

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

FISCAL YEAR ENDED SEPTEMBER 30, 2006

(In Thousands)

	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND	TOTALS
ADDITIONS					
Contributions:					
From participants	\$ 20,962	\$ 590,413	\$ 2,536	\$ 25,163	\$ 817,227
From employers	627,379	1,682,862	-	68,951	2,433,658
From other plans	123	3	-	2	5,803
From other governmental	-	65	-	-	65
Investment Income:					
Net appreciation (depreciation) in fair value of investments	1,012,259	4,016,811	27,241	34,368	5,367,313
Interest, dividends, and other	254,069	1,001,019	7,491	19,662	1,444,980
Securities lending income	39,746	156,767	1,141	-	202,043
Less Investment Expense:					
Investment activity expense	13,543	55,108	321	-	71,124
Securities lending expense	38,254	150,872	1,099	-	194,449
Net investment income (loss)	1,254,277	4,968,618	34,453	54,029	6,748,764
Miscellaneous income	106	469	869	272	4,509
Total Additions	1,902,848	7,242,430	37,858	148,418	10,010,026
DEDUCTIONS					
Benefits paid to participants or beneficiaries	767,001	2,761,292	17,953	26,226	3,885,135
Medical, dental, and life insurance for retirants	362,598	634,812	597	-	1,031,945
Refunds and transfers to other systems	254	23,946	-	22	24,584
Administrative expense	4,628	81,961	170	1,666	95,466
Transfers to other funds	3	123	-	-	126
Total Deductions	1,134,483	3,502,134	18,720	27,914	5,037,257
Net increase (decrease)	768,365	3,740,296	19,138	120,505	4,972,770
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - Beginning of fiscal year	10,181,615	39,885,324	284,076	619,103	55,802,077
Net assets held in trust for pension, postemployment health-care and deferred compensation benefits - End of fiscal year	\$ 10,949,980	\$ 43,625,620	\$ 303,214	\$ 739,607	\$ 60,774,847
Reconciliation of Net Increase in Assets:					
Net increase (decrease) in assets held in trust for pension benefits	\$ 757,100	\$ 3,633,957	\$ 19,002	\$ 120,505	\$ 4,616,789
Net increase (decrease) in assets held in trust for postemployment benefits	11,265	106,339	136	-	116,020
Net increase (decrease) in assets held in trust for deferred compensation participants	-	-	-	-	239,961
Total net increase (decrease)	\$ 768,365	\$ 3,740,296	\$ 19,138	\$ 120,505	\$ 4,972,770