

INDEPENDENT AUDITOR'S REPORT

*to all active members & retirees of the Police and
Fire retirement system of the city of detroit*

*The financial statements of the Police and Fire Retirement System of the City of Detroit have been audited by the independent auditing firm of Plante Moran. Plante Moran's report is available for review on the Retirement System's web site, **www.rscd.org**. Copies of the report can be obtained by a request, in writing, to the Retirement System's Office.*

**STATEMENT OF NET ASSETS AVAILABLE
FOR PENSION BENEFITS**

ASSETS	2005	2004
Cash	\$9,724,398	\$1,259,681
Investments, At Market Value	3,754,283,430	3,055,424,485
Accrued Investment Income	18,066,358	17,039,456
Contributions Receivable	61,391,371	69,475,202
Receivables From Investment Sales	24,587,150	23,507,318
Other Accounts Receivable	603,557	614,796
Capital Assets	460,054	569,142
Securities Lending Collateral	1,103,131,232	651,046,471
TOTAL ASSETS	\$4,972,247,550	\$3,818,936,551
LIABILITIES		
Payable for Investment Purchases	\$27,903,499	\$33,788,157
Claims Payable to Retirants and Beneficiaries	5,899,293	5,669,853
Accrued Pension Benefits	0	0
Due to Other Funds	0	19,000
Other Liabilities	6,358,768	5,893,053
Securities Lending Collateral	1,103,131,232	651,046,471
TOTAL LIABILITIES	\$1,143,292,792	\$696,416,534
FUND BALANCES		
Annuity Reserves:		
Annuity Savings Fund	\$280,837,938	\$303,320,678
Annuity Reserve Fund	9,758,309	15,410,339
Survivor Benefit Fund	23,158,387	25,266,194
Pension Reserves:		
Pension Accumulation Fund	911,913,571	416,794,522
Pension Reserve Fund	2,532,219,410	2,313,734,450
Market Stabilization Fund	71,067,143	47,993,834
TOTAL FUND BALANCES	\$3,828,954,758	\$3,122,520,017
TOTAL LIABILITIES AND FUND BALANCES	\$4,972,247,550	\$3,818,936,551

FINANCIAL SECTION

POLICE & FIRE RETIREMENT SYSTEM CITY OF DETROIT PENSION FUNDS

Statement of revenues, expenses and changes in fund balance.
Year ended June 30, 2005 (with comparative totals for June 30, 2004)

	ANNUITY RESERVES				PENSION RESERVES			TOTAL	
	ANNUITY SAVINGS FUND	ANNUITY RESERVE FUND	MARKET STABILIZATION FUND	ACCRUED LIABILITY RESERVE FUND	SURVIVOR BENEFIT FUND	PENSION ACCUMULATION FUND	PENSION RESERVE FUND	2005	2004
REVENUES:									
City Contributions	\$0	\$0	\$0	\$630,829,189	\$0	\$51,602,596	\$0	\$682,431,785	\$69,475,202
Members' Contributions	10,488,239	0	0	0	0	(57,385)	0	10,430,854	10,318,299
Investment Income, Net	0	1,112,452	23,073,308	3,946,861	1,823,173	56,682,259	173,230,851	259,868,904	415,701,183
TOTAL REVENUES	\$10,488,239	\$1,112,452	\$23,073,308	\$634,776,050	\$1,823,173	\$108,227,470	\$173,230,851	\$952,731,543	\$495,494,684
EXPENSES:									
Pension & Annuity Benefits	\$0	\$913,595	\$0	\$0	\$3,930,982	\$0	\$204,150,370	\$208,994,947	\$200,381,990
General & Administrative Expenses	0	0	0	0	0	3,744,277	0	3,744,277	3,727,680
Refunds	33,557,578	0	0	0	0	0	0	33,557,578	47,129,942
TOTAL EXPENSES	\$33,557,578	\$913,595	\$0	\$0	\$3,930,982	\$3,744,277	\$204,150,370	\$246,296,802	\$251,239,612
Excess (Deficiency) of Revenue Over (Under) Expenses	(\$23,069,339)	\$198,857	\$23,073,308	\$634,776,050	(\$2,107,809)	\$104,483,193	(\$30,919,519)	\$706,434,741	\$244,255,072
Transfers, Net	(884,399)	(4,379,889)	0	(47,239,665)	0	(196,900,527)	249,404,480	0	0
Fund Balance at Beginning of Year	303,320,678	15,410,339	47,993,834	0	25,266,194	416,794,522	2,313,734,450	3,122,520,017	2,878,264,945
FUND BALANCES AT END OF YEAR	\$279,366,940	\$11,229,307	\$71,067,142	\$587,536,385	\$23,158,385	\$324,377,188	\$2,532,219,411	\$3,828,954,758	\$3,122,520,017