

Michigan

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2008

(In Thousands)

	STATE OF MICHIGAN DEFERRED COMPENSATION FUNDS	LEGISLATIVE PENSION BENEFITS FUND	LEGISLATIVE OTHER POSTEMPLOYMENT BENEFITS FUND	STATE POLICE PENSION BENEFITS FUND
ADDITIONS				
Contributions:				
From participants	\$ 197,714	\$ 13	\$ 132	\$ 96
From employers	-	-	3,424	34,365
From other plans	482	-	-	-
From other governmental	-	-	154	-
Investment Income:				
Net appreciation (depreciation) in fair value of investments	(825,334)	(39,789)	-	(226,721)
Interest, dividends, and other	239,092	11,153	(2,617)	25,362
Securities lending income	-	-	-	8,668
Less Investment Expense:				
Investment activity expense	-	612	-	2,730
Securities lending expense	-	-	-	7,371
Net investment income (loss)	(586,242)	(29,248)	(2,617)	(202,792)
Miscellaneous income	1,717	39	1,571	23
Transfers from other funds	-	-	-	-
Total Additions	(386,330)	(29,195)	2,664	(168,308)
DEDUCTIONS				
Benefits paid to participants or beneficiaries	259,665	10,457	-	87,590
Medical, dental, and life insurance for retirants	-	-	4,718	-
Refunds and transfers to other systems	50	9	-	-
Administrative expense	6,627	381	-	361
Transfers to other funds	-	-	-	1
Total Deductions	266,343	10,846	4,718	87,952
Net increase (decrease)	(652,673)	(40,042)	(2,054)	(256,260)
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - Beginning of fiscal year - restated	4,216,487	187,654	16,373	1,345,000
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - End of fiscal year	<u>\$ 3,563,814</u>	<u>\$ 147,612</u>	<u>\$ 14,319</u>	<u>\$ 1,088,740</u>
Reconciliation of Net Increase in Assets:				
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ (40,042)	\$ -	\$ (256,260)
Net increase (decrease) in assets held in trust for postemployment benefits	-	-	(2,054)	-
Net increase (decrease) in assets held in trust for deferred compensation participants	(652,673)	-	-	-
Total net increase (decrease)	\$ (652,673)	\$ (40,042)	\$ (2,054)	\$ (256,260)

Michigan

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (Continued)**

FISCAL YEAR ENDED SEPTEMBER 30, 2008

(In Thousands)

	STATE POLICE OTHER POSTEMPLOYMENT BENEFITS FUND	STATE EMPLOYEES' PENSION BENEFITS FUND	STATE EMPLOYEES' OTHER POSTEMPLOYMENT BENEFITS FUND	PUBLIC SCHOOL EMPLOYEES' PENSION BENEFITS FUND	PUBLIC SCHOOL EMPLOYEES' OTHER POSTEMPLOYMENT BENEFITS FUND	JUDGES' PENSION BENEFITS FUND
ADDITIONS						
Contributions:						
From participants	\$ 1,274	\$ 5,644	\$ 13,100	\$ 399,257	\$ 78,089	\$ 1,738
From employers	29,131	355,732	342,187	999,375	649,571	-
From other plans	-	190	-	83	-	-
From other governmental	278	-	23,004	-	102	-
Investment Income:						
Net appreciation (depreciation) in fair value of investments	-	(2,060,479)	-	(8,337,977)	-	(54,854)
Interest, dividends, and other	278	226,837	5,663	867,322	62,107	6,561
Securities lending income	-	77,419	-	317,987	-	2,312
Less Investment Expense:						
Investment activity expense	-	23,601	-	98,908	-	576
Securities lending expense	-	65,768	-	270,249	-	1,966
Net investment income (loss)	278	(1,845,592)	5,663	(7,521,824)	62,107	(48,524)
Miscellaneous income	44	184	698	897	378	52
Transfers from other funds	551	-	6,884	-	-	-
Total Additions	31,556	(1,483,842)	391,535	(6,122,213)	790,247	(46,734)
DEDUCTIONS						
Benefits paid to participants or beneficiaries	-	832,553	-	3,117,435	-	19,180
Medical, dental, and life insurance for retirees	29,672	-	377,514	-	666,381	-
Refunds and transfers to other systems	1,502	374	35,001	32,803	42	-
Administrative expense	1,553	5,036	19,394	24,667	68,079	144
Transfers to other funds	-	13	-	74	-	-
Total Deductions	32,727	837,976	431,909	3,174,979	734,501	19,325
Net increase (decrease)	(1,171)	(2,321,818)	(40,374)	(9,297,191)	55,746	(66,058)
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - Beginning of fiscal year - restated	4,024	12,103,057	77,652	48,362,933	776,334	335,679
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - End of fiscal year	\$ 2,853	\$ 9,781,239	\$ 37,278	\$ 39,065,741	\$ 832,080	\$ 269,621
Reconciliation of Net Increase in Assets:						
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ (2,321,818)	\$ -	\$ (9,297,191)	\$ -	\$ (66,058)
Net increase (decrease) in assets held in trust for postemployment benefits	(1,171)	-	(40,374)	-	55,746	-
Net increase (decrease) in assets held in trust for deferred compensation participants	-	-	-	-	-	-
Total net increase (decrease)	\$ (1,171)	\$ (2,321,818)	\$ (40,374)	\$ (9,297,191)	\$ 55,746	\$ (66,058)

Michigan

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS (Continued)**

FISCAL YEAR ENDED SEPTEMBER 30, 2008

(In Thousands)

	JUDGES' OTHER POSTEMPLOYMENT BENEFITS FUND	STATE OF MICHIGAN DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS
ADDITIONS			
Contributions:			
From participants	\$ 539	\$ 30,684	\$ 728,280
From employers	-	81,595	2,495,381
From other plans	-	6	761
From other governmental	-	-	23,537
Investment Income:			
Net appreciation (depreciation) in fair value of investments	-	(190,847)	(11,736,002)
Interest, dividends, and other	8	46,788	1,488,553
Securities lending income	-	-	406,386
Less Investment Expense:			
Investment activity expense	-	-	126,426
Securities lending expense	-	-	345,355
Net investment income (loss)	8	(144,059)	(10,312,844)
Miscellaneous income	122	381	6,106
Transfers from other funds	15	-	7,450
Total Additions	684	(31,394)	(7,051,329)
DEDUCTIONS			
Benefits paid to participants or beneficiaries	-	42,040	4,368,921
Medical, dental, and life insurance for retirants	790	-	1,079,075
Refunds and transfers to other systems	-	2,782	72,564
Administrative expense	42	1,917	128,199
Transfers to other funds	-	-	88
Total Deductions	832	46,739	5,648,846
Net increase (decrease)	(148)	(78,132)	(12,700,175)
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - Beginning of fiscal year - restated	150	916,310	68,341,652
Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits - End of fiscal year	\$ 2	\$ 838,178	\$ 55,641,476
Reconciliation of Net Increase in Assets:			
Net increase (decrease) in assets held in trust for pension benefits	\$ -	\$ (78,132)	\$ (12,059,501)
Net increase (decrease) in assets held in trust for postemployment benefits	(148)	-	11,999
Net increase (decrease) in assets held in trust for deferred compensation participants	-	-	(652,673)
Total net increase (decrease)	\$ (148)	\$ (78,132)	\$ (12,700,175)