport Authority	PE
St Joseph County Public Library	PE
St Joseph County – Solid Waste Management District	PE
Starke County Airport Authority	PE
Starke County – Environmental Management District	PE
Steuben Lakes Regional Waste District	PE
Stucker Fork Conservancy District	PE
Sullivan County Public Library	PE
Swayzee Public Library	PE
Switzerland County Public Library	PE
Tell City – Perry County Public Library	PE
Terre Haute International Airport Authority	PE
The Indianapolis Local Public Improvement Bond Bank	PE
The Starke County Public Library System	PE
Three Rivers Solid Waste Management District	PE
Tippecanoe County Public Library	PE
Tipton County Library	PE
Town of Selma – Liberty Regional Waste District	PE
Twin Lakes Regional Sewer District – White County	PE
Twin Rivers Vocational Area	PE
Union City Housing Authority	PE
Union City Library	PE
Union County Public Library	PE

Employer's Name	Fund
Other Govt Entities	
Vigo County Public Library	PE
Vigo County – Convention And Tourism Bureau	PE
Vincennes Housing Authority	77
Vincennes Township Fire Protection District	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 County Solid Waste Management District	PE
Washington Housing Authority	PE
Washington Township Public Library	PE
Washington Township Trustee Assessor	PE
Waterloo – Grant Township Public Library	PE
Wayne County – Highway Department	PE
Wells County Public Library	PE
West Central Conservancy District	PE
West Central Solid Waste District	PE
West Lafayette Public Library	PE
Westchester Public Library	PE
Westfield Public Library	PE
Whiting Public Library	PE
Whitley County Solid Waste Management District	PE
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





STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
STATE OF INDIANA

July 1, 2009 to June 30, 2010



FILED
01/14/2011

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Terren Magid Steve Russo	07-01-09 to 05-10-10 05-11-10 to 06-30-11
Chairman of the Board	Ken Cochran	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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, 2010, and have issued our opinion thereon dated September 30, 2010. The primary purpose of the audit was to report our opinion on the financial statements. We have included an unqualified opinion on the Public Employees' Retirement Fund's Financial Statements. This opinion and the financial transactions of this office can be viewed in the Public Employees' Retirement Fund of Indiana's Comprehensive Annual Report.

Although it is not explicitly stated, an unqualified audit report means that we did gather adequate audit evidence to support the assertions in the financial statements, that we are satisfied that the books and records are in agreement with the financial statements, and that we received all the information and explanations we considered necessary for the audit. We are also satisfied with the disclosures in the notes to the financial statements. The audit procedures are designed to give us reasonable assurance that the financial statements, taken as a whole, are free of material misstatement. It is the responsibility of management to ensure, that accurate and reliable accounting records are maintained and to implement effective controls.

The objective of the audit work is to enable us to give an opinion as to whether the financial statements show a true and fair view of the results for the year and the state of affairs at the year end. We design audit tests to provide reasonable assurance that the Public Employees' Retirement Fund financial statements are free from material error and to give us reasonable assurance that we will detect material misstatements in the financial statements or accounting records resulting from errors or fraud.

We utilized risk assessment procedures, test of controls, and substantive procedures during the course of the audit in order to develop our opinion. During the planning stages of the audit, we gained an in depth understanding of the processes and controls in place, we determined which audit areas were significant, and identified those areas with higher risk. We tested controls for significant areas to ensure that the controls which had been implemented were effective. Based on this assessment, we developed substantive audit procedures to develop our opinion on the financial statements. This approach allowed us to do an effective and efficient audit and receive sufficient audit evidence to support our opinion.

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 communicated with management. We communicated these internal control related issues to management in accordance with SAS 115. We did not note any issues of noncompliance with statutes and board policies that, in our opinion, should be communicated to management.

We have discussed the contents of this report with the management of the Public Employees' Retirement Fund and their comments are included as appropriate.

STATE BOARD OF ACCOUNTS

September 30, 2010

PUBLIC EMPLOYEES' RETIREMENT FUND
BOARD OF TRUSTEES
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2010, with Ken Cochran, Chairman of the Board; Terren Magid, former Executive Director; Steve Russo, Executive Director; Julia Pogue, Chief Financial Officer; Ali Blackburn, Acting Director of Internal Audit; Beth Meyer, Internal Auditor; and Keith Hall, Internal Auditor. The official response has been made a part of this report and may be found on page 5.

OFFICIAL AUDIT RESPONSE FOR THE PUBLIC EMPLOYEES' RETIREMENT
FUND AND THE INDIANA STATE TEACHERS' RETIREMENT FUND

January 10, 2011

State Board of Accounts
Indiana State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

Dear Ladies and Gentlemen:

This is in response to the Audit Results and Comments prepared by the State Board of Accounts (SBOA) which covers the audit period of July 1, 2009 to June 30, 2010. The results of the audit were reviewed with Mr. Ken Cochran, Board Chairman, and Mr. Steven Russo, TRF Executive Director, on November 3, 2010. The work and effort expended by SBOA is very much appreciated.

The Public Employees' Retirement Fund (PERF) and the Indiana State Teachers' Retirement Fund (TRF) are pleased to have received an unqualified opinion. Members and employers can be confident that PERF and TRF is accounting for its funds in an accurate manner and according to standards generally accepted in the United States of America.

PERF and TRF will continue to work with SBOA on developing and improving internal controls in order to ensure errors are detected and resolved in a timely manner. Once again, I want to thank SBOA for their courtesy and assistance in working with PERF and TRF.

Sincerely,



Steven Russo
Executive Director