

Michigan

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

SEPTEMBER 30, 2006

(In Thousands)

| | STATE EMPLOYEES' DEFERRED COMPENSATION FUNDS | LEGISLATIVE RETIREMENT FUND | STATE POLICE RETIREMENT FUND |
|--|--|-----------------------------------|------------------------------------|
| ASSETS | <u> </u> | <u> </u> | <u> </u> |
| Cash | \$ - | \$ - | \$ - |
| Equity in common cash | 1,692 | 3,636 | 4,064 |
| Receivables: | | | |
| Employee | 120,834 | - | - |
| Employer | 497 | 105 | 4 |
| Interest and dividends | - | 51 | 34 |
| Due from other funds | - | - | 3,053 |
| Due from component unit | - | - | - |
| Sale of investments | - | 438 | - |
| Investments at Fair Value: | | | |
| Short-term investments | - | - | 21,844 |
| Bonds, notes, mortgages, and preferred stock | - | - | 192,055 |
| Common stock | - | 72,066 | 582,759 |
| Real estate | - | - | 100,633 |
| Alternative investments | - | - | 152,186 |
| International investments | - | - | 147,922 |
| Mutual funds | 1,755,376 | 108,138 | - |
| Pooled investment funds | 1,784,098 | - | - |
| Money market funds | 106,160 | - | - |
| Securities lending collateral | - | - | 187,448 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 3,768,657</u> | <u>\$ 184,434</u> | <u>\$ 1,392,001</u> |
| LIABILITIES | | | |
| Warrants outstanding | \$ - | \$ 31 | \$ 206 |
| Accounts payable and other liabilities | - | 879 | 100 |
| Amounts due to other funds | - | 3 | - |
| Obligations under security lending | - | - | 187,448 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>\$ -</u> | <u>\$ 914</u> | <u>\$ 187,754</u> |
| NET ASSETS | | | |
| Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits | <u>\$ 3,768,657</u> | <u>\$ 183,520</u> | <u>\$ 1,204,248</u> |
| Reconciliation of Net Assets Held in Trust: | | | |
| Pension benefits | \$ - | \$ 170,100 | \$ 1,204,248 |
| Postemployment health-care benefits | - | 13,421 | - |
| Deferred compensation participants | <u>3,768,657</u> | <u>-</u> | <u>-</u> |
| | <u> </u> | <u> </u> | <u> </u> |
| Total net assets held in trust for benefits | <u>\$ 3,768,657</u> | <u>\$ 183,520</u> | <u>\$ 1,204,248</u> |

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

SEPTEMBER 30, 2006

(In Thousands)

| | STATE EMPLOYEES' RETIREMENT FUND | PUBLIC SCHOOL EMPLOYEES' RETIREMENT FUND | JUDGES' RETIREMENT FUND | STATE EMPLOYEES' DEFINED CONTRIBUTION RETIREMENT FUND | TOTALS |
|--|---|---|-------------------------------|--|---------------|
| ASSETS | | | | | |
| Cash | \$ 33 | \$ 37 | \$ - | \$ - | \$ 70 |
| Equity in common cash | 10,614 | 81,618 | 1,104 | 203 | 102,931 |
| Receivables: | | | | | |
| Employee | - | - | - | 62,526 | 183,361 |
| Employer | 81,610 | 567,959 | 177 | 96 | 650,449 |
| Interest and dividends | 305 | 1,208 | 9 | - | 1,606 |
| Due from other funds | 35,175 | - | - | - | 38,228 |
| Due from component unit | 350 | - | - | - | 350 |
| Sale of investments | - | - | - | - | 438 |
| Investments at Fair Value: | | | | | |
| Short-term investments | 233,081 | 1,176,086 | 3,694 | - | 1,434,704 |
| Bonds, notes, mortgages, and preferred stock | 1,763,012 | 7,050,167 | 51,921 | - | 9,057,155 |
| Common stock | 5,250,577 | 20,826,454 | 146,681 | - | 26,878,537 |
| Real estate | 946,375 | 3,245,484 | 34,805 | - | 4,327,297 |
| Alternative investments | 1,303,531 | 5,491,258 | 29,834 | - | 6,976,810 |
| International investments | 1,328,694 | 5,274,474 | 35,038 | - | 6,786,129 |
| Mutual funds | - | - | - | 343,433 | 2,206,947 |
| Pooled investment funds | - | - | - | 224,016 | 2,008,115 |
| Money market funds | - | - | - | 109,332 | 215,492 |
| Securities lending collateral | 1,699,065 | 6,711,645 | 48,687 | - | 8,646,845 |
| Total Assets | \$ 12,652,422 | \$ 50,426,390 | \$ 351,949 | \$ 739,607 | \$ 69,515,461 |
| LIABILITIES | | | | | |
| Warrants outstanding | \$ 1,728 | \$ 5,785 | \$ 48 | \$ - | \$ 7,799 |
| Accounts payable and other liabilities | 1,649 | 83,339 | - | - | 85,967 |
| Amounts due to other funds | - | - | - | - | 3 |
| Obligations under security lending | 1,699,065 | 6,711,645 | 48,687 | - | 8,646,845 |
| Total Liabilities | \$ 1,702,442 | \$ 6,800,769 | \$ 48,735 | \$ - | \$ 8,740,614 |
| NET ASSETS | | | | | |
| Net assets held in trust for pension, postemployment health-care, and deferred compensation benefits | \$ 10,949,980 | \$ 43,625,620 | \$ 303,214 | \$ 739,607 | \$ 60,774,847 |
| Reconciliation of Net Assets Held in Trust: | | | | | |
| Pension benefits | \$ 10,889,925 | \$ 42,995,406 | \$ 303,208 | \$ 739,607 | \$ 56,302,494 |
| Postemployment health-care benefits | 60,055 | 630,214 | 7 | - | 703,696 |
| Deferred compensation participants | - | - | - | - | 3,768,657 |
| Total net assets held in trust for benefits | \$ 10,949,980 | \$ 43,625,620 | \$ 303,214 | \$ 739,607 | \$ 60,774,847 |