

**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	2004	2003
Cash	\$1,259,681	\$1,625,974
Investments, at market value	3,055,424,485	2,814,323,022
Accrued Investment Income	17,039,456	17,326,211
Contributions Receivable	69,475,202	66,843,029
Receivables from Investment Sales	23,507,318	70,707,206
Other Accounts Receivable	614,796	590,005
Capital Assets	569,142	598,933
Cash Collateral Securities Lending	651,046,471	0
TOTAL ASSETS	\$3,818,936,551	\$2,972,014,380
LIABILITIES		
Payable for Investment Purchases	33,788,157	85,533,471
Claims Payable to Retirants and Beneficiaries	5,669,853	4,245,327
Accrued Pension Benefits	0	0
Due to Other Funds	19,000	19,000
Other Liabilities	5,893,053	3,951,637
Cash Collateral Securities Lending	651,046,471	0
TOTAL LIABILITIES	\$696,416,534	\$93,749,435
FUND BALANCES		
Annuity Reserves:		
Annuity Savings Fund	303,320,678	341,313,264
Annuity Reserve Fund	15,410,339	14,728,245
Survivor Benefit Fund	25,266,194	27,085,474
Pension Reserves:		
Pension Accumulation Fund	416,794,522	487,494,405
Pension Reserve Fund	2,313,734,450	2,334,895,269
Market Stabilization Fund	47,993,834	(327,251,712)
TOTAL FUND BALANCES	\$3,122,520,017	\$2,878,264,945
TOTAL LIABILITIES AND FUND BALANCES	\$3,818,936,551	\$2,972,014,380

**POLICE & FIRE RETIREMENT SYSTEM
CITY OF DETROIT PENSION FUNDS**

*Statement of Changes in Plan Net Assets.
Year ended June 30, 2004 (with comparative totals for June 30, 2003)*

	<u>ANNUITY RESERVES</u>				<u>PENSION RESERVES</u>		<u>TOTAL</u>	
	<u>ANNUITY SAVINGS FUND</u>	<u>ANNUITY RESERVE FUND</u>	<u>MARKET STABILIZATION FUND</u>	<u>SURVIVOR BENEFIT FUND</u>	<u>PENSION ACCUMULATION FUND</u>	<u>PENSION RESERVE FUND</u>	<u>2004</u>	<u>2003</u>
ADDITIONS:								
City Contributions	\$0	\$0	\$0	\$0	\$69,475,202	\$0	\$69,475,202	\$66,843,029
Members' Contributions	10,329,195	0	0	0	(10,896)	0	10,318,299	10,143,949
Investment Income (loss) Net	\$0	1,095,695	375,245,546	1,965,077	(137,096,529)	174,491,394	415,701,183	78,568,683
TOTAL ADDITIONS (REDUCTIONS)	10,329,195	1,095,695	375,245,546	1,965,077	(67,632,223)	174,491,394	495,494,684	155,555,661
DEDUCTIONS:								
Pension & Annuity Benefits	0	945,420	0	3,784,357	0	195,652,213	200,381,990	190,516,952
General & Administrative Expenses	0	0	0	0	3,727,680	0	3,727,680	3,421,505
Refunds	47,129,942	0	0	0	0	0	47,129,942	72,193,982
Total Deductions	47,129,942	945,420	0	3,784,357	3,727,680	195,652,213	251,239,612	266,132,439
NET INCREASE (DECREASE)	(36,800,747)	150,275	375,245,546	(1,819,280)	(71,359,903)	(21,160,819)	244,255,072	(110,642,043)
Transfers, Net	(1,191,839)	531,819	0	0	660,020	0	0	0
Net Assets held in trust for pension benefits, beginning of Year	341,313,264	14,728,245	(327,251,712)	27,085,474	487,494,405	2,334,895,269	2,878,264,945	2,988,906,990
Net Assets held in trust for pension benefits, end of Year	303,320,678	15,410,339	47,993,834	25,266,194	416,794,522	2,313,734,450	3,122,520,017	2,878,264,947