

# **Police and Fire Retirement System of the City of Detroit**

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**Financial Report  
with Supplemental Information  
June 30, 2007**

# **Police and Fire Retirement System of the City of Detroit**

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**Plante & Moran, PLLC**  
27400 Northwestern Highway  
P.O. Box 307  
Southfield, MI 48037-0307  
Tel: 248.352.2500  
Fax: 248.352.0018  
plantemoran.com

## Independent Auditor's Report

To the Board of Trustees  
Police and Fire Retirement System  
of the City of Detroit

We have audited the accompanying statement of plan net assets of Police and Fire Retirement System of the City of Detroit (the "System") as of June 30, 2007 and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the System's 2006 financial statements and, in our report dated August 17, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Police and Fire Retirement System of the City of Detroit as of June 30, 2007 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplemental information (identified in the table of contents) are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Trustees  
Police and Fire Retirement System  
of the City of Detroit

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Police and Fire Retirement System of the City of Detroit's basic financial statements. The accompanying other supplemental information as identified in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The statement of changes in plan net assets by fund included in other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

December 21, 2007

# Police and Fire Retirement System of the City of Detroit

## Management's Discussion and Analysis

### Using this Annual Report

This annual report consists of three parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) required and other supplemental information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required and other supplemental information that further explain and support the information in the financial statements.

### Condensed Financial Information

The table below compares key financial information in a condensed format between the current year and the two prior years:

	Fiscal Year Ended		
	June 30, 2007	June 30, 2006	June 30, 2005
Total assets	\$ 5,611,980,836	\$ 5,255,680,053	\$ 4,972,247,550
Total liabilities	<u>1,130,630,935</u>	<u>1,220,295,825</u>	<u>1,143,292,792</u>
Assets held in trust for pension benefits	<b><u>\$ 4,481,349,901</u></b>	<b><u>\$ 4,035,384,228</u></b>	<b><u>\$ 3,828,954,758</u></b>
Net investment income	\$ 644,201,339	\$ 381,669,729	\$ 259,868,904
Contributions:			
Employee	10,043,736	10,007,531	10,430,854
Employer	57,423,366	57,807,332	51,602,596
Employer - Pension obligation certificate proceeds	-	-	630,829,189
Total contributions	<u>67,467,102</u>	<u>67,814,863</u>	<u>692,862,639</u>
Benefits paid to members and retirees:			
Retirees' pension and annuity benefits	225,249,848	217,411,446	208,994,947
Member annuity refunds and withdrawals	<u>36,708,695</u>	<u>22,244,391</u>	<u>33,557,578</u>
Total benefits paid	<u>261,958,543</u>	<u>239,655,837</u>	<u>242,552,525</u>
Benefits paid (in excess of) less than contributions	(194,491,441)	(171,840,974)	450,310,114
Ratio of benefits paid to contributions	3.9	3.5	0.4
Other expenses	<u>3,744,225</u>	<u>3,399,285</u>	<u>3,744,277</u>
Net increase in net assets	<b><u>\$ 445,965,673</u></b>	<b><u>\$ 206,429,470</u></b>	<b><u>\$ 706,434,741</u></b>

# **Police and Fire Retirement System of the City of Detroit**

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## **Management's Discussion and Analysis (Continued)**

### **Fund Overview, Membership, and Governance**

Police and Fire Retirement System of the City of Detroit (DPFRS or the "System") is a defined benefit pension plan. DPFRS exists to pay benefits to its active members, retirees, and beneficiaries. Active members earn service credit that entitles them to receive benefits in the future. Both the employer (the City of Detroit) and active members contribute to the System.

DPFRS is a relatively mature plan in that there are more retirants and beneficiaries receiving current benefits than active members. As of June 30, 2007, there were approximately 8,500 members receiving benefits and 4,300 active members

DPFRS is governed by an 11-member board of trustees (the "Board"). Six members of the Board are elected by the active membership to serve three-year terms. Five members serve ex-officio, these members being the mayor of the City of Detroit, the city treasurer, one representative from the Detroit City Council, the chief of police, and the fire commissioner.

### **Contributions to the System**

Both the City of Detroit (employer) and active employees make regular contributions to the System. Basic pension and disability benefits are funded through employer and employee contributions plus investment earnings on those contributions.

The required employer contributions are determined by the System's actuaries using the entry age normal cost method. Assumptions used by the actuaries are subject to experience testing every five years.

Active employees contribute 5 percent of pay up to the date at which they are eligible for retirement. Employee contributions are maintained in separate accounts in the annuity savings fund solely for the benefit of the contributing employee. Employee annuity saving fund accounts are credited with investment earnings equal to the rate of return earned by the System subject to a minimum earnings of 0 percent. An active employee may elect to withdraw their accumulated contributions plus investment earnings once they are eligible for retirement.

In June 2005, the City of Detroit elected to issue pension obligation certificates and contribute approximately \$631 million to the system. The investment results with respect to these funds have been exceptionally good. DPFRS's total investment income on these contributions through the end of the current year has been \$187 million in the aggregate or approximately 30 percent of the total contribution amount. Investment income in excess of the actuarial assumed rate (7.8 percent) through the end of the current year has been \$78 million or 12 percent of the total contribution amount. Investment income in excess of the interest expense incurred by the employer through the end of the current year has been \$118 million or 19 percent of the total contribution amount.

# Police and Fire Retirement System of the City of Detroit

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## Management's Discussion and Analysis (Continued)

### Benefits Paid

The System exists to pay the benefits which its members have earned. DPFRS paid out \$262 million in benefits during the year. This represents approximately 6 percent of the assets of the System. Employer and employee contributions were \$67 million, or 2 percent of the assets of the System. The excess of benefits over contributions must be funded through investment income. The public capital markets represent the primary source of opportunities to earn investment income.

### Asset Allocation

The board of trustees believes that the primary determinant of total fund investment performance over long periods of time is asset allocation. The DPFRS asset allocation is built upon the foundation that the obligations of DPFRS to pay the benefits promised to its members are very long-term obligations. Accordingly, the board of trustees must make investment decisions that it believes will be the most beneficial to the System over many years, not just one or two years. The Board must also balance the desire to achieve long-term gains with the requirements of having to fund significant benefit payments every month.

DPFRS has established asset allocation policies, which are expected to deliver more than enough investment income over a very long period of time to satisfy the obligations to pay the benefits promised to the members of the System. The following is a summary of the asset allocation as of June 30, 2007:

Equities	56.0%
Fixed income	27.5%
Real estate	7.0%
Alternative investments	8.0%
Cash reserves	1.5%

At year end, DPFRS was above its target asset allocation for equities, real estate, and cash but below its target for fixed income and alternative investments. No asset class other than cash was more than 10 percent on a relative basis above or below its target asset allocation. Cash was artificially high because the employer elected to remit the entire year's contribution on the last day of the fiscal year.

State statutes impose limitations on what fraction of the total assets of the System may be invested in assets other than government bonds, investment grade bonds, and certain investment mortgages. At no time during the year did the System fail to comply with the statutory limitations.

# Police and Fire Retirement System of the City of Detroit

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## Management's Discussion and Analysis (Continued)

### Investment Results

Effective with the fiscal year commencing July 1, 2003, DPFRS acquired the capability to calculate investment results on an AIMR-compliant, time-weighted, GIPS method basis. This capability is utilized to calculate investment results at the total fund composite, asset class composite, managed account, sector, and individual security level. Investment results calculated for prior periods reflected dollar-weighted returns consistent with the methods utilized by the System's actuaries. Returns stated herein have been determined using the AIMR-compliant, time-weighted, GIPS method unless explicitly stated to the contrary. All returns for periods of one year or greater have been annualized.

Effective with the fiscal year commencing July 1, 2003, DPFRS acquired access to the Trust Universe Comparison Service (TUCS). TUCS is a collection of institutional investor master trusts represented by corporate pension plans, public funds, Taft-Hartley accounts, nonprofits, foundations, and endowments. Within TUCS, 737 master trusts inclusive of 146 public funds reported investment results for the year ended June 30, 2007. DPFRS considers the public fund segment of TUCS to be its peer group for purposes of comparative investment results at the total fund composite level. DPFRS compares the investment results of its asset-class level composites and individual investment managers against the corresponding composite and account level returns reported by TUCS for all master trusts. Any references to "peer group" contained herein shall be in the context of the foregoing unless explicitly stated to the contrary.

Management is exceptionally pleased with the investment results achieved during the current year. On both an absolute and relative basis, the investment performance of DPFRS was outstanding. The following were especially noteworthy:

- The total fund composite return was 17.4 percent.
- DPFRS out-performed its actuarially assumed rate by 960 basis points.
- DPFRS out-performed its benchmark objective by 40 basis points.
- DPFRS out-performed the median public fund by 130 basis points.

This year's total fund investment return is particularly encouraging, as is the outlook for future investment returns. Returns achieved in the public capital markets are highly dependent upon the health of the economy, both in the United States as well as in other countries. The Board believes that the outlook for continued global economic growth is good in both the short and long run.

# Police and Fire Retirement System of the City of Detroit

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## Management's Discussion and Analysis (Continued)

### Total Fund Composite

The DPFRS total fund composite return for the year was 17.4 percent versus its actuarially assumed rate of 7.8 percent. This was the fourth consecutive year of favorable investment experience versus the actuarially assumed rate. The total fund composite out-performed its benchmark composite (17.0 percent) by 40 basis points as a result of superior performance delivered by the actively managed accounts.

The DPFRS total fund composite return (17.4) ranked well in the top half of its peer group. DPFRS investment performance was 130 basis points better than the median public fund (16.1) and only 50 basis points below top quartile.

The favorable investment experience during the current year is primarily attributable to the bias in the Board's asset allocation toward equity investments versus fixed income and cash. The following is a summary of the composite investment performance of the major asset classes.

Equities	22.4%
Fixed income	9.6%
Real estate	11.3%
Cash	6.7%
Alternative investments	14.2%

### Equities

The equity assets consist of a combination of separately managed accounts distributed 70 percent to domestic stocks and 30 percent to international stocks. Within the equity composite, 40 percent of the assets are managed using passive strategies designed to replicate the portfolio represented by a widely recognized broad stock market average with the remaining 60 percent of the assets actively managed.

# Police and Fire Retirement System of the City of Detroit

## Management's Discussion and Analysis (Continued)

The overall equity composite return was 22.4 percent. This return ranked in the top half of its peer group and out-performed the median (20.1 percent) by 30 basis points. Excess returns from actively managed international equity accounts versus their underlying equity index benchmarks contributed significantly to the favorable equity composite return. The following is a summary of the performance of the equity composite and major components versus the broad stock market averages.

DPFRS Overall Equity Composite	22.4%
DPFRS Domestic Equity Composite	19.4%
Russell 3000 Index	20.1%
S&P 500 Index	20.6%
PFRS International Equity Composite	29.8%
MSCI World Index Ex USA	27.1%

Domestic equities underperformed their objective (Russell 3000). This was primarily attributable to underperformance of selected mid-cap and small-cap active managers versus their benchmarks. The Board took action to replace these managers during the year. Replacement managers have exceeded their performance objectives.

During the year, the Board further diversified its international equity assets through the establishment of allocations to actively managed international small-cap equities and emerging markets equities. The international small-cap equity allocation was funded during the year. Initial returns from these accounts have been exceptionally good. The Board expects to fund its emerging markets equity mandate during the following fiscal year.

### **Fixed Income**

All of the System's fixed income assets are actively managed. Fixed income managers have specific mandates, these mandates being government bonds, corporate bonds, mortgages, convertible bonds, and high yield bonds. Substantially all fixed income assets are from domestic issuers. Fixed income accounts are permitted to hold foreign securities but the securities must be U.S. dollar denominated.

The DPFRS fixed income composite return was 9.6 percent. This return ranked in the top 10 percent of its peer group and out-performed the median fixed income fund (6.1 percent) by 350 basis points. This also compares very favorably with the broad fixed income market, as measured by the Lehman Aggregate index, which returned 6.1 percent.

Excess returns from corporate bonds, convertible bonds, mortgages, and high yield bonds were the primary contributors to the favorable fixed income composite return. The following is a summary of the performance of the fixed income composite of its major components versus the broad bond market averages.

# Police and Fire Retirement System of the City of Detroit

## Management's Discussion and Analysis (Continued)

DPFRS Overall Fixed Income Composite	9.6%
DPFRS Government Bond Composite	5.3%
DPFRS Corporate Bond Composite	8.5%
DPFRS Convertible Bond Composite	17.3%
DPFRS Mortgage Composite	11.6%
DPFRS High Yield Bond Composite	11.1%
Lehman Aggregate Index	6.1%
Lehman Government Index	5.7%
Lehman U.S. Credit (corporate bonds) Index	6.7%
Merrill Lynch Convertible Bond Index	11.7%
Lehman Mortgage Index	6.4%
Credit Suisse High Yield Bond Index	12.1%

Government bonds marginally underperformed their objectives as a result of the maintenance of a shorter than benchmark duration in the account. The Board uses the government bond account as a very low-risk source of liquidity and minimizes its principal risk by maintaining a shorter duration. If the securities lending income attributable to the government bond account had been added to its return, then the account would have out-performed its objective.

Corporate bonds out-performed their objective by a wide margin as a result of investment guidelines permitting the inclusion of up to 15 percent below investment grade securities in the portfolio. The average rating agency credit quality of the corporate bond composite was never less than A during the year.

Convertible bonds were the best performing fixed income assets versus their benchmark. Strong equity market returns drove up prices of and returns achieved from convertible bonds.

The DPFRS mortgage composite consists of AAA-rated mortgage-backed securities issued by the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and Government National Mortgage Association (Ginnie Mae), plus privately placed mortgages underwritten by the Board's real estate advisors. Privately placed mortgages are loans secured by a first lien on commercial real estate, have a loan to value of 80 percent or less, and an underlying borrower rating agency equivalent credit profile of A or better. Excess returns from the mortgage composite were attributable to higher coupons on mortgages funded several years ago and collection of pre-payment penalties on privately placed mortgages.

DPFRS investment guidelines do not permit "sub-prime" mortgages. These restrictions apply to any underlying securities within securitized investment products such as pass-through certificates, structured investment vehicles, collateralized loan obligations, and the like.

# **Police and Fire Retirement System of the City of Detroit**

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## **Management's Discussion and Analysis (Continued)**

### **Real Estate**

The DPFRS real estate portfolio consists of both separately owned and managed properties as well as investments in real estate investment trusts and real estate commingled funds. The portfolio is broadly diversified by property type and geographic location. Essentially the entire DPFRS real estate portfolio is located in the United States.

Separately owned properties are appraised every three years by an independent nationally recognized appraisal firm. Newly acquired properties are carried at cost until they are appraised, normally three years after acquisition.

Just over 80 percent of the portfolio consists of core property investments with the balance consisting of non-core investments. Core investments are those whose return is primarily derived from current income, whereas non-core investments are those whose return is primarily derived from appreciation in value. The Board relies on the current income from real estate to defray a disproportionate fraction of the benefits and expenses of the System.

The DPFRS real estate composite return was 11.3 percent. This return ranked below the median (14.3) of its peer group. This return also fell below the broad domestic real estate market, as measured by the NCREIF Property Index (18.7). The DPFRS real estate allocation is significantly over-weighted to core income producing properties and underweighted to non-core and opportunistic real estate investments, which detracted from returns relative to its peer group and the NCREIF Property Index.

Performance of the overall U.S. institutional grade real estate market was dominated by appreciation in value. Roughly two-thirds of the total return of the NCREIF Property Index was attributable to appreciation with one-third of the return attributable to income. Performance of the DPFRS real estate composite was constrained by the bias toward core properties and the timing of the appraisals of recently acquired separately owned properties. During the current and prior year, DPFRS added significantly to its real estate portfolio. The increase in market value of these assets has yet to be recognized in accordance with the Board's appraisal policy described above.

### **Alternative Investments**

The DPFRS alternative investment portfolio consists of both individually managed investments as well as investments in commingled funds. The portfolio is diversified by investment type and geographic location. Broad asset classes of alternative investments include private equity funds, direct investments of equity or debt in privately held companies, mezzanine debt, distressed debt, collateralized debt obligations, hedge funds, and venture capital. Energy sector investments represent the largest single economic sector allocation within the alternative investment portfolio. Essentially the entire DPFRS alternative investment portfolio is located in the United States.

# **Police and Fire Retirement System of the City of Detroit**

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## **Management's Discussion and Analysis (Continued)**

Approximately 70 percent of the alternative investment portfolio consists of core investments, with the balance consisting of non-core investments. Core investments are those which are either absolute return strategies or whose return is primarily derived from current income. Non-core investments are those whose return is primarily derived from capital gains. The Board relies on the current income from its core alternative investments to defray a disproportionate fraction of the benefits and expenses of the system.

The DPFRS alternative investment composite return was 14.2 percent. Distressed debt, hedge funds, mezzanine debt, and private equity commingled funds exceeded their return objectives while non-performing individually managed investments dragged down the overall return from alternative investments.

During the year, the Board expanded its allocation to absolute return strategies (hedge funds). The hedge fund portfolio consists of a broadly diversified mix of equity and fixed income strategies characterized by low volatility and low correlation with the performance of traditional stocks and bonds. Initial returns from these investments have been good.

### **Cash**

During the current year, DPFRS paid out approximately \$260 million in benefits to its members. This relatively high level of benefit payments necessitates maintaining relatively high cash balances at all times. Currently, the DPFRS target asset allocation for cash is 1.5 percent of assets. The Board has a policy of maintaining not less than \$50 million of cash reserves at all times.

Cash balances were artificially high at year end. The employer chose to pay its entire annual contribution (\$57.4 million) on the last day of the year. Furthermore, the System received large distributions from real estate and alternative investments during the last 30 days of the year. Excess cash balances were deployed throughout the managed accounts shortly after the end of the current fiscal year.

DPFRS manages its own money market fund to invest not only the cash needed to pay the benefits and expenses of the System but also the idle cash balances which accumulate in the separately managed accounts. The money market fund provides the System with daily liquidity and supports unlimited check writing. All cash receipts, disbursements, and movements, as well as the settlements of purchases and sales of securities, are cleared through the money market fund. Accrued interest is calculated and distributed monthly based upon the average daily cash balance.

# **Police and Fire Retirement System of the City of Detroit**

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## **Management's Discussion and Analysis (Continued)**

The DPFRS cash composite return for the year was 5.8 percent. This return ranked in the top quartile of its peer group and out-performed the median cash account (5.2 percent) by 60 basis points. The cash composite out-performed its benchmark three-month, U.S. Treasury bills (4.8 percent), by 100 basis points. Returns from cash on an absolute basis have been constrained since 2001 by Federal Reserve Board policy of maintaining relatively low levels of short-term interest rates coupled with a flat and, at times, inverted yield curve. The Board expects the current relatively low levels of interest rates and flat yield curve to continue indefinitely.

### **Liabilities**

Liabilities shown in the financial statements consist of accounts payable and liabilities pursuant to securities lending. Accounts payable consist of those amounts payable for goods and services purchased to operate the System plus the trade settlement amount for securities purchases having a settlement date which occurred after the fiscal year end. Liabilities arising from the System's securities lending program are described in the following section.

### **Securities Lending**

The System participates in a securities lending program. The master securities custodian acts as the exclusive agent of the System. The agent fully indemnifies the System against borrower default in compliance with state statutes. At year end, the market value of securities on loan was approximately \$1.1 billion.

When a security is placed on loan, the System receives cash collateral in an amount not less than 102 percent of the market value of the securities loaned. Loans are marked-to-market daily. Cash collateral is invested by the agent in a separately managed account. Borrowers receive a daily interest rebate on the cash collateral provided to the agent. Earnings from securities lending is the difference or spread between the earnings on the cash collateral and the interest rebate paid to the borrower.

The market value of the collateral invested is carried as an asset and the amount of collateral repayable to the borrower upon return of the securities from loan is carried as a liability in the financial statements. Investments are high quality and very short term. Accordingly, the carrying values of the securities lending assets and liabilities are equal, plus or minus a diminimis amount.

# Police and Fire Retirement System of the City of Detroit

## Statement of Plan Net Assets June 30, 2007 (with comparative totals for June 30, 2006)

	2007	2006
<b>Assets</b>		
Cash (Note 3)	\$ 5,943,198	\$ 8,095,553
Investments - At fair value (Note 3):		
Short-term investments	102,040,280	85,549,655
Stocks	2,475,953,352	2,261,405,932
Bonds	789,229,816	796,295,727
Mortgage-backed securities	160,870,540	153,297,504
Mortgage and construction loans	109,927,167	132,867,205
Equity interest in real estate	192,057,840	107,260,311
Real estate investment trusts held by custodian	49,730,270	60,374,430
Pooled investments	472,828,216	339,081,044
Private placements	47,929,308	45,983,046
Accrued investment income	21,895,985	20,724,378
Contributions receivable	57,423,365	57,807,332
Receivables from investment sales	27,609,212	157,834,860
Other accounts receivable	11,944,215	615,471
Capital assets (Note 1)	422,237	417,749
Cash and investments held as collateral for securities lending - Short-term investment pool (Note 3)	1,086,175,835	1,028,069,856
Total assets	5,611,980,836	5,255,680,053
<b>Liabilities</b>		
Payables for investment purchases	31,435,872	181,756,605
Claims payable to retirees and beneficiaries	6,405,458	4,291,693
Other liabilities	6,613,770	6,177,671
Amounts due broker under securities lending agreement (Note 3)	1,086,175,835	1,028,069,856
Total liabilities	1,130,630,935	1,220,295,825
<b>Net Assets Held in Trust for Pension Benefits</b>		
(a schedule of analysis of funding progress is presented in the required supplemental information)	<b>\$ 4,481,349,901</b>	<b>\$ 4,035,384,228</b>

# Police and Fire Retirement System of the City of Detroit

## Statement of Changes in Plan Net Assets Year Ended June 30, 2007 (with comparative totals for the year ended June 30, 2006)

	2007	2006
<b>Additions</b>		
Investment income:		
Interest and dividend income	\$ 172,251,954	\$ 149,038,677
Net appreciation in fair value	484,214,184	243,539,800
Investment expense	(15,741,914)	(14,475,755)
Securities lending income	3,101,266	3,411,933
Other income	375,849	155,074
Net investment income	644,201,339	381,669,729
Contributions:		
Employee	10,043,736	10,007,531
Employer	57,423,366	57,807,332
Total additions	711,668,441	449,484,592
<b>Deductions</b>		
Retirees' pension and annuity benefits	225,249,848	217,411,446
Member refunds and withdrawals	36,708,695	22,244,391
General and administrative expenses	3,642,595	3,294,224
Depreciation expense	101,630	105,061
Total deductions	265,702,768	243,055,122
<b>Net Increase in Net Assets Held in Trust for Pension Benefits</b>	445,965,673	206,429,470
<b>Net Assets Held in Trust for Pension Benefits - Beginning of year</b>	4,035,384,228	3,828,954,758
<b>Net Assets Held in Trust for Pension Benefits - End of year</b>	<b><u>\$ 4,481,349,901</u></b>	<b><u>\$ 4,035,384,228</u></b>

# Police and Fire Retirement System of the City of Detroit

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**Notes to Financial Statements  
June 30, 2007 and 2006**

## **Note 1 - Summary of Significant Accounting Policies**

The City of Detroit (the "City") sponsors the contributory single-employer retirement plan for Police and Fire Retirement System of the City of Detroit (the "System"). The System, which is administered by the System's board of trustees, is composed of a defined benefit component and a defined contribution component. The plans provide retirement, disability, and survivor benefits to plan members and beneficiaries. The Police and Fire Retirement System of the City of Detroit is a separate and independent trust qualified under applicable provisions of the Internal Revenue Code and is an independent entity (separate and distinct from the employer/plan sponsor) as required by (1) state law and (2) Internal Revenue Code provisions setting forth qualified plan status. The trustees of the plan have a fiduciary obligation and legal liability for any violations of fiduciary duties as independent trustees.

**Reporting Entity** - The financial statements of the System are also included in the combined financial statements of the City of Detroit as pension trust funds. The assets of the pension trust funds include no securities of or loans to the City or any other related party.

**Basis of Accounting** - Police and Fire Retirement System of the City of Detroit's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

**Methods Used to Value Investments** - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

**Capital Assets** - Capital assets for the System represent office equipment and furniture. Depreciation expense is calculated by allocating the net cost of the assets over their estimated useful lives.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure.

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 2 - Plan Description and Contribution Information

At June 30, 2007, the membership of the defined benefit plans and the defined contribution plans consisted of the following:

	Defined Benefit Plan	Defined Contribution Plan
Retirees and beneficiaries receiving pension benefits	8,550	1,236
Terminated plan members entitled to but not yet receiving benefits	24	27
Active plan members	4,312	4,050

**Plan Description** - The System provides retirement benefits, as well as survivor and disability benefits. Employees may receive cost of living adjustments as a percentage of their base amounts, pursuant to the collective bargaining agreement in effect at their date of retirement. The obligation to contribute to and maintain the System was established by City Charter and negotiation with the employees' collective bargaining unit.

**Contributions** - The City's policy is to fund normal costs and amortization of prior service costs. The City is required to contribute at an actuarially determined rate. Administrative costs are financed through investment earnings. The contribution rate calculated by the actuary for 2006-2007 and 2005-2006 was 25.52 percent and 40.69 percent, respectively, of active annual payroll. Contributions from the employer were \$57,423,366 and \$57,807,332 for the years ended June 30, 2007 and 2006, respectively. In addition to this contribution amount for year ended June 30, 2007, an additional \$32,935,982 is being funded from the use of pension obligation certificate proceeds received during 2005. The System's actuary has computed the rate used to calculate the amount of money that is funded by certificate proceeds. The amount is funded by transfers from the Accrued Liability Reserve Fund to the Pension Reserve Fund.

Employees are required to make contributions toward annuity savings in the amount of 5 percent of base compensation until eligibility for retirement is reached. Contributions from employees totaled \$10,043,736 and \$10,007,531 for the years ended June 30, 2007 and 2006, respectively. The contribution requirements of plan members and the City of Detroit are established and may be amended by the board of trustees in accordance with the City Charter, union contracts, and plan provisions.

# Police and Fire Retirement System of the City of Detroit

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## Notes to Financial Statements June 30, 2007 and 2006

### Note 2 - Plan Description and Contribution Information (Continued)

At a July 2007 Board meeting, the trustees reached an agreement with the City which requires the City to pay an additional \$7,739,282 of pension contributions during the year ending June 30, 2008. This additional contribution is the result of the City not making the full actuarially required contribution for the year ended June 30, 2006.

### Note 3 - Deposits and Investments

The System is authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles. The investment policy adopted by the Board is in accordance with Public Act 196 of 1997 and has authorized the investments according to Michigan Public Act 314. The System's deposits and investment policies are in accordance with statutory authority.

The System's cash and investments are subject to several types of risk, which are examined in more detail below:

#### Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk. The System had bank deposits (certificates of deposit, checking, and savings accounts) of \$5,869,741 and \$8,031,837 at June 30, 2007 and 2006, respectively, that were uninsured and uncollateralized. The System believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the System evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

#### Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The System's investment policy does not restrict investment maturities.

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 3 - Deposits and Investments (Continued)

At June 30, 2007, the average maturities of investments are as follows:

Investment Type	Fair Value (\$000)	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. government	\$ 137,021	\$ 24,464	\$ 46,135	\$ 49,040	\$ 17,382
Gov. assets and mort. backed	161,592	-	882	3,293	157,417
Corporate	578,164	24,671	211,211	204,164	138,118
Other fixed income	101,227	4,694	21,655	53,930	20,948
Convertible bonds	16,098	235	1,988	2,062	11,813
Pooled and mutual funds**	192,720	2	-	-	-
Certificates of deposit	3	3	-	-	-
Treasury bills	99	99	-	-	-
Government agencies	6,593	6,593	-	-	-
Mortgages	20,390	-	3,000	8,405	8,985
Construction loans	89,537	63,890	25,647	-	-
Total	<u>\$ 1,303,444</u>	<u>\$ 124,651</u>	<u>\$ 310,518</u>	<u>\$ 320,894</u>	<u>\$ 354,663</u>

\*\*Not all pooled and mutual funds are subject to interest rate risk.

At June 30, 2006, the average maturities of investments are as follows:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
U.S. government	\$ 149,685	\$ 21,099	\$ 71,456	\$ 42,994	\$ 14,136
Mortgage backed	123,536	-	167	5,620	117,749
Collateralized mortgage obligations	39,484	-	-	-	39,484
Corporate	593,863	36,337	238,078	226,939	92,509
Yankee bonds	8,387	-	4,530	2,056	1,801
Non-U.S. fixed income	31,356	-	9,564	18,302	3,490
Convertible bonds	18,533	-	1,491	316	16,726
Treasury bills	133	133	-	-	-
Mortgages	12,222	-	3,000	-	9,222
Total	<u>\$ 977,199</u>	<u>\$ 57,569</u>	<u>\$ 328,286</u>	<u>\$ 296,227</u>	<u>\$ 295,117</u>

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 3 - Deposits and Investments (Continued)

#### Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices.

As of June 30, 2007, the credit quality ratings of debt securities (other than the U.S. government) as rated by S&P are as follows:

Investment Type and Fair Value (\$000)	AAA	AA	A	BBB	BB
U.S. government	\$ 109,787	\$ -	\$ 308	\$ -	\$ 384
Mortgage backed	7,151	-	-	-	-
Collateralized mortgage obligations	2,338	-	-	-	-
Corporate	21,501	42,286	113,343	127,575	65,755
Other fixed income	466	3,513	18,032	10,562	13,462
Convertible bonds	383	761	3,953	3,582	2,274
Pooled and mutual funds	31,311	-	-	-	-
Certificates of deposit	-	-	-	-	-
Government agencies	-	-	-	-	-
Mortgages	-	-	-	-	-
Construction loans	-	-	-	-	-
Total	\$ 172,937	\$ 46,560	\$ 135,636	\$ 141,719	\$ 81,875

Investment Type and Fair Value (\$000)	B	CCC and Below	A-I	NR
U.S. government	\$ 315	\$ -	\$ -	\$ -
Corporate	138,466	28,366	-	42,483
Other fixed income	34,451	12,336	-	5,816
Convertible bonds	3,153	273	-	2,030
Pooled and mutual funds	-	-	-	161,409
Certificates of deposit	-	-	-	3
Government agencies	-	-	6,593	-
Mortgages	-	-	-	20,390
Construction loans	-	-	-	89,536
Total	\$ 176,385	\$ 40,975	\$ 6,593	\$ 321,667

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 3 - Deposits and Investments (Continued)

As of June 30, 2006, the credit quality ratings of debt securities (other than the U.S. government) as rated by S&P are as follows:

Investment Type and Fair Value (\$000)	AAA	AA	A	BBB	BB
U.S. government	\$130,767	\$ -	\$ -	\$ -	\$ -
Mortgage backed	8,943	-	-	-	-
Collateralized mortgage obligations	9,989	-	-	-	-
Corporate	11,168	31,016	128,161	129,670	73,782
Yankee bonds	-	-	-	5,903	901
Non-U.S. fixed income	-	-	11,938	2,651	5,498
Convertible bonds	693	-	1,787	4,116	4,197
Total	<u>\$ 161,560</u>	<u>\$ 31,016</u>	<u>\$ 141,886</u>	<u>\$ 142,340</u>	<u>\$ 84,378</u>

Investment Type and Fair Value (\$000)	CCC and			
	B	Below	A-I	NR
Corporate	\$ 169,702	\$ 29,184	\$ -	\$ 37,171
Mortgage backed	-	-	-	114,593
Collateralized mortgage obligations	-	-	-	29,495
Yankee bonds	1,465	-	-	119
Non-U.S. fixed income	9,497	1,110	-	662
Convertible bonds	2,989	541	-	1,131
Commercial paper	-	-	696	-
Mortgages	-	-	-	12,222
Total	<u>\$ 183,653</u>	<u>\$ 30,835</u>	<u>\$ 696</u>	<u>\$ 195,393</u>

### Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The System does not restrict the amount of investments in foreign currency.

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 3 - Deposits and Investments (Continued)

At June 30, 2007, the following securities are subject to foreign currency risk (in \$000):

	Fixed Income	Equity	Forward Contracts Unrealized Gain (Loss)	Cash
Australian dollar	\$ -	\$ 19,511	\$ 2,839	\$ (8)
Brazilian real	-	-	-	181
British pound sterling	-	126,259	11,058	(741)
Canadian dollar	-	6,619	12,061	74
Danish krone	-	4,782	-	182
Euro currency	-	252,247	(2,417)	5,360
Hong Kong dollar	-	8,328	-	144
Japanese yen	4,442	90,980	(28,283)	1,082
Mexican nuevo peso	-	616	-	3
New Taiwan dollar	-	586	-	35
New Zealand dollar	-	4,032	(4,611)	3
Norwegian krone	-	16,073	-	56
Renminbi yuan	-	331	-	145
Singapore dollar	-	2,679	-	(13)
South Korean won	-	1,896	-	84
Swedish krona	-	17,851	-	17
Swiss franc	-	29,852	-	-
Total	<u>\$ 4,442</u>	<u>\$ 582,642</u>	<u>\$ (9,353)</u>	<u>\$ 6,604</u>

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 3 - Deposits and Investments (Continued)

At June 30, 2006, the following securities are subject to foreign currency risk (in \$000):

	Fixed Income	Equity	Forward Contracts Unrealized Gain (Loss)	Cash
Australian dollar	\$ -	\$ 10,730	\$ 5,108	\$ 202
British pound sterling	-	96,504	(19,680)	832
Canadian dollar	-	2,627	15,612	29
Danish krone	-	1,493	-	20
Euro currency	-	171,848	968	2,284
Hong Kong dollar	-	6,091	(2,052)	52
Japanese yen	-	118,226	(20,890)	5,805
Malaysian ringgit	-	561	-	-
New Taiwan dollar	-	534	-	-
New Zealand dollar	-	3,614	-	1
Norwegian krone	-	9,148	-	59
Renminbi yuan	-	509	-	-
Singapore dollar	-	3,148	-	8
South Korean won	-	2,141	-	(107)
Swedish krona	-	17,977	553	(449)
Swiss franc	-	35,912	-	646
<b>Total</b>	<b>\$ -</b>	<b>\$ 481,063</b>	<b>\$ (20,381)</b>	<b>\$ 9,382</b>

The following is a description of the investments by type:

Investment	2007	2006
Short-term investments	\$ 102,040,280	\$ 85,549,655
Stocks	2,475,953,352	2,261,405,932
Bonds	789,229,816	796,295,727
Mortgage-backed securities	160,870,540	153,297,504
Mortgage and construction loans	109,927,167	132,867,205
Equity interest in real estate	192,057,840	107,260,311
Real estate investment trusts held by custodian	49,730,270	60,374,430
Pooled investments	472,828,216	339,081,044
Private placements	47,929,308	45,983,046
<b>Total</b>	<b>\$ 4,400,566,789</b>	<b>\$ 3,982,114,854</b>

# Police and Fire Retirement System of the City of Detroit

**Notes to Financial Statements  
June 30, 2007 and 2006**

## **Note 3 - Deposits and Investments (Continued)**

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. The custodial bank does not have the ability to pledge or sell collateral securities unless the borrower defaults. Borrowers are required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned securities.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

The System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested together with the cash collateral of other lenders in an investment pool. The average duration of this investment pool as of June 30, 2007 and 2006 was 28 and 30 days, respectively. Because the loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2007 and 2006, the System had no credit risk exposure to borrowers. The collateral held and the fair market value of underlying securities on loan for the System as of June 30, 2007 was \$1,086,175,835 and \$1,057,180,131, respectively.

The following represents the balances relating to the securities lending transactions as of December 31, 2007; investments are reported at fair value:

Securities Lent	Underlying Securities	Collateral Received	Collateral Investment Value	Type of Collateral
U.S. government and agencies	\$ 120,780,763	\$ 122,560,063	\$ 122,560,063	Custodian's short-term investment pool
U.S. corporate fixed income	97,923,484	100,042,017	100,042,017	Custodian's short-term investment pool
U.S. equities	807,417,045	831,244,578	831,244,578	Custodian's short-term investment pool
Non-U.S. equities	<u>31,058,839</u>	<u>32,329,177</u>	<u>32,329,177</u>	Custodian's short-term investment pool
Total	<u>\$ 1,057,180,131</u>	<u>\$ 1,086,175,835</u>	<u>\$ 1,086,175,835</u>	

There is no information available for securities lending income in 2006.

# Police and Fire Retirement System of the City of Detroit

## Notes to Financial Statements June 30, 2007 and 2006

### Note 4 - Reserves

State law requires employee contributions to be segregated. In addition, amounts must be set aside as determined by the actuary to fund benefits to retirees currently approved to receive benefits. As of June 30, 2007 and 2006, the System's reserves have been fully funded as follows:

	2007	2006
Reserved for employee contributions	\$ 260,925,845	\$ 269,912,502
Reserved for retired employees	2,834,365,627	2,355,336,469

A statement of changes in plan net assets by fund is included in the other supplemental information.

### Note 5 - Pension Obligation Certificates

In June 2005, the City of Detroit issued \$1,440,000,000 of pension obligation certificates to provide funding for the unfunded actuarially accrued liability (UAAL) in both the General Employees' Retirement System of the City of Detroit and the Police and Fire Retirement System of the City of Detroit, which existed at June 30, 2003. Any future UAAL that may arise will continue to be paid by the City, as well as the annual normal cost. The proceeds of the pension obligation certificates were deposited into the System and are accounted for in the Accrued Liability Fund (Pension Obligation Certificate) Reserve. Approximately \$740,000,000 was deposited into the General Employees' Retirement System of the City of Detroit and approximately \$630,000,000 was deposited into the Police and Fire Retirement System of the City of Detroit, net of issuance costs and premiums. On an annual basis, funds will be transferred from the Accrued Liability Fund Reserve to the Pension Accumulation Reserve on the advice of the actuary. The Accrued Liability Fund was credited with investment earnings commensurate with the overall earnings of the System.

## **Required Supplemental Information**

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# Police and Fire Retirement System of the City of Detroit

## Required Supplemental Information Schedule of Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/00	\$ 3,964,231,470	\$ 3,342,123,550	\$ (622,107,920)	118.6	\$ 237,741,560	-
06/30/01	3,900,020,703	3,463,248,393	(436,772,310)	112.6	253,297,027	-
06/30/02	3,635,106,581	3,523,446,635	(111,659,946)	103.2	248,663,133	-
06/30/03	3,205,516,657	3,721,593,210	516,076,553	86.1	248,681,461	207.5
06/30/04	3,074,516,589	3,857,493,282	782,976,693	79.7	258,699,581	302.7
06/30/05	3,757,894,011	3,780,447,414	22,553,403	99.4	250,491,872	9.0
06/30/06	3,987,460,708	3,808,952,741	(178,507,967)	104.7	228,140,160	-

# Police and Fire Retirement System of the City of Detroit

## Required Supplemental Information Schedule of Employer Contributions

Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2000	\$ 19,972,058	100
2001	14,443,382	100
2002	8,449,645	100
2003	66,843,029	100
2004	69,475,202	100
2005	98,842,261 *	100
2006	87,666,683 **	100
2007	90,359,347 ***	100

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of June 30, 2006, the latest actuarial valuation, is as follows:

Valuation date	June 30, 2006
Actuarial cost method	Entry age
Amortization method	Level percent
Remaining amortization period	29 years closed
Asset valuation method	Three-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.8%
Projected salary increases	5.8%-10.8%
Includes inflation at	4.8%
Cost of living adjustments	2.25%

\* For the year ended June 30, 2005, \$61,391,371 of the annual required contributions noted above was not received by the Police and Fire Retirement System of the City of Detroit. Of the total amount, \$9,788,775 and \$51,602,596 related to the years ended June 30, 2004 and 2005, respectively. In addition, of the total contribution, \$47,237,665 was funded by transfers from the Accrued Liability Reserve Fund.

\*\* For the year ended June 30, 2006, the actuary calculated a City contribution of \$64,986,629. The Police and Fire Retirement System Board subsequently decreased the contribution to \$57,807,332 through Board action. The \$57,807,332 contribution was not received by the Police and Fire Retirement System of the City of Detroit during the fiscal year ended June 30, 2006. In addition, of the total contribution of \$87,666,683, \$29,859,352 was funded by transfers from the Accrued Liability Reserve Fund.

# **Police and Fire Retirement System of the City of Detroit**

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## **Required Supplemental Information Schedule of Employer Contributions (Continued)**

\*\*\* For the year ended June 30, 2007, the annual actuarially determined required contribution of \$57,423,366 was not yet received by the Police and Fire Retirement System of the City of Detroit. In addition to the annual required contribution, an additional contribution amount of \$32,935,982 was funded by transfers from the Accrued Liability Reserve Fund.

## **Other Supplemental Information**

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# Police and Fire Retirement System of the City of Detroit

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## Other Supplemental Information Description of Funds

**Annuity Savings Fund** - This fund represents cumulative required and voluntary contributions made by the active employees plus accumulated interest.

**Annuity Reserve Fund** - Transfers are made from the Annuity Savings Fund into the Annuity Reserve Fund when an employee retires, becomes disabled, or if a surviving spouse elects an annuity rather than a lump-sum payout of accumulated employee contributions.

Both annuity funds are referred to as defined contribution plans.

**Market Stabilization Fund** - This fund represents designations from the plans' investment income (loss) to be used to cushion the market value adjustments within the other funds. The board of trustees authorized the creation of this fund, and the reserve amounts are calculated using a three-year average method.

**Accrued Liability Reserve Fund** - This fund originated during June 2005 when the City issued pension obligation certificates to fund the unfunded actuarial accrued liability that existed at June 30, 2003 (subject UAAL). On an annual basis, the actuary will inform the System of the amount to transfer from the Accrued Liability Reserve to the Pension Accumulation Fund in lieu of contributions from the City for the subject UAAL.

**Survivor Benefits Fund** - This fund is used to accumulate the DPFERS employee and City contributions for certain survivor benefits from which the related benefits are paid.

**Pension Accumulation Fund** - This fund represents accumulated City contributions to the System for the payment of pensions and other benefits to future retirees. Additionally, pre-employment military service credit contributions are captured in this fund.

**Pension Reserve Fund** - This fund represents funded pension benefits available for retired members and is funded by actuarially determined transfers from the Pension Accumulation Fund.

# Police and Fire Retirement System of the City of Detroit

	Annuity Reserves		
	Annuity Savings Fund	Annuity Reserve Fund	Market Stabilization Fund
<b>Additions</b>			
Net investment income	\$ 19,719,071	\$ 700,692	\$ 119,078,940
Contributions:			
Employee	9,975,989	-	-
Employer	-	-	-
Total additions	29,695,060	700,692	119,078,940
<b>Deductions</b>			
Retirees' pension and annuity benefits	-	840,477	-
General and administrative expenses	-	-	-
Depreciation expense	-	-	-
Member refunds and withdrawals	36,708,695	-	-
Total deductions	36,708,695	840,477	-
<b>Net (Deductions) Additions - Before transfers</b>	(7,013,635)	(139,785)	119,078,940
<b>Transfers - Net</b>	(1,973,023)	3,988,666	-
<b>Net (Decrease) Increase in Net Assets Held in Trust for Pension Benefits</b>	(8,986,658)	3,848,881	119,078,940
<b>Net Assets Held in Trust for Pension Benefits - Beginning of year</b>	269,912,502	9,619,757	55,109,213
<b>Net Assets Held in Trust for Pension Benefits - End of year</b>	<u>\$260,925,844</u>	<u>\$13,468,638</u>	<u>\$174,188,153</u>

**Other Supplemental Information**  
**Statement of Changes in Plan Net Assets by Fund**  
**Year Ended June 30, 2007**  
(with comparative totals for the year ended June 30, 2006)

Accrued Liability Reserve Fund	Pension Reserves			Total	
	Survivor Benefits Fund	Pension Accumulation Fund	Pension Reserve Fund	2007	2006
\$ 78,937,211	\$ 1,334,394	\$ 218,147,241	\$ 206,283,790	\$ 644,201,339	\$ 381,669,729
-	-	67,747	-	10,043,736	10,007,531
-	-	57,423,366	-	57,423,366	57,807,332
78,937,211	1,334,394	275,638,354	206,283,790	711,668,441	449,484,592
-	3,974,298	-	220,435,073	225,249,848	217,411,446
-	-	3,642,595	-	3,642,595	3,294,224
-	-	101,630	-	101,630	105,061
-	-	-	-	36,708,695	22,244,391
-	3,974,298	3,744,225	220,435,073	265,702,768	243,055,122
78,937,211	(2,639,904)	271,894,129	(14,151,283)	445,965,673	206,429,470
(32,935,982)	(1,730,077)	(11,415,814)	44,066,230	-	-
46,001,229	(4,369,981)	260,478,315	29,914,947	445,965,673	206,429,470
605,039,360	20,824,838	429,161,846	2,645,716,712	4,035,384,228	3,828,954,758
<b>\$651,040,589</b>	<b>\$ 16,454,857</b>	<b>\$ 689,640,161</b>	<b>\$ 2,675,631,659</b>	<b>\$ 4,481,349,901</b>	<b>\$ 4,035,384,228</b>