

**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<br>OF MICHIGAN<br>DEFERRED<br>COMPENSATION<br>FUNDS | LEGISLATIVE<br>PENSION<br>BENEFITS<br>FUND | LEGISLATIVE<br>OTHER<br>POSTEMPLOYMENT<br>BENEFITS<br>FUND | STATE POLICE<br>PENSION<br>BENEFITS<br>FUND |
|--|---|--|--|---|
| <b>ADDITIONS</b>   |   |  |  |   |
| 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)<br>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   | -   | -  | -  | -   |
| <b>Total Additions</b>   | <b>(386,330)</b>  | <b>(29,195)</b>                            | <b>2,664</b>   | <b>(168,308)</b>                            |
| <b>DEDUCTIONS</b>  |   |  |  |   |
| 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   |
| <b>Total Deductions</b>  | <b>266,343</b>  | <b>10,846</b>                              | <b>4,718</b>   | <b>87,952</b>                               |
| <b>Net increase (decrease)</b>   | <b>(652,673)</b>  | <b>(40,042)</b>                            | <b>(2,054)</b>   | <b>(256,260)</b>                            |
| 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)   | -  | -  | -   |
| <b>Total net increase (decrease)</b>   | <b>\$ (652,673)</b>                                       | <b>\$ (40,042)</b>                         | <b>\$ (2,054)</b>  | <b>\$ (256,260)</b>                         |