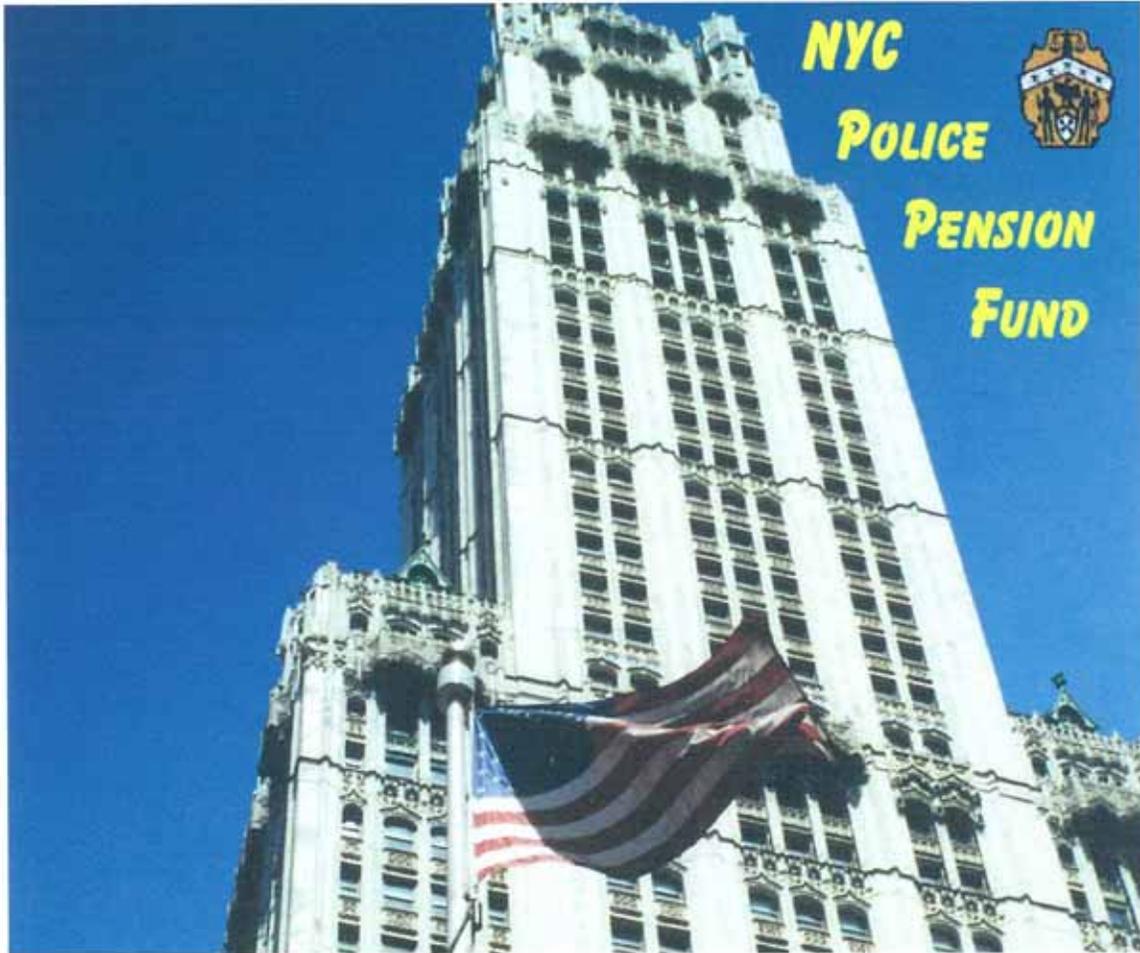


NEW YORK CITY POLICE PENSION FUND

SUBCHAPTER TWO

A PENSION TRUST FUND OF THE CITY OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

June 30, 2005

NEW YORK, NEW YORK



NEW YORK CITY POLICE PENSION FUND

A PENSION TRUST FUND OF THE CITY OF NEW YORK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

June 30, 2005



NEW YORK CITY  
POLICE PENSION FUND

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
A PENSION TRUST FUND OF THE CITY OF NEW YORK  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2005

Prepared By : Accounting Unit under the direction of:  
MICHAEL WELSOME - Executive Director  
New York City Police Pension Fund

Actuary

ROBERT C. NORTH JR. Chief Actuary

Custodian of the Fund

WILLIAM C. THOMPSON Jr.- Comptroller of the City of New York

Headquarters Address

New York City Police Pension Fund  
233 Broadway, 25th Floor  
New York, N.Y. 10279

Board of Trustees

Hon. MICHAEL R. BLOOMBERG, Mayor  
Hon. RAYMOND W. KELLY, Police Commissioner, Chairman  
Hon. WILLIAM C. THOMPSON Jr., Comptroller, Treasurer  
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Lt. ANTHONY GARVEY, President of the Lieutenants' Benevolent Association  
Sgt. EDWARD MULLINS, President of the Sergeants' Benevolent Association  
Det. MICHAEL J. PALLADINO, President of the Detectives' Endowment Association



**NEW YORK CITY POLICE PENSION FUND  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 A PENSION TRUST FUND OF THE CITY OF NEW YORK  
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NEW YORK CITY POLICE PENSION FUND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



INTRODUCTORY SECTION

PART I

FISCAL YEAR ENDED

June 30, 2005



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## New York City Police Pension Fund, Subchapter 2

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zielke*

President

*Jeffrey R. Emer*

Executive Director





# New York City Police Pension Fund

233 BROADWAY  
NEW YORK, NEW YORK 10279  
(212) 693-5100

Executive Director-Michael D. Welsome

**December 15, 2005**

## **To the Members of the Board of Trustees, New York City Police Pension Fund.**

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of The New York City Police Pension Fund (the Plan); a Pension Trust Fund of The City of New York, for the fiscal year ended June 30, 2005. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Plan. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of the operation of the Pension System. All disclosures necessary to enable the reader to gain an understanding of the Pension System's Financial Activities have been included.

Our independent auditors, Deloitte & Touche, have audited our financial statements and have submitted an independent auditor report, included in this book. The audit was conducted in accordance with generally accepted auditing standards. This report was prepared in accordance with the Principles of Governmental Accounting and Reporting promulgated by the Governmental Accounting Standards Board.

This report will be forwarded to the Government Finance Officers Association for review in the Certificate of Achievement for Excellence in Financial Reporting Program. This report consists of five sections:

- a) The Introductory Section; containing the Executive Director's explanation of administrative organization.
- b) The Financial Section; containing the opinion of the Independent Certified Public Accountants, as well as the Financial Statements of the Plan. The Management Discussion and Analysis narrative in this section provides an overview of the plan's financial activities for the fiscal year ended June 30, 2005.
- c) The Investment Section; including reports on investment activities and policies.
- d) The Actuarial Section; containing the system's Actuarial Data and the Actuarial Certification Letter.
- e) The Statistical section; containing statistical tables with significant data pertaining to The New York City Police Pension Fund.

## **Background of the Fund**

The New York City Police Pension Fund, Subchapter 2, was incorporated on March 1, 1940 and commenced business on March 29, 1940. On January 30, 1940 the fund operated on an actuarial basis covering persons appointed to the police force after June 1, 1940. The Fund succeeded the Subchapter 1 (Article 1) Pension Fund established for New York City Police prior to 1940.

In 1995, legislation was enacted merging Subchapter 1 with Subchapter 2. In addition, legislation was passed in 1995 allowing the New York City Transit Authority and Housing Authority Police Officers to transfer out of New York City Employees Retirement System (NYCERS) and merge with the Fund. Three different police departments thus became one unified police force under the direct control of the Police Commissioner. Chapter 292 of the laws of 2001 provided Corpus Funding of administrative expenses for the Plan as of July 1, 2001, with the Executive Director as the administrator of the Fund.

The New York City Police Pension Fund is organized primarily to provide retirement and disability benefits for all uniform members of the service of the New York City Police Department. Additionally, death benefits are provided for the dependents of slain police officers. These obligations are sustained through members' and employers' contributions as well as by returns realized from investment of those contributions.

The New York City Police Pension Fund and New York City Police Department Subchapter Two Pension Fund are synonymous.

## **Economic Conditions**

Economic conditions at both the National and the City levels have a dominant impact on the financial markets and the investment industry. Positive results stimulate growth of Pension fund assets which have the output measured in profit and loss. In addition, financial and investment stability help determine the level of taxpayers' money required to fund benefits of the Pension Plan.

National economic growth continued upward despite record level oil prices, significant budget and trade deficits, and the increase in short-term interest rates. The national economy grew 3.7% in fiscal year 2005 as measured by real Gross Domestic Product (GDP); the total amount of goods and services produced in the country. Consumer spending rose 3.7%, private investment increased 9% and government spending was up by almost 2%. Job growth on the national level rose, while inflation remained low at 3%.

The City's economy, as measured by the Comptroller's Gross City Product (GCP) increased to 3.3% in fiscal year 2005 following a 0.1% decline in the prior year. The unemployment rate fell to 6.1% this year, compared to 7.9% experienced in the prior year. The City's leading economic indicators reflect signs of continued growth, although national indicators suggest the economy may grow at a slower rate.

The New York City Police Pension Fund remains in sound financial and actuarial condition. Given past performance trends, we believe that Fiscal Year 2006 will be another good year for the Fund.

### **Major Initiatives of the year**

The New York City Police Pension Fund (NYCPPF) received Corpus Funding in 2001 to improve service to our active and retired members. Corpus Funding has enabled NYCPPF to establish a new headquarters and initiate a major upgrade to its computer infrastructure and technological capabilities. Over the past three years, NYCPPF has implemented the following Information Technology enhancements:

- **Document image management** - Our document image management project imaged over 82,000 member folders containing 207,000 documents totaling 16 million pages. In-house staff is responsible for keeping these electronic folders current. We currently add over 80,000 new documents per year. This project increased our disaster recovery (DR) capabilities by allowing us to safely store electronic records off-site at a secure facility.
- **Agency website ([www.nyc.gov/nycppf](http://www.nyc.gov/nycppf))** - This site contains important information about members' pensions, downloadable pension forms, an online newsletter, and serves as a critical component of our educational and communication efforts for our membership.
- **Office automation** - All desktop computers provide modern, state of the art technology enabling our staff to remain more productive and help manage their daily workload.
- **Business continuity location** - Our disaster recovery (DR) site is situated at an alternative office location within the New York City area. Data between our headquarters and the DR site are synchronized continuously using a rapid T3 communication line. This location will enable mission-critical member functions to continue in the event of an emergency which prevents NYCPPF from using our primary office.

- **Comprehensive Officer Pension System (COPS)** - NYCPPF is in the process of user acceptance testing our comprehensive computer system that will enable us to take member service to a new level. We converted over 40,000 hard copy blue cards into an electronic blue card database to be used by the new COPS application for fast accurate member information access.
- **KIOSKCOPS** – Currently, in-house development is a self service kiosk that will allow our members to personally access their pension data and provide other services without requiring an NYCPPF pension counselor. This service is scheduled for release six months after the release of COPS.
- **New Pension Payroll System** – We have successfully implemented our new Pension Payroll Management System (PPMS). PPMS became operational July 2005, replacing an antiquated system with a modern and improved system. We wish to express our thanks to the New York City Comptroller's Office, Office of Payroll Administration and the Financial Information Services Agency for guidance and assistance in the conversion process.
- **Computerworld Honors Program Laureate** - On April 3, 2005 NYCPPF was recognized by Computerworld's search for forward thinking, innovative technology systems within the category of government and non-profit organization, as an Honors Program Laureate for its work on our Xerox Document Image Managements System described above.

## **Funding**

The Police Pension Fund Plan provides retirement, death and other benefits for qualified members and their beneficiaries. The sources of funding are: member contributions, employer contributions, and income from investments. Success of the plan can be measured by its capacity to meet the obligations due to qualified members; therefore, an adequate level of funding must be maintained.

Funding is discussed in the notes to the financial statements and greater comprehensive details in the Actuarial Section of this report. Our primary objective is to ensure the Plan is adequately funded. Our members may rest assured that their benefits are well secured and The Police Pension Fund is in sound financial condition.

## **Financial and Budgetary controls**

The management of the plan is responsible for establishing and maintaining an internal control structure designed to ensure that the Fund's assets are protected from loss, theft, or misuse and preparation of financial statements is done in conformity with Generally Accepted Accounting Principles. The internal control structure is designed to provide reasonable assurance that these objectives are met. The Plan also maintains budgetary controls. An annual examination of existing Internal Controls is performed in compliance with Directive #1, City Manager Financial Integrity Directive. The Fund is administered by the City Comptroller, who is also the treasurer and custodian. This study and evaluation disclosed no material weakness. As a further quality control, the Audit Committee for the City of New York, which includes experts in Accounting and Municipal Finance from the private sector, oversees the independent audit process. This process includes the independent auditor's reports and the Auditor's Management letter, as well as the Retirement System's response. The committee operates independently and issues a separate annual report.

## **Investment Policy**

The investment policies are adopted by the Board of Trustees. The Comptroller of the City of New York is the Treasurer, Chief Custodian and Investment Manager of the assets of the Fund. The aim of our investment advisors is to provide safe and competitive rates of return on all of our investments. Investments are made in a variety of securities including Domestic and International Stocks as well as Short-Term Investments, which minimize risks and maintain a high competitive return. The Fund continued to diversify assets among different types of securities. The Police Pension Fund also continued to spend less for investment and management fees than most other retirement systems. This diversification has increased investment results and provided greater security for the assets of the retirement system. By increasing investment returns, the pension plan thus remains more secure. In addition, the City's budget appropriation to the Pension System can be minimized potentially saving the taxpayers millions of dollars.

The following table reflects increases and decreases in revenues and expenses for selected items for Fiscal Years 2005 and 2004 respectively. Amounts are represented in thousands.

<b>Description</b>	<b>Amount 2005</b>	<b>Amount 2004</b>	<b>Net increase Decrease</b>
Member Contributions	\$119,575	\$118,565	1%
Employer Contributions	1,033,285	811,978	27%
Interest Income	270,041	242,050	12%
Dividend Income	183,614	134,169	37%
Net Appreciation (Depreciation in Fair Value of investments)	1,148,299	1,982,627	(42%)
Investment Expenses	38,285	29,894	28%
Net Investment Income (Loss)	1,572,983	2,333,744	(33%)
Benefit Payments & Withdrawals	\$1,611,199	\$1,393,776	16%

As a result of these changes, net assets available for pension benefits increased from \$16,136,719 in fiscal year 2004 to \$17,240,134 in fiscal year 2005, reflecting an increase of 7%.

A twelve-member board of trustees administers the fund. The board consists of representatives of the Police Commissioner, the Mayor, the City Comptroller and the Commissioner of Finance each with one and one-half vote; four specified officers of the Patrolmen's Benevolent Association with one vote each; and four presidents of the following Police unions: the Detectives Endowment Association, the Sergeants Benevolent Association, the Lieutenants Benevolent Association and the Captains Endowment Association, each with one-half votes. Meetings are held every month. Special meetings may be called by the chairman or by a request of the members of the Board with a combined vote of not less than five.

The Comptroller of the City of New York is the custodian of the pension fund assets and provides investment services through independent advisors. Actuarial services are provided to the system by the City's Chief Actuary employed by the Board of Trustees of the City's main pension systems. The City's Corporation Counsel provides legal services to the fund. All financial information is discussed in the financial section.

## **Other Information**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Certificates of Achievement for Excellence in Financial Reporting to the New York City Police Pension Fund Subchapter 2 for its Financial Report for the fiscal years ended June 30, 1986 through June 30, 2004. In order to be awarded a Certificate of Achievement, a government unit must publish easily readable and efficiently organized financial report whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

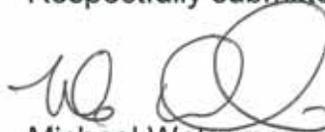
We believe our current report continues to conform to the Certificate of Achievement Program requirements and are submitting it to the GFOA to determine its eligibility for another certificate. This certificate if awarded would be the nineteenth consecutive award; a record of which we are quite proud.

## **Acknowledgements**

The compilation of this report reflects the combined effort of the staff of the Pension Plan, the Chief Actuary of The City of New York and the Comptroller's Office. It is intended to provide complete and reliable information as a basis for making management decisions, determining compliance with legal provisions, and as a means of indicating stewardship of the assets of the system. I would like to take this opportunity to thank the staff, the advisors and the many people who have worked so diligently to assure the successful operations of the Fund. I also want to express my appreciation to the Accounting Unit; especially to our Chief Accountant Abraham Papilsky and Deputy Chief Accountant Bavakutty Sunny. Their hard work and diligent efforts have continued to be above and beyond the call of duty in the gathering and preparation of all accounting and statistical data for this report; without them this report could not have been prepared so expeditiously and accurately.

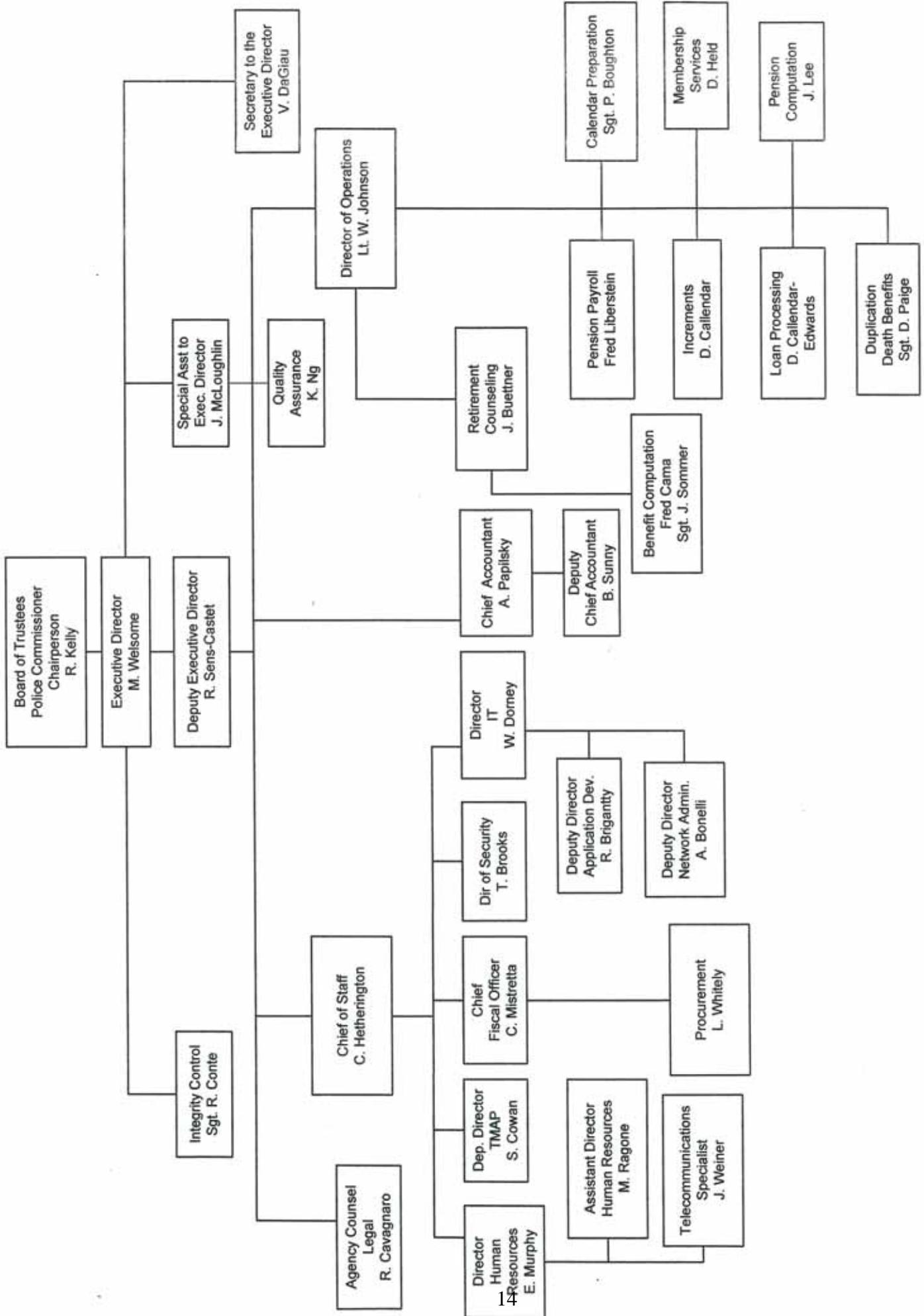
In closing, I would like to express my gratitude for the leadership and support of the Board of Trustees, who enabled the preparation of this report.

Respectfully submitted,



Michael Welsome  
Executive Director  
New York City  
Police Pension Fund

# NYC POLICE PENSION FUND



NEW YORK CITY POLICE PENSION FUND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



FINANCIAL SECTION

PART II

FISCAL YEAR ENDED

June 30, 2005



## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the  
New York City Police Pension Fund

We have audited the accompanying statements of Plan net assets of New York City Police Pension Fund (the "Plan") as of June 30, 2005 and 2004, and the related statements of changes in Plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2005 and 2004, and the changes in its net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are required by the GASB. The required supplemental information is the responsibility of the management of the Plan. Such 2005, 2004, 2003 and 2002 information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The required supplemental information for the years ended June 30, 2001, 2000 and 1999 was not subjected to auditing procedures applied in the audit of the basic 2001 financial statements by other auditors whose report dated October 30, 2001 stated that they expressed no opinion on it.

The supplemental information included in the Other Supplementary Information, Introductory, Investment, Actuarial, and Statistical sections is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Plan. Such additional information has not been subjected to the auditing procedures applied in our audits of the basic financial statements and, accordingly, we express no opinion on it.

*Deloitte + Touche LLP*

October 24, 2005

# NEW YORK CITY POLICE PENSION FUND

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2005 AND 2004

---

This narrative discussion and analysis of the New York City Police Pension Fund ("Police" or the "Plan"), also known as the New York City Police Department Subchapter Two Pension Fund, financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2005 and 2004. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the years and the effects of significant changes, as well as a comparison with the prior year's activity and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements which begin on page 6.

### Overview of Basic Financial Statements

The following discussion and analysis are intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements are:

- **The Statement of Plan Net Assets** - presents the financial position of the Plan at fiscal year-end. It indicates the assets available for payment of future benefits and any current liabilities that are owed as of the statement date. Investments are shown at fair value. All assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Plan Net Assets** - presents the results of activities during the year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** - provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

**Required Supplementary information** - as required by the Governmental Accounting Standards Board (GASB) is presented after the Notes to the Financial Statements.

The financial statements are prepared in accordance with GASB Pronouncements.

### FINANCIAL HIGHLIGHTS

The Plan's net assets held in trust for pension benefits increased by \$1.1 billion, or 7% to \$17.2 billion in fiscal year 2005 compared to fiscal year 2004 and increased by \$1.9 billion, or 13% to \$16.1 billion in fiscal year 2004 compared to fiscal year 2003. The increase in the Plan's net assets in fiscal years 2005 and 2004 was primarily due to the increased values of total investments.

**Changes in Plan Net Assets**  
**Years Ended June 30, 2005, 2004 and 2003**  
(In thousands)

	2005	2004	2003
Additions:			
Member contributions	\$ 119,575	\$ 118,565	\$ 110,839
Employer contributions	1,033,285	811,978	625,379
Net investment income	424,684	351,117	366,039
Net appreciation (depreciation) in fair value of investments	1,148,299	1,982,626	(20,349)
Net receipts from other retirement systems	<u>2,442</u>	<u>6,190</u>	<u>4,007</u>
 Total	 <u>2,728,285</u>	 <u>3,270,476</u>	 <u>1,085,915</u>
Deductions:			
Benefit payments and withdrawals	1,611,199	1,393,776	1,307,757
Administrative expenses	<u>13,671</u>	<u>11,612</u>	<u>11,395</u>
 Total deductions	 <u>1,624,870</u>	 <u>1,405,388</u>	 <u>1,319,152</u>
 Net increase (decrease) in Plan Net Assets	 <u>\$ 1,103,415</u>	 <u>\$ 1,865,088</u>	 <u>\$ (233,237)</u>

During fiscal year 2005 member contributions were \$119.6 million, which is an increase of 1%, over the fiscal year 2004 member contributions of \$118.6 million. The later fiscal year represented an increase of 7% over fiscal year 2003, member contributions of \$110.8 million. The increase in member contributions in fiscal year 2005 is primarily due to active members paying optional pension deductions in addition to regular payments.

Employer contributions received in fiscal year 2005 were \$1,033.3 million, an increase of 27% over fiscal year 2004 employer contribution of \$812.0 million. The later fiscal year contributions represented a 30% increase over fiscal year 2003. Employer contributions are statutory based on the actuarial valuation performed as of June 30, 2005, 2004 and 2003 respectively.

Plan benefits and withdrawals increased from \$1.3 billion to \$1.4 billion to \$1.6 billion for the fiscal years ended June 30, 2003, 2004 and 2005 respectively. The increases are primarily due to the increase in the number of retirees and beneficiaries receiving benefits and to a legislatively enacted cost of living increase for certain retirees and beneficiaries.

In fiscal year 2002, Chapter 292 of the New York State Laws of 2001 provided the Plan with Corpus Funding for administrative expenses. In fiscal year 2005, the Plan incurred \$13.7 million, in fiscal year 2004, \$11.6 million, and in fiscal year 2003, \$11.4 million, in administrative expenses.

## PLAN NET ASSETS

In fiscal years 2005 and 2004 the Plan experienced a 7% and 13% upward movement, respectively, in net assets held in trust for pension benefits. This was due to an increase in fair value of investments. In fiscal year 2003 the Plan's value decreased by 2% due to the decline in investments value.

Member loans, part of receivables, decreased by 1.0% this year and by 0.5% in fiscal year 2004 because of a slight decline in loan originations.

### Plan Net Assets June 30, 2005, 2004 and 2003 (In thousands)

	2005	2004	2003
Cash	\$ 871	\$ 460	\$ 1,053
Receivables	1,165,623	896,833	1,153,349
Investments, at fair value	20,171,022	19,146,283	16,711,170
Other assets	<u>10,538</u>	<u>10,222</u>	<u>8,720</u>
Total assets	<u>21,348,054</u>	<u>20,053,798</u>	<u>17,874,292</u>
Accounts payable	1,244,467	1,030,386	1,432,970
Payables for securities lending transactions	<u>2,863,453</u>	<u>2,886,693</u>	<u>2,169,691</u>
Total liabilities	<u>4,107,920</u>	<u>3,917,079</u>	<u>3,602,661</u>
Plan net assets held in trust for benefits	<u>\$ 17,240,134</u>	<u>\$ 16,136,719</u>	<u>\$ 14,271,631</u>

The Plan's receivables and payables related to Investment Securities are primarily generated through the timing of difference between the trade and settlement dates for investment securities purchased or sold

<b>Investment Summary (In thousands)</b>	<b>June 30 2005</b>	<b>June 30 2004</b>	<b>June 30 2003</b>
<b>Fair Value</b>			
<b>Type of Investment</b>			
Short-term investments	\$ 495,524	\$ 515,400	\$ 821,156
U.S. debt securities	4,628,696	4,283,805	3,990,573
Yankee bonds	96,875	86,241	273,306
U.S. equity securities	7,863,547	7,771,167	6,701,073
Mutual fund	178,106	20,968	20,973
Treasury inflation-protected securities	22,436	-	-
International equity	3,672,722	3,385,387	2,621,818
Security lending transactions	2,852,959	2,872,785	2,154,691
Private equity	<u>362,157</u>	<u>210,530</u>	<u>127,580</u>
<b>Total</b>	<b><u>\$ 20,171,022</u></b>	<b><u>\$ 19,146,283</u></b>	<b><u>\$ 16,711,170</u></b>

Due to the long-term nature of the Plan's liabilities, the assets are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns but are also subject to greater volatility and may produce negative returns. For example, the Russell 3000 Index, a broad measure of the United States Stock market, gained 8.1% in fiscal year 2005, 20% in 2004 and 1% in 2003. Also in 2005, the EAFE international index gained 12.5%; less-developed international markets gained 15.3%. The returns of the Fund have been consistent with the broad market trend. For the three year period ended June 30, 2005, the overall rate of return on investments was a gain of 10%.

**Contact information**

This financial report is designed to provide a general overview of the New York City Police Pension Fund's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Chief Accountant, New York City Police Pension Fund, 233 Broadway, 25th Floor, New York, N.Y.10279.

## NEW YORK CITY POLICE PENSION FUND

### STATEMENTS OF PLAN NET ASSETS JUNE 30, 2005 AND 2004 (In Thousands)

	2005	2004
<b>ASSETS</b>		
Cash	\$ 871	\$ 460
Receivables:		
Investment securities sold	569,967	299,799
Member loans (Note 6)	537,759	542,314
Accrued interest and dividends	57,897	54,720
Total receivables	<u>1,165,623</u>	<u>896,833</u>
<b>INVESTMENTS, AT FAIR VALUE (Notes 2 and 3):</b>		
Short-term investments:		
Commercial paper	114,349	24,827
Short-term investment fund	338,519	312,680
U.S. Treasury bills	13,872	47,559
U.S. Government agency discount notes	28,784	130,334
Debt securities:		
U.S. Government	2,480,617	2,926,938
Corporate	2,148,079	1,356,867
Yankee bonds	96,875	86,241
Equities:		
Domestic	7,863,547	7,771,167
Private equity	362,157	210,530
Mutual funds:		
International equity	3,672,722	3,385,387
Mortgages:		
Mutual fund-Mortgage	22,436	20,968
Treasury inflation-protected securities	176,106	
Collateral from securities lending	2,852,959	2,872,785
Total investments	<u>20,171,022</u>	<u>19,146,283</u>
<b>OTHER ASSETS</b>	<u>10,538</u>	<u>10,222</u>
Total assets	<u>21,348,054</u>	<u>20,053,798</u>
<b>LIABILITIES</b>		
Accounts payable	27,172	50,068
Payable for investment securities purchased	1,168,715	936,720
Accrued benefits payable	48,580	43,598
Securities lending (Note 2)	2,863,453	2,886,693
Total liabilities	<u>4,107,920</u>	<u>3,917,079</u>
<b>PLAN NET ASSETS HELD IN TRUST FOR BENEFITS</b>		
(A schedule of funding progress for the Plan is presented on Schedule 1)	<u>\$17,240,134</u>	<u>\$16,136,719</u>

See notes to financial statements.

## NEW YORK CITY POLICE PENSION FUND

### STATEMENTS OF CHANGES IN PLAN NET ASSETS

YEARS ENDED JUNE 30, 2005 AND 2004

(In Thousands)

	2005	2004
<b>ADDITIONS</b>		
Contributions:		
Member contributions	\$ 119,575	\$ 118,565
Employer contributions	<u>1,033,285</u>	<u>811,978</u>
Total contributions	<u>1,152,860</u>	<u>930,543</u>
Investment income (Note 2):		
Interest income	270,041	242,050
Dividend income	183,614	134,169
Net appreciation in fair value of investments	<u>1,148,299</u>	<u>1,982,626</u>
Total investment income	1,601,954	2,358,845
Less investment expenses	<u>38,285</u>	<u>29,894</u>
Net income	<u>1,563,669</u>	<u>2,328,951</u>
Securities lending transactions:		
Securities lending income	74,128	22,700
Securities lending fees	<u>(64,814)</u>	<u>(17,908)</u>
Net securities lending income	<u>9,314</u>	<u>4,792</u>
Net investment income	<u>1,572,983</u>	<u>2,333,743</u>
Other-		
Net receipts from other retirement systems	<u>2,442</u>	<u>6,190</u>
Total additions	<u>2,728,285</u>	<u>3,270,476</u>
<b>DEDUCTIONS</b>		
Benefit payments and withdrawals (Note 1)	1,611,199	1,393,776
Administrative expenses	<u>13,671</u>	<u>11,612</u>
Total deductions	<u>1,624,870</u>	<u>1,405,388</u>
<b>INCREASE IN PLAN NET ASSETS</b>	<u>1,103,415</u>	<u>1,865,088</u>
<b>PLAN NET ASSETS HELD IN TRUST FOR BENEFITS:</b>		
Beginning of year	<u>16,136,719</u>	<u>14,271,631</u>
End of year	<u>\$ 17,240,134</u>	<u>\$ 16,136,719</u>

See notes to financial statements.

# NEW YORK CITY POLICE PENSION FUND

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2005 AND 2004

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### 1. PLAN DESCRIPTION

The City of New York (the "City") maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State ("State") statutes and City laws). The City's five major actuarially-funded pension systems are the New York City Police Pension Fund (the "Plan"), the New York City Employees' Retirement System ("NYCERS"), the Teachers' Retirement System of the City of New York Qualified Pension Plan ("TRS"), the New York City Board of Education Retirement System Qualified Pension Plan ("BERS") and the New York City Fire Pension Fund ("FIRE"). Each pension system is a separate Public Employee Retirement System ("PERS") with a separate oversight body and is financially independent of the others.

In conjunction with the establishment of an administrative staff separate from the New York City Police Department in accordance with Chapter 292 of the Laws of 2001, the New York City Police Department, Subchapter Two Pension Fund is generally being referred to herein as the New York City Police Pension Fund as set forth in Administrative Code of the City of New York Section 13-214.1.

The Plan is a single-employer PERS. The Plan provides pension benefits for full-time uniformed employees of the New York City Police Department (the "Employer"). All full-time uniformed employees of the New York City Police Department become members of the Plan upon employment.

The Plan functions in accordance with existing State statutes and City laws. It combines features of a defined benefit pension plan with those of a defined contribution pension plan. Contributions are made by the Employer and the members.

In June 1991, the Governmental Accounting Standards Board (the "GASB") issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Plan.

The Plan is included in the Pension and Other Employee Benefit Trust Funds section of the City's Comprehensive Annual Financial Report ("CAFR").

At June 30, 2004 and 2003, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	<u>2004</u>	<u>2003</u>
Retirees and beneficiaries receiving benefits	39,452	38,260
Terminated vested members not yet receiving benefits	597	490
Active members receiving salary	<u>35,049</u>	<u>35,841</u>
 Total	 <u>75,098</u>	 <u>74,591</u>

The Plan provides three main types of retirement benefits: service retirements, ordinary disability retirements (non job-related disabilities) and accident disability retirements (job-related disabilities):

- A service retirement benefit provides an allowance of one-half of final salary after 20 years or 25 years of service (as elected), with additional benefits equal to a specified percentage per year of service (currently approximately 1.67%) of average salary times the number of years of service in excess of the 20-year or 25-year minimum. These additional benefits are increased, where applicable, by an annuity attributable to member contributions with respect to service over the 20-year or 25-year minimum and by any benefits attributable to the Increased-Take-Home-Pay ("ITHP") contributions accumulated after such qualifying service. ITHP represents amounts contributed by the City in lieu of members' own contributions. These amounts reduce the contributions that members would have to make to the Plan during their services and thereby increase their take-home pay. Members have the choice of waiving their ITHP, which would reduce their take-home pay, but provide them with greater benefits upon retirement.
- An ordinary disability retirement benefit generally provides a pension equal to 1/40 of final salary times the number of years of service but not less than one-half of final salary if ten or more years of service were completed, or one-third of final salary if less than ten years of service were completed.
- An accident disability retirement benefit provides a pension of three-fourths of final salary plus an increment as described above based on years of service in excess of the 20 year or 25 year minimum plus an annuity based on the member's contributions with accumulated interest and the amount accumulated under the ITHP program.

Annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

Chapter 659 of the Laws of 1999 reduced the amount of service credit needed for vesting purposes to five years, subject to certain conditions. Previously, members became fully vested as to benefits upon the completion of fifteen years of service. In addition, the Plan includes provisions for death benefits.

During the Spring 2000 session, the State Legislature approved and the State Governor ("Governor") signed laws that provide automatic Cost-of-Living Adjustment ("COLA") for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000), an increase of the ITHP contribution rate to 5.0% from 2.5% for certain Tier 1 and Tier 2 members (Chapter 373 of the Laws of 2000) and a revised definition of salary to be used in the computations of certain Tier 2 benefits (Chapter 372 of the Laws of 2000).

Finally, certain service retirees also receive supplemental benefits under the New York City Police Department Variable Supplements Funds, which are not included in these financial statements.

The New York State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, amendments were made to the State Retirement and Social Security Law ("RSSL") to modify certain benefits for employees joining the Plan on or after the effective date of such amendments. These amendments, which affect employees who joined the Plan on and after July 1, 1973, established certain benefit limitations relating to eligibility for retirement, the salary base for benefits and maximum benefits. Recent laws, including but not limited to Chapter 372 of the Laws of 2000 which provides a revised definition of salary base to be used in the computation of certain benefits for Tier 2 members of the Plan and Chapter 589 of the Laws of 2001 which eliminated the Tier 2 maximum 30 years of service limitation, have lessened these limitations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

***Basis of Accounting*** - The Plan uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Contributions from members are recognized when the employer makes payroll deductions from Plan members. 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.

***Investment Valuation*** - Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the Short-Term Investment Fund (the "STIF") (a money market fund), the International Investment funds (the "IIF") and Private Equity (the "PE"). The IIF and PE are private funds which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers.

Purchases and sales of securities are reflected on the trade date.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on the accrual basis.

No investment in any one security represents 5% or more of the Plan net assets held in trust for benefits.

***Income Taxes*** - Income earned by the Plan is not subject to Federal income tax.

***Accounts Payable*** - Accounts payable is principally comprised of amounts owed to the Plan's banks for overdrawn bank balances. The Plan's practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis and these balances are routinely settled each day.

**Securities Lending Transactions** - State statutes and Board policies permit the Plan to lend its investments to broker-dealers and other entities for collateral, for the same securities in the future with a simultaneous agreement to return the collateral in the form of cash, treasury and U.S. Government securities. The Plan's custodian lends the following types of securities: short-term securities, common stock, long-term corporate bonds, U.S. Government and U.S. Government agency bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, it receives collateral in the form of cash, U.S. Treasury and U.S. Government agency securities at 100 percent to 105 percent of the principal plus accrued interest for reinvestment. At June 30, 2005, management believes, the Plan had no credit risk exposure to borrowers because the amounts the Plan owed the borrowers equaled or exceeded the amounts the borrowers owed the Plan. The contracts with the Plan's custodian require borrowers to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Plan or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted average maturity of 90 days. The underlying fixed income securities which comprise these pools have an average maturity of ten years.

During Fiscal Year 2003, the value of certain underlying securities became impaired because of the credit failure of the issuer. Accordingly, the carrying amount of the collateral reported in the Plan's statements of plan net assets for FY 2003 was reduced by \$15 million to reflect this impairment and reflect the net realizable value of the securities purchased with collateral from securities lending transactions. In May 2004, the Plan received \$1.1 million from a distribution in bankruptcy proceedings from the defaulted issuer. In August 2004, the Plan received \$2.8 million as partial settlement from parties involved in the initial purchase of the impaired security.

The securities lending program in which the Plan participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statement of plan net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government entity has the ability to pledge or sell them without a borrower default. Accordingly, the Plan recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending.

#### ***New Accounting Standards Adopted***

In fiscal year 2005, the Plan adopted one new statement issued by Governmental Accounting Standards Board (GASB):

— Statement No. 40 *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*

Statement No. 40 establishes and modifies disclosure requirement related to investment risks, which includes credit risk, interest rate risk and foreign currency risk. The implementation of Statement No. 40 expands note disclosure regarding the Plan's investments and their related investment and deposit risks. Under Statement No. 40, the Plan is required to disclose information (if applicable) covering four principal areas:

- Investment credit risk disclosures, including credit quality information issued by rating agencies;

- Interest rate disclosures that include investment maturity information, such as weighted average maturities or specific identification of the securities;
- Interest rate sensitivity for investments that are highly sensitive to changes in interest rates;
- Foreign exchange exposures that would indicate the foreign investment's denomination.

***Pronouncements Issued But Not Yet Effective***

In April, 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Statement prescribes uniform financial reporting standards for Other Postemployment Benefits (OPEB) plans of all state and local governments. OPEB refers to postemployment benefits other than pension benefits and includes: (i) postemployment healthcare benefits and (ii) other types of postemployment benefits (e.g., life insurance) if provided separately from a pension plan. 'Plans' refer to trust or other funds through which assets are accumulated to finance OPEB, and benefits are paid as they become due. The Statement provides standards for measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for related disclosures. The requirements of Statement No. 43 apply whether an OPEB plan is reported as a trust or agency fund or a fiduciary component unit of a participating employer or plan sponsor, or the plan is separately reported by a public employee retirement system or other entity that administers the plan. The Plan is currently reviewing Statement No. 43 to determine if its requirements are applicable to the Plan.

In June, 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for the measurement, recognition, and display of Other Postemployment Benefits (OPEB) expense and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (e.g., life insurance) when provided separately from a pension plan. The approach followed in the Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 45 improves the relevance and usefulness of financial reporting by: (i) recognizing the cost of benefits in periods when the related services are received by the employer; (ii) providing information about the actuarial accrued liabilities for promised benefits associated with past services and whether and to what extent those benefits have been funded; and (iii) providing information useful in assessing potential demands on the employer's future cash flows. The Plan is currently reviewing Statement No. 45 to determine if its requirements are applicable to the Plan.

In June, 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*. The Statement provides guidance for measuring, recognizing, and reporting liabilities and expense related to all termination benefits, including voluntary termination benefits (e.g., early-retirement incentives), without limitation as to the period of time during which the benefits are offered, and involuntary termination benefits (e.g., severance benefits). Statement No. 47 excludes postemployment benefits (pensions and other postemployment benefits (OPEB) which are part of the compensation that is offered in exchange for services received because they differ in nature from termination benefits. Accounting and reporting requirements for pensions and OPEB are addressed in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, respectively. The Statement requires the Plan to disclose a description of the termination benefit arrangement, the cost of the termination benefits (required in the period in which the Plan becomes obligated if that information is not otherwise identifiable from information displayed on the face of the financial statements), and significant methods and assumptions used to determine termination benefit liabilities. The Plan is currently reviewing Statement No. 47 to determine if its requirements are applicable to the Plan.

### 3. Investments and Deposits

The Comptroller of The City of New York (the “Comptroller”) acts as an investment advisor to the Plan. In addition, the Plan employs an independent investment consultant as an investment advisor. The Plan utilizes several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

#### **Concentration of Credit Risk**

The Plan does not have any investments in any one entity that represent 5% or more of plan net assets.

The legal requirements for Plan investments are as follows:

- (a) Fixed income, equity and other investments may be made as permitted by New York State RSSL §§ 176-178(a) and Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3(b).
- (b) Investments up to 15% of total pension fund assets may be made in instruments not expressly permitted by the State RSSL.

Citibank, N.A. was the primary custodian for substantially all of the securities of the Plan for the periods prior to March 31, 2004. Bank of New York (“BONY”) became custodian on April 1, 2004, to present.

Cash deposits are insured by the Federal Deposit Insurance Corporation for up to \$100,000 per Plan member and are, therefore, fully insured.

The information reflected in the Credit Ratings and in the Years to Maturity is derived from the Custodian’s Risk and Performance Analytics Reporting System. Such information is prepared as a result of the Custodian’s Risk Management analysis.

**Credit Risk**—The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

Investment Type*	S&P Quality Ratings							Short term	Not Rated	Total
	AAA	AA	A	BBB	BB	B	CCC & Below			
June 30, 2005										
U.S. Government	13.73%	-	-	-	-	-	-	-	-	13.73%
Corporate bonds	21.72%	3.83%	11.23%	13.19%	8.41%	11.91%	1.27%	-	0.87%	72.43%
Yankee Bonds	1.29%	1.39%	3.58%	2.74%	1.40%	1.62%	0.07%	-	0.09%	12.18%
Short Term	-	-	-	-	-	-	-	1.66%	-	1.66%
Percent of Rated Portfolio	36.74%	5.22%	14.81%	15.93%	9.81%	13.53%	1.34%	1.66%	0.96%	100.00%
June 30, 2004										
U.S. Government	20.01%	-	-	-	-	-	-	0.08%	0.46%	20.55%
Corporate	22.33%	2.68%	8.53%	13.70%	6.59%	10.40%	1.15%	-	1.96%	67.34%
Yankee Bonds	1.09%	0.58%	3.47%	2.59%	0.83%	1.22%	0.09%	-	0.07%	9.94%
Short Term	1.00%	-	-	-	-	-	-	0.52%	0.65%	2.17%
Percent of Rated Portfolio	44.43%	3.26%	12.00%	16.29%	7.42%	11.62%	1.24%	0.60%	3.14%	100.00%

\* U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

**Custodial Credit Risk**—Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either the counterparty or the counterparty’s trust department or agent but not in the Plan’s name.

Consistent with the Plan’s investment policy, the investments are held by the Plan’s custodian and registered in the Plan’s name.

All of the Plan’s deposits are insured and or collateralized by securities held by a financial institution separate from the Plan’s depository financial institution.

All of the Plan’s securities are held by the Plan’s custodial bank in the Plan’s name.

**Interest Rate Risk**—Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

#### Years to Maturity

Investment Type  
June 30, 2005

	Investment Maturities				
	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
U.S Government	16.30%	0.30%	2.43%	4.05%	9.52%
Corporate	74.77%	0.68%	17.96%	12.85%	43.28%
Yankee Bonds	7.86%	0.56%	3.44%	1.98%	1.88%
Short Term	1.07%	1.07%	-	-	-
Percent of Rated Portfolio	100.00%	2.61%	23.83%	18.88%	54.68%

June 30, 2004

	Fair Value	Less than one year	One to five years	Six to ten years	More than ten years
U.S Government	18.01%	3.08%	1.53%	4.25%	9.15%
Corporate	73.05%	0.22%	17.75%	14.31%	40.77%
Yankee Bonds	7.32%	0.20%	3.02%	2.48%	1.62%
Short Term	1.62%	1.62%	-	-	-
Percent of Rated Portfolio	100.00%	5.12%	22.30%	21.04%	51.54%

Securities Lending Transactions

Credit Risk – The quality ratings of investments held as collateral for Securities Lending are as follows:

Investment Type and Fair Value of Securities Lending Transactions

(In thousands)  
June 30, 2005

S&P Quality Ratings

	AAA	AA	A	BBB	BB	B	CCC & Below	Short Term	Not Rated	Total
Government Corporate	\$ 373,071	\$ 433,493	\$ 274,226	\$ -	\$ -	\$ -	\$ -	\$ 390,216	\$ 3,445	\$ 1,474,451
Yankee	-	-	-	-	-	-	-	35,699	-	35,699
Short Term	370,091	544,762	134,825	-	-	-	-	118,633	173,096	1,341,407
Total	\$ 743,162	\$ 978,255	\$ 409,051	\$ -	\$ -	\$ -	\$ -	\$ 545,950	\$ 176,541	\$ 2,852,959
Percent of Securities Lending Portfolio	26.05 %	34.29 %	14.34 %	0.00 %	0.00 %	0.00 %	0.00 %	19.14 %	6.19 %	100.00 %

June 30, 2004

	AAA	AA	A	BBB	BB	B	CCC & Below	Short Term	Not Rated	Total
Government Corporate	\$ 535,679	\$ 649,307	\$ 614,561	\$ -	\$ -	\$ -	\$ -	\$ 162,460	\$ -	\$ 1,962,007
Yankee	-	10,012	-	-	-	-	-	1,174	-	11,186
Short Term	29,950	136,128	155,367	-	-	-	-	115,879	459,679	897,003
Total	\$ 565,629	\$ 795,447	\$ 769,928	\$ -	\$ -	\$ -	\$ -	\$ 282,102	\$ 459,679	\$ 2,872,785
Percent of Securities Lending Portfolio	19.69 %	27.69 %	26.80 %	0.00 %	0.00 %	0.00 %	0.00 %	9.82 %	16.00 %	100.00 %

**Interest Rate Risk**—The lengths of investment maturities (in years) of the collateral for Securities Lending are as follows:

**Years to Maturity**

**Investment Type**

(In thousands)

June 30, 2005

	<b>Investment Maturities</b>				
	<b>Fair Value</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>Six to ten years</b>	<b>More than ten years</b>
Government	\$ 1,402	\$ 1,402	\$ -	\$ -	\$ -
Corporate	1,474,451	610,784	863,667	-	-
Yankee	35,699	19,312	16,387	-	-
Short Term	1,341,407	618,244	723,163	-	-
<b>Total</b>	<b>\$ 2,852,959</b>	<b>\$ 1,249,742</b>	<b>\$ 1,603,217</b>	<b>\$ -</b>	<b>\$ -</b>
Percent of Securities Lending Portfolio	100.00%	43.81%	56.19%	0.00%	0.00%

June 30, 2004

	<b>Investment Maturities</b>				
	<b>Fair Value</b>	<b>Less than one year</b>	<b>One to five years</b>	<b>Six to ten years</b>	<b>More than ten years</b>
Government	\$ 2,589	\$ 2,589	\$ -	\$ -	\$ -
Corporate	1,962,008	268,246	1,693,762	-	-
Yankee	11,186	1,174	10,012	-	-
Short Term	897,002	691,567	205,435	-	-
<b>Total</b>	<b>\$ 2,872,785</b>	<b>\$ 963,576</b>	<b>\$ 1,909,209</b>	<b>\$ -</b>	<b>\$ -</b>
Percent of Securities Lending Portfolio	100.00%	33.54%	66.46%	0.00%	0.00%

**4. DUE TO VARIABLE SUPPLEMENTS FUNDS (VSFS)**

The ACNY provides that the Plan transfer to the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF") amounts equal to certain excess earnings on equity investments of the Plan, if any. These excess earnings are defined as the amount by which earnings on equity investments of the Plan exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities, less any cumulative deficiencies of prior years' excess earnings that fell below the yield of fixed income investments. In addition, such transfers from the Plan to the POVSF and PSOVSF are limited to the unfunded Accumulated Benefit Obligation ("ABO") of these VSFs.

For Fiscal Year 2005, the expected excess earnings of the Plan are estimated to be equal to zero and therefore, no transfers will be due from the Plan to the VSFs as of June 30, 2005.

For Fiscal year 2004, there were no excess earnings of the Plan and therefore, no transfers were due from the Plan to the VSFs as of June 30, 2004.

## 5. CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the Plan is to fund members' retirement benefits during their active service and to establish Employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. Under current law, the Employer contributes statutorily-required contributions ("Statutory Contributions") that together with member contributions and investment income would ultimately be sufficient to accumulate assets to pay benefits when due.

*Member Contributions* - Members contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the Plan at membership. This member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-third of the service retirement allowance at the earliest age for service retirement. For Tier 1, the average member normal rate is approximately 7.6%. For Tier 2, the average member normal rate is approximately 7.1%.

Prior to October 1, 2000, these member Contribution rates were reduced by 2.5% under the ITHP program. Effective as of October 1, 2000, member ITHP contribution rates increased to 5.0% from 2.5% and, in general, their member contribution rates were reduced in a similar manner.

Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity. Members are permitted to borrow up to 90% (increased from 75% with the passage of Chapter 588 of the laws of 2001) of their own contributions including accumulated interest.

*Employer Contributions* - Statutory contributions to the Plan, determined by the Plan's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

The June 30, 2004 and 2003 actuarial valuations used to determine Fiscal Years 2005 and 2004 Employer contributions, respectively, were, in general, based on actuarial assumptions and methods proposed by the Actuary. Where required, the Board of Trustees of the Plan adopted those changes to the actuarial assumptions and methods that required Board approval and the New York State Legislature and the Governor enacted Chapter 85 of the Laws of 2000 ("Chapter 85/00") to provide for those changes to the actuarial assumptions and methods that required legislation, including the investment rate of return assumption of 8.0% per annum.

The Frozen Initial Liability Actuarial Cost Method is utilized by the Actuary to calculate the contributions from the Employer. Under this actuarial cost method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999, but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than zero. The excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

Chapter 85/00 reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999. The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

The obligation of the Plan to the POVSF and the PSOVSF are recognized through the Liability Valuation Method.

Under this method the APV of future SKIM from the Plan to the POVSF and PSOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the POVSF and PSOVSF. APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the POVSF and PSOVSF offset by the AAV of the POVSF and PSOVSF, respectively.

Additionally, the Actuarial Asset Valuation Method ("AAVM") was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan. This AAVM recognizes expected investment returns immediately and phases in investment returns greater or less than expected (i.e., Unexpected Investment Returns ("UIR")).

Under this AAVM, any UIR for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over five a period of years).

Chapter 125 of the laws of 2000 ("Chapter 125/00") provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001. Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278 of the Laws of 2002 ("Chapter 278/02") required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

Specifically, in accordance with Chapter 125/00 the Actuary in calculating the Statutory Contributions for Fiscal Years 2001 and 2002 included the following percentages of the increase in actuarial liabilities attributable to Chapter 125/00 COLA benefits:

<u>Fiscal Year</u>	<u>Phase-In Percent</u>
2001	20 %
2002	40 %

Chapter 278/02 revised the phase-in schedule of Chapter 125/00 for Fiscal Years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000 actuarial valuation, the Actuary is required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities created by the benefits provided by Chapter 125/00 for determining Fiscal Year 2001 Employer contributions.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary is required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining the Fiscal Year 2002 to Fiscal Year 2009 Employer contributions.

For the June 30, 2009 and later actuarial valuations, the Actuary is required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later Employer contributions.

Because the Fiscal Year 2002 and 2001 accounting periods were closed until Chapter 278/02 had a retroactive effect, the interest-adjusted difference between Employer contributions actually paid for Fiscal Years 2002 and 2001 under Chapter 125/00 and the amounts that would have been payable under the ten-year phase-in schedule for such fiscal years was deducted from the otherwise required Employer contributions for Fiscal Year 2003.

The impact of the ten-year phase-in of Chapter 278/02 is to postpone funding of the additional actuarial liabilities attributable to Chapter 125/00 resulting in greater Employer contributions in later years.

Statutory Contributions for Fiscal Years 2005 and 2004 were equal to the amounts calculated by the Actuary and reflect the impact of Chapter 125/00 and Chapter 278/02. These contributions were less than the annual pension costs computed in accordance with GASB Statement No. 25, due to the phase-in schedule for funding provided by Chapter 125/00 and Chapter 278/02.

#### **6. MEMBER LOANS**

Members are permitted to borrow up to 90% of their own contributions, including accumulated interest. The balance of member loans receivable at June 30, 2005 and 2004 is \$537.7 million and \$542.3 million, respectively. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions, including accumulated interest, less any loans outstanding.

#### **7. RELATED PARTIES**

The Comptroller has been appointed by law as custodian for the assets of the Plan. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Plan. Actuarial services are provided to the Plan by the Office of the Actuary employed by the Boards of Trustees of the City's main pension systems. The City's Corporation Counsel provides legal services to the Plan. Other administrative services are also provided by the City. The aforementioned services may be provided by employees or officers of the City who may also be participants in the Plan. The cost of providing such services amounted to \$2,561,344 and \$2,214,071 in Fiscal Years 2005 and 2004, respectively.

#### **8. ADMINISTRATIVE AND INVESTMENT EXPENSES**

Chapter 292 of the Laws of 2001 provides Corpus Funding of administrative expenses for the Plan commencing July 1, 2001 and allows for the appointment of an executive director for the Plan. In Fiscal Year 2005, total non-investment expenses attributable to the Plan were approximately \$16.3 million, of which \$13.7 million were paid from the assets of the Plan and \$2.6 million were paid by the City on behalf of the Plan. In Fiscal Year 2004, total non-investment expenses paid by the Plan were \$11.6 million, of which \$2.2 million were incurred on behalf of the Plan by other City agencies, primarily the Comptroller's Office. Investment expenses charged to the investment earnings of the Plan, exclusive of expenses relating to securities-lending transactions, amounted to approximately \$38.3 million in 2005 and \$29.9 million in 2004.

During Fiscal Year 2002, the Plan entered into a lease agreement to rent office space. The agreement will expire in Fiscal Year 2012 with an option to renew through Fiscal Year 2017. The future minimum rental payments required under this operating lease are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
2006	\$ 2,023,056
2007	2,060,988
2008	2,191,644
2009	2,191,644
2010	2,191,644
2011–2015	11,501,916
2016 to April 2017	4,189,412

## 9. CONTINGENT LIABILITIES AND OTHER MATTERS

*Contingent Liabilities* - The Plan has claims pending against it and has been named as defendant in lawsuits and also has certain other contingent liabilities. Management of the Plan, on the advice of legal counsel, believes that such proceedings and contingencies will not have a material effect on the Plan's net assets or changes in the Plan's net assets. Under the State statutes and City laws that govern the functioning of the Plan, increases in the obligations of the Plan to members and beneficiaries ordinarily result in increases in the obligations of the City to the Plan.

*Other Matters* - During Fiscal Years 2005 and 2004, certain events described below took place which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries and therefore would increase the obligations of the Plan. The effect of such events has not been fully quantified. However, it is the opinion of Plan management that such developments would not have a material effect on the Plan net assets held in trust for pension benefits or cause changes in Plan net assets held in trust for pension benefits.

*Actuarial Audit* - Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially funded New York City Retirement Systems ("NYCRS") are conducted every two years. The most recent study was published by Gabriel, Roeder, Smith & Company ("GRS") dated October 2003 and analyzed experience for Fiscal Years 1998 through 2001. Based in part on the recommendations of GRS, the Actuary has proposed changes to the actuarial assumptions and methods applicable to the determination of the Fiscal Year 2006 Employer contribution.

*Revised Actuarial Assumptions and Methods* - In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCRS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer contributions.

Based upon a review of the October 1999 Watson Wyatt and Company ("Wyatt") study, the Actuary proposed changes to certain actuarial assumptions and methods to be used by the NYCRS for Fiscal Years beginning on and after July 1, 1999 (i.e., Fiscal Years beginning 2000). Where required, the Board of Trustees of the Plan has adopted those changes to actuarial assumptions and methods that required Board approval and the State Legislature and the Governor have enacted Chapter 85/00 to provide for those changes to the actuarial assumptions and methods that required legislation, including the investment rate of return assumption of 8.0% per annum.

After reviewing the results of the October 2003 GRS study, the Actuary issued a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund" dated August 24, 2005.

The board of trustees of the plan has adopted the actuary's proposed changes in actuarial assumptions and methods that require board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during the fiscal year 2006.

*New York State Legislation* - Chapter 133 of the Laws of 2004 extends certain provisions of Chapter 85/00 through Fiscal Years 2005. Thus, for Fiscal Year 2005, the interest rate used for Tier 1 and Tier 2 member contributions and ITHP Reserves remains at 8.25% per annum. Chapter 133 of the Laws of 2005 now provides a similar extension of the interest rates for Fiscal Year 2006. The investment rate of return assumption for determining Employer contributions for Fiscal Year 2006 remains at 8.0% per annum until and unless changed following the proposals of the Actuary and the actions by the Board of Trustees, the State Legislature and the Governor.

Chapter 623 of the Laws of 2004 provides for an Excess Benefit Plan to be established which would provide benefits to those pensioners whose annual retirement benefits are limited because those benefits exceed the limitations set by IRC Section 415 (b). The law is retroactive to July 1, 2000.

Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, creates a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

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## NEW YORK CITY POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS (UNAUDITED)  
 (IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)  
 (in Thousands)

Actuarial Valuation Date June 30	(1) Actuarial Asset Value (AAV)  (A)	(2) Actuarial Accrued Liability (AAL)*  (A) & (B)	(3) Unfunded AAL (UAAL)  (C)(2)-(1)	(4) Funded Ratio  (1)+(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll  (3)+(5)
2004	\$ 18,510,638	\$ 18,510,638	\$ -	100.0 %	\$ 2,460,750	0.0 %
2003	18,781,359	18,781,359	-	100.0	2,433,897	0.0
2002	18,913,634	18,913,634	-	100.0	2,496,249	0.0
2001	18,141,670	18,141,670	-	100.0	2,500,130	0.0
2000	17,601,913	17,601,913	-	100.0	2,465,682	0.0
1999	16,877,765	16,877,765	-	100.0	2,331,957	0.0

\* Frozen Initial Liability

## Notes:

- (A) As of June 30, 1995 and June 30, 1999, the economic and noneconomic assumptions were revised due to experience review. The AAVM was changed as of June 30, 1995 and June 30, 1999 to reflect a market basis for investments held by the Plan and was made as one component of an overall revision of actuarial assumptions and methods as of June 30, 1995 and June 30, 1999.

Under the AAVM used as of June 30, 1995, the AAV was reset to Market Value (i.e., "Market Value Restart"). Prior to June 30, 1995, this AAVM recognized expected investment returns immediately and phased in investment returns greater or less than expected (i.e., UIR) over five years at a rate of 20% per year (i.e., cumulative rate of 20%, 40%, 60%, 80% and 100% over five years).

The AAVM used as of June 30, 1996 was a modified version of that used prior to June 30, 1995.

*(Schedule of Funding Progress is continued to the next page)*

## Schedule 1

*(Schedule of Funding Progress continued from the previous page)*

Under this modified AAVM, any UIR for Fiscal Years 1997 and later were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over five years). The UIR for Fiscal Year 1996 was phased in beginning June 30, 1996 at a cumulative rate of 20%, 35%, 45%, 70% and 100% over five years.

Under the AAVM used as of June 30, 1999, any UIR for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over five years).

- (B) To effectively assess the funding progress of the Plan, it is necessary to compare the AAV and the AAL calculated in a manner consistent with the Plan's funding method over a period of time. The AAL is the portion of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future normal costs and future member contributions.
- (C) The UAAL is the excess of the AAL over the AAV. This is the same as the unfunded frozen AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

*(Schedule of Funding Progress concluded)*

## NEW YORK CITY POLICE PENSION FUND

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS (UNAUDITED)**  
(In Thousands)

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<b>Fiscal Year Ended June 30</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage of ARC Contributed</b>
2005	\$ 1,123,939	91.9 %
2004	917,731	88.5
2003	821,387	76.1
2002	636,481	84.0
2001	543,758	76.0
2000	250,021	100.0
1999	486,780	100.0

Under the requirements of Governmental Accounting Standards Board Statement Number 27 ("GASB 27"), the Annual Required Contribution ("ARC") is determined through an actuarial valuation reflecting all liabilities of the Plan. The Employer contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution). The difference between the ARC and the Statutory Contribution is the consequence of Chapter 278/02 which phases-in over 10 years the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 (i.e., automatic COLA).

The Statutory Contributions of \$1 billion, \$812.0 million, \$625.4 million, \$534.5 million and \$413.2 million for Fiscal Years 2005, 2004, 2003, 2002 and 2001, respectively, were computed in accordance with Chapter 125/00, which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extended the phase-in period for funding these liabilities from five years to ten years.

## NEW YORK CITY POLICE PENSION FUND

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)**


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The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2004 and 2003. These actuarial valuations were used to determine Employer contributions for Fiscal Years 2005 and 2004, respectively. Additional information as of the last two actuarial valuations follows:

	June 30, 2004	June 30, 2003
Actuarial cost method	Frozen Initial Liability <sup>1</sup> .	Frozen Initial Liability <sup>1</sup> .
Amortization method for Unfunded Actuarial Accrued Liabilities	Not applicable. <sup>2</sup>	Not applicable. <sup>2</sup>
Remaining amortization period	Not applicable. <sup>2</sup>	Not applicable. <sup>2</sup>
Actuarial asset valuation method	Modified five-year moving average of market values with "market value restart" as of June 30, 1999.	Modified five-year moving average of market values with "market value restart" as of June 30, 1999.
Actuarial assumptions:		
Investment assumed rate of return	8.0% per annum. <sup>3</sup>	8.0% per annum. <sup>3</sup>
Post-retirement mortality	Tables adopted by Board of Trustees during Fiscal Year 2000.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Active service: withdrawal, death, disability, service retirement	Tables adopted by Board of Trustees during Fiscal Year 2000.	Tables adopted by Board of Trustees during Fiscal Year 2000.
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. <sup>3</sup>	In general, merit and promotion increases plus assumed general wage increases of 3.0% per year. <sup>3</sup>
Cost-of-Living Adjustments	1.3% per annum. <sup>3</sup>	1.3% per annum. <sup>3</sup>

<sup>1</sup> Under this Actuarial Cost Method, the Initial Liability was reestablished as of June 30, 1999 by the Entry Age Actuarial Cost Method but with the UAAL not less than \$0.

<sup>2</sup> In conjunction with Chapter 85/00, there is an amortization method. However, the June 30, 1999 UAAL for the Plan equaled \$0 and no amortization period was required. There is an amortization period used if there is a UAAL.

<sup>3</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

NEW YORK CITY  
POLICE PENSION FUND

SCHEDULE OF ADMINISTRATIVE EXPENSES  
YEAR ENDED JUNE 30, 2005

<u>Salaries Paid to Plan Personnel</u>		\$7,985,651
<u>Professional Services:</u>		
Administration	362,827	
Trading and Investments	1,108,909	
Management Division	30,979	
Legal	<u>568,010</u>	
Total Professional Services		2,070,725
<u>Communication and General Services:</u>		
Printing and Computer Services	67,517	
Heat, light and telephone	5,897	
Postage	203,020	
General Services	<u>62,130</u>	
Total Communication and General Services		338,564
<u>Miscellaneous Expenses:</u>		
Office Management and Budget	152,055	
Pension overhead expenses	<u>5,685,182</u>	
Total Miscellaneous Expenses		5,837,237
Total Administrative Expenses		<u>\$16,232,177</u> *

\* This amount represents expenses incurred by the Fund and also by other City agencies. From these expenses, \$ 13,670,833 are incurred and paid by NYCPPF and the balance is incurred by other city agencies and paid by the City of New York on behalf of the Fund.

NEW YORK CITY  
POLICE PENSION FUND

BROKER COMMISSION REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2005

<u>Individual or Brokerage Firm</u>	<u># of Shares Traded</u>	<u>Commission paid</u>	<u>Average cost</u>
ABEL NOSER CORPORATION	1,119,162.00	\$ 22,638.24	0.0202
ADAMS, HARKNESS & HILL INC	243,924.00	9,826.85	0.0403
ADP CLEARING AND OUTSOURCING	12,400.00	240.00	0.0194
ALLEN & COMPANY LLC	638,540.00	31,668.60	0.0496
AMERICAN TECHNOLOGY RESEARCH	72,225.00	3,535.25	0.0489
ARNHOLD & BLEICHROEDER INC	14,132.00	643.60	0.0455
AVIAN SECURITIES INC	13,700.00	603.00	0.0440
BAIRD ROBERT W & CO INC	969,542.00	44,070.93	0.0455
BANC AMERICA SECUR LLC	5,433,414.00	94,613.71	0.0174
BANC/AMERICA SECUR.LLC,MONTGOM	16,400,397.00	64,733.67	0.0039
BARCLAYS GLOBAL INVESTORS	10,985,911.00	199,445.70	0.0182
BAYPOINT TRADING LLC	4,100.00	164.00	0.0400
BEAR STEARNS & CO INC	2,182,716.00	99,263.36	0.0455
BEAR STEARNS SECURITIES CORP	2,003,159.00	75,223.16	0.0376
BEREAN CAPITAL, INC. #2	37,400.00	1,496.00	0.0400
BLACKWATCH BROKERAGE INC	49,346.00	1,973.84	0.0400
BLAIR WILLIAM & COMPANY LLC	551,775.00	25,910.75	0.0470
BLAYLOCK & PARTNERS, L.P.	9,100.00	364.00	0.0400
BMO NESBITT BURNS CORP	386,674.00	15,233.70	0.0394
BNP PARIBAS SECURITIES CORP IB	466,800.00	9,336.00	0.0200
BNP SECURITIES (U.S.A.) INC	400.00	-	0.0000
BNY BROKERAGE INC	1,232,534.00	36,308.32	0.0295
BNY CAPITAL MARKETS INC	2,800.00	-	0.0000
BOSTON INSTITUTIONAL SVCS INC	122,300.00	5,941.00	0.0486
BRIDGE TRADING CO.	371,630.00	18,255.50	0.0491
BROADCORT CAPITAL CORP-SUB OF	185,598.00	6,429.90	0.0346
B-TRADE SERVICES LLC	7,556,789.00	164,333.96	0.0217
BUCKINGHAM RESEARCH GROUP INC	629,190.00	29,615.50	0.0471
BURLINGTON CAP MKTS	19,300.00	675.50	0.0350
CABRERA CAPITAL MARKETS	7,300.00	292.00	0.0400
CANTOR, FITZGERALD & CO., INC	879,327.00	23,220.36	0.0264
CAP INSTL SVCS INC-EQUITIES	993,080.00	30,918.00	0.0311
CARIS AND COMPANY INC.	44,621.00	2,231.05	0.0500
CASH ELECTION	8,361.00	-	0.0000
CASH MERGER	2,578,734.00	-	0.0000
CHARLES, SCHWAB & CO., INC	36,200.00	459.00	0.0127
CIBC WORLD MARKETS CORP	1,217,704.00	56,733.42	0.0466
CITATION GROUP/BCC CLRG	597,420.00	28,827.00	0.0483
CITIGROUP GLOBAL MARKETS INC	15,772,122.00	244,122.59	0.0155
CJS SECURITIES	33,100.00	1,655.00	0.0500
COCHRAN CARONIA SEC LLC	61,400.00	3,070.00	0.0500
CREDIT SUISSE FIRST BOSTON	7,047,128.00	221,492.96	0.0314
CUSTOM EQUITY RESEARCH INC	5,200.00	260.00	0.0500
DAVENPORT & COMPANY LLC	1,654.00	82.70	0.0500
DAVIDSON D.A & CO INC NSCC	522,210.00	6,272.50	0.0120

NEW YORK CITY  
POLICE PENSION FUND

BROKER COMMISSION REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2005

<u>Individual or Brokerage Firm</u>	<u># of Shares Traded</u>	<u>Commission paid</u>	<u>Average cost</u>
DAVIS, MENDEL & REGENSTEIN, INC	92,700.00	\$ 4,635.00	0.0500
DEUTSCHE BANC/ALEX BROWN	3,968,173.00	78,547.44	0.0198
DOWLING & PARTNERS SECS, LLC	41,400.00	1,767.00	0.0427
EDWARDS, A.G., & SONS, INC.	260,700.00	11,242.00	0.0431
EXERCISING WARRANTS	275.00	-	0.0000
FACTSET DATA SYSTEMS INC.	1,213,095.00	59,449.75	0.0490
FERRIS, BAKER WATTS, INC	11,500.00	555.00	0.0483
FIDELITY CAPITAL MARKETS	424,800.00	8,496.00	0.0200
FIRST ALBANY CORPORATION	750,888.00	31,487.40	0.0419
FIRST ANALYSIS SECS CORP	6,600.00	330.00	0.0500
FIRST CLEARING, LLC	209,400.00	9,612.00	0.0459
FIRST SOUTHWEST CO	70,098.00	3,404.18	0.0486
FIRST TENNESSEE SECURITIES	8,575.00	428.75	0.0500
FOX-PITT KELTON INC.	144,400.00	6,437.00	0.0446
FRIEDMAN, BILLINGS & RAMSEY	697,100.00	24,969.00	0.0358
FULCRUM GLOBAL PARTNERS LLC	302,371.00	15,097.84	0.0499
G.G.E.T. LLC	23,000.00	1,150.00	0.0500
GARDNER RICH & COMPANY	184,500.00	8,760.00	0.0475
GOLDMAN SACHS & CO	228,400.00	8,600.00	0.0377
GOLDMAN SACHS EXECUTION & CLEA	83,217.00	1,775.72	0.0213
GOLDMAN, SACHS & CO	4,457,681.00	127,390.38	0.0286
GREEN STREET ADVISORS	53,500.00	2,675.00	0.0500
GREENTREE BROKERAGE SERVICES	4,600.00	184.00	0.0400
GRISWOLD COMPANY	362,000.00	11,375.00	0.0314
GUZMAN & COMPANY	2,714,354.00	74,814.74	0.0276
HARBORSIDE SECURITIES	148,575.00	4,335.25	0.0292
HIBERNIA SOUTHCOAST CAPITAL	21,900.00	1,060.00	0.0484
HOEFER AND ARNETT INC.	6,900.00	276.00	0.0400
HOWARD WEIL DIV - LEGG MASON	40,720.00	2,036.00	0.0500
IND RESEARCH GRP LLC	53,900.00	2,695.00	0.0500
INSTINET CLEARING SERVICES INC	500,675.00	7,539.87	0.0151
INSTINET CORPORATION	2,535,583.00	46,123.60	0.0182
INSTITUTIONAL SERVICES UNLTD	746,046.00	35,272.58	0.0473
INVESTMENT TECHNOLOGY GROUP,	5,658,288.00	111,454.38	0.0197
ISI GROUP EQUITIES	54,593.00	2,729.65	0.0500
ISI GROUP, INC.	472,580.00	23,616.50	0.0500
IVY SECURITIES, INC	133,700.00	5,504.00	0.0412
J P MORGAN SECURITIES INC	6,372,519.00	252,017.29	0.0395
JACKSON PARTNERS & ASSOC INC	3,700.00	148.00	0.0400
JANCO PARTNERS INC.	500.00	20.00	0.0400
JANNEY MONTGOMERY SCOTT INC.	186,570.00	7,846.80	0.0421
JEFFERIES & COMPANY, INC.	4,217,168.00	82,555.49	0.0196
JMP SECURITIES	128,270.00	5,789.50	0.0451
JNK SECURITIES INC	287,500.00	5,750.00	0.0200
JOHNSON RICE & CO	52,100.00	2,605.00	0.0500

NEW YORK CITY  
POLICE PENSION FUND

BROKER COMMISSION REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2005

<u>Individual or Brokerage Firm</u>	<u># of Shares Traded</u>	<u>Commission paid</u>	<u>Average cost</u>
JONES & ASSOCIATES, INC	134,500.00	\$ 5,199.00	0.0387
KAUFMAN BROTHERS	11,800.00	590.00	0.0500
KEEFE BRUYETTE & WOODS INC.	134,050.00	6,069.50	0.0453
KELLY & CHRISTENSEN INC.	365,432.00	6,650.64	0.0182
KEVIN DANN PARTNERS, LLC	12,700.00	635.00	0.0500
KING, CL, & ASSOCIATES	414,876.00	20,743.80	0.0500
KNIGHT SECURITIES	975,958.00	25,506.94	0.0261
KV EXECUTION SERVICES LLC	7,700.00	313.00	0.0406
LABRANCHE FINC'L SVC INC/HBI	591,600.00	12,058.00	0.0204
LAZARD FRERES & COMPANY	13,048.00	652.40	0.0500
LEERINK SWANN AND COMPANY	223,780.00	10,253.00	0.0458
LEGG MASON WOOD WALKER BK OF	46,270.00	2,306.50	0.0498
LEGG MASON WOOD WALKER, INC	253,925.00	11,532.25	0.0454
LEHMAN BROTHERS INC, USA	8,290,969.00	261,936.47	0.0316
LIQUIDNET INC	4,202,256.00	102,694.16	0.0244
LOOP CAPITAL MKTS,LLC	141,400.00	4,388.00	0.0310
LOWENBAUM & CO INC	15,000.00	750.00	0.0500
LYNCH JONES & RYAN INC	94,400.00	3,829.00	0.0406
MAGNA SECURITIES CORPORATION	365,175.00	18,199.75	0.0498
MCDONALD INVESTMENTS INC	12,700.00	-	0.0000
MCDONALD INVESTMENTS INC(KEYBA	246,178.00	9,986.90	0.0406
MELVIN SECURITIES LLC	9,500.00	380.00	0.0400
MERGER	650,679.00	-	0.0000
MERRILL LYNCH PIERCE FENNER &	11,362,150.00	203,457.19	0.0179
MERRILL LYNCH PROFESSIONAL	1,761,670.00	24,181.10	0.0137
MERRIMAN CURHAN FORD & CO	24,505.00	1,225.25	0.0500
MESIROW FINANCIAL,INC.	1,600.00	-	0.0000
MIDWEST RESEARCH SECURITIES	266,400.00	13,172.00	0.0494
MIDWOOD SECURITIES	7,900.00	395.00	0.0500
MIXED ELECTION	100.00	-	0.0000
MJSK, INC	5,400.00	-	0.0000
MKM PARTNERS	4,500.00	225.00	0.0500
MOGAVERO LEE & CO.,INC	6,700.00	268.00	0.0400
MONNESS CRESPI HARDT & CO INC	194,000.00	9,700.00	0.0500
MONTROSE SECURITIES EQUITIES	169,300.00	7,779.00	0.0459
MORGAN KEEGAN & COMPANY, INC.	155,499.00	5,294.95	0.0341
MORGAN STANLEY & CO	6,109,169.00	119,532.20	0.0196
NATL FINANCIAL SERVICES CORP	474,166.00	22,209.30	0.0468
NBC CLEARING SERVICES	1,735.00	-	0.0000
NEEDHAM & CO	542,449.00	7,535.75	0.0139

NEW YORK CITY  
POLICE PENSION FUND

BROKER COMMISSION REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2005

<u>Individual or Brokerage Firm</u>	<u># of Shares Traded</u>	<u>Commission paid</u>	<u>Average cost</u>
NEUBERGER & BERMAN	202,827.00	\$ 8,495.22	0.0419
NOT AVAILABLE	9,558.12	430.00	0.0450
NUTMEG SECURITIES	121,100.00	5,346.00	0.0441
NYFIX CLG CORP	489,708.00	10,208.38	0.0208
NYFIX TRANSACTION SERVICES #2	189,600.00	7,554.00	0.0398
OPPENHEIMER AND CO INC	114,300.00	1,746.00	0.0153
PACIFIC AMERICAN SECURITIES	341,400.00	7,188.00	0.0211
PACIFIC CREST SECS	702,911.00	24,885.55	0.0354
PACIFIC GROWTH EQUITIES	90,100.00	3,659.00	0.0406
PART CALLED FOR REDEMPTION	1.00	-	0.0000
PCS SECURITIES INC	365,200.00	17,688.00	0.0484
PENSON FINANCIAL SERVICES INC	6,800.00	340.00	0.0500
PERCIVAL FINANCIAL	25,000.00	1,250.00	0.0500
PERSHING & COMPANY	1,484,479.00	32,160.65	0.0217
PERSHING DIV OF DONALDSON LUF-	208,139.00	4,162.78	0.0200
PIPELINE TRADING SYSTEMS LLC	34,700.00	694.00	0.0200
PRECURSOR GROUP	11,100.00	555.00	0.0500
PRINCETON SECURITIES	7,600.00	152.00	0.0200
PRITCHARD CAPITAL PARTNERS LLC	36,500.00	1,812.00	0.0496
PRUDENTIAL EQUITY GROUP	816,755.00	37,567.77	0.0460
PULSE TRADING LLC	121,100.00	2,656.00	0.0219
PURCHASE OFFER	283,955.00	-	0.0000
QUAKER SECURITIES INC	249,600.00	4,992.00	0.0200
RAYMOND C. FORBES & CO INC	118,500.00	4,740.00	0.0400
RAYMOND, JAMES & ASSOC., INC.	729,170.00	35,781.50	0.0491
RBC DOMINION SECURITIES,CORP.	754,893.00	32,108.90	0.0425
RBC/DAIN RAUSCHER INC BK NYC/	3,000.00	120.00	0.0400
RIGHTS SUBSCRIPTION	18,310.00	-	0.0000
ROBBINS AND HENDERSON LLC	6,800.00	204.00	0.0300
ROBERT VAN SECURITIES	12,300.00	505.00	0.0411
ROCHDALE SECURITIES CORP	281,100.00	11,244.00	0.0400
ROSENBLATT SECURITIES INC	489,600.00	9,792.00	0.0200
RYAN & BECK CO	48,100.00	2,340.00	0.0486
S.G. COWEN & CO., LLC	757,102.00	29,456.88	0.0389
SANDERS MORRIS MUNDY	216,000.00	10,339.00	0.0479
SANDLER O'NEILL & PARTNERS LP	220,440.00	10,753.30	0.0488
SANFORD C BERNSTEIN & CO.,LLC	1,521,455.00	72,802.26	0.0479
SCHONFELD SECS LLC PRIME BKR	29,400.00	168.00	0.0057
SCOTIA CAP MARKETS USA INC NY	12,200.00	610.00	0.0500
SCOTT & STRINGFELLOW, INC	81,841.00	4,038.05	0.0493

**NEW YORK CITY  
POLICE PENSION FUND**

**BROKER COMMISSION REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2005**

<u>Individual or Brokerage Firm</u>	<u># of Shares Traded</u>	<u>Commission paid</u>	<u>Average cost</u>
SG AMERICAS SECURITIES LLC	713,209.00	\$ 34,797.45	0.0488
SIDOTI & CO, LLC	40,300.00	1,670.00	0.0414
SIDOTI & COMPANY, LLC	63,100.00	3,155.00	0.0500
SIMMONS & CO	68,500.00	3,425.00	0.0500
SOURCE CAPITAL GROUP, INC.	189,500.00	9,319.00	0.0492
SOUTHWEST SECURITIES, INC.	67,100.00	3,355.00	0.0500
SPEAR, LEEDS & KELLOGG (GOLD)	33,700.00	468.00	0.0139
STANDARD & POOR'S SECS INC	188,350.00	8,761.00	0.0465
STANDFORD GROUP CO	15,300.00	660.00	0.0431
STATE ST BROKERAGE SERVICE INC	9,450.00	283.50	0.0300
STEPHENS, INC.	178,321.00	4,630.84	0.0260
STERNE AGEE & LEACH INC	3,900.00	195.00	0.0500
STIFEL NICHOLAUS & CO, INC	16,800.00	840.00	0.0500
STOCK ELECTION	101,126.06	-	0.0000
SUNGARD GLOBAL EXE SVS LLC	17,900.00	829.00	0.0463
SUNTRUST CAPITAL MARKETS, INC	158,285.00	7,391.25	0.0467
THE BENCHMARK CO LLC	58,500.00	2,925.00	0.0500
THE WILLIAMS CAPITAL GROUP LP	194,400.00	6,130.00	0.0315
THINKEQUITY PARTNERS LLC	4,300.00	72.00	0.0167
THOMAS WEISEL PARTNERS LLC	1,363,956.00	51,467.20	0.0377
U.S. BANCORP PIPER JAFFRAY INC	484,373.00	15,616.85	0.0322
UBS SECURITIES LLC	4,882,913.00	197,321.84	0.0404
US CLEARING INSTITUTIONAL TRAD	79,000.00	3,160.00	0.0400
VARIANT RESEARCH CORP	51,000.00	2,550.00	0.0500
VIANET DIRECT, INC.	600.00	12.00	0.0200
WACHOVIA SECS CAPITAL MARKET	669,407.00	25,427.84	0.0380
WACHOVIA SECURITIES,LLC	267,369.00	12,204.45	0.0456
WAVE SECURITIES LLC	642,227.00	9,878.93	0.0154
WEDBUSH MORGAN SECURITIES,INC.	52,082.00	1,549.10	0.0297
WEEDEN & CO	1,191,347.00	50,301.35	0.0422
WELLS FARGO SECURITIES LLC	115,200.00	2,810.00	0.0244
WESTMINSTER RESEARCH ASSOC.	1,853,275.00	92,255.75	0.0498
WESTMINSTER RESEARCH	162,000.00	8,100.00	0.0500
WHITE CAP TRADING LLC	180,500.00	3,946.00	0.0219
WHITE MOUNTAIN CAPITAL LLC	35,900.00	1,077.00	0.0300
EXCHANGE UNDER REORGANIZATION	49,900.00	-	0.0000
<b>Grand total</b>	<b>183,172,506.18</b>	<b>\$ 4,559,518.37</b>	<b>7.1997</b>

SCHEDULE 6

NEW YORK CITY  
POLICE PENSION FUND  
REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

U.S. Equities	Estimated Fees 2005	Performance Fee Max	Total Fee
<b>Active</b>			
<b>Small Cap Growth</b>			
Mazama Capital	\$508,536		\$508,536
<b>Total Small Cap Growth</b>	<b>\$508,536</b>		<b>\$508,536</b>
<b>Small Cap Value</b>			
Dalton greiner	\$750,881		\$750,881
<b>Total Small Cap Value</b>	<b>\$750,881</b>		<b>\$750,881</b>
<b>Small Cap Core</b>			
Daruma Asset Mgmt Small Cap	\$374,867		\$374,867
<b>Total Small Cap Core</b>	<b>\$374,867</b>		<b>\$374,867</b>
<b>Total Small Cap</b>	<b>\$1,634,284</b>		<b>\$1,634,284</b>
<b>Small/Mid Cap Growth</b>			
J & W Seligman	\$226,771		\$226,771
Mackay Shields	226,429		226,429
	<u>\$453,200</u>		<u>\$453,200</u>
<b>Mid Cap Growth</b>			
Forstmann - Leff Associates	\$349,677		\$349,677
<b>Total Mid Cap Growth</b>	<b>\$349,677</b>		<b>\$349,677</b>
<b>Mid Cap Value</b>			
Ariel Capital Mid Cap	323,006		323,006
Lord Abbett Mid Cap	336,807		336,807
<b>Total Mid Cap Value</b>	<b>\$659,813</b>		<b>\$659,813</b>
<b>Mid Cap Core</b>			
Chicago Equity Partners	\$219,459		\$219,459
<b>Total Mid Cap Core</b>	<b>\$219,459</b>		<b>\$219,459</b>
<b>Total Mid Cap</b>	<u><b>\$1,228,948</b></u>		<u><b>\$1,228,948</b></u>

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total Fee
<b>Large Cap Growth</b>			
Ark Asset Management	\$ 199,789		\$ 199,789
Fidelity	1,051,757		1,051,757
Goldman Sachs	80,533		80,533
Loomis Sayles	638,412		638,412
Transamerica	179,616		179,616
<b>Total Large Cap Growth</b>	<b>\$2,150,107</b>		<b>\$2,150,107</b>
<b>Large Cap Value</b>			
Aronson Johnson	565,488		565,488
Iridian Asset	849,646		849,646
Lord Abbett Large Cap	847,347		847,347
<b>Total Large Cap Value</b>	<b>\$2,262,482</b>		<b>\$2,262,482</b>
<b>Total Large Cap</b>	<b>\$4,412,589</b>		<b>\$4,412,589</b>
<b>Other Domestic Equity</b>			
Relational Investors X, L.P.	365,695		365,695
<b>Total other Domestic Equity</b>	<b>\$365,695</b>		<b>\$365,695</b>
<b>Total Active</b>	<b>\$8,094,716</b>		<b>\$8,094,716</b>
<b>Passive</b>			
<b>Russell 3000</b>			
Northern Trust	48,016		48,016
Merill Lynch	35,930		35,930
<b>Total Passive Equities</b>	<b>\$83,946</b>		<b>\$83,946</b>
<b>Total U.S. Equities</b>	<b>\$8,178,662</b>		<b>\$8,178,662</b>
<b>EAFE Markets Equities</b>			
<b>Active</b>			
<b>Growth</b>			
GE Asset Management	584,027		584,027
Oechsle	1,441,470		1,441,470
T. Rowe Price	1,283,739		1,283,739
<b>Total EAFE Growth</b>	<b>\$3,309,235</b>		<b>\$3,309,235</b>

NEW YORK CITY  
POLICE PENSION FUND  
REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance	Total Fee
<b>Value</b>			
Bank of Ireland	\$1,369,392		\$1,369,392
BGI Transition			
Mondrian Investment Partners Ltd	1,917,179		1,917,179
<b>Total EAFE Value</b>	<b>\$3,286,571</b>		<b>\$3,286,571</b>
<b>CORE</b>			
Capital Guardian	2,295,381		2,295,381
Putnam - terminated	306,134		306,134
<b>Total EAFE Core</b>	<b>\$2,601,515</b>		<b>\$2,601,515</b>
<b>Total Active</b>	<b>\$9,197,322</b>		<b>\$9,197,322</b>
<b>Passive</b>			
Barclays Global	73,579		73,579
<b>Total Passive</b>	<b>\$73,579</b>		<b>\$73,579</b>
<b>Total EAFE Markets Equities</b>	<b>\$9,270,901</b>		<b>\$9,270,901</b>
<b>Emerging Markets</b>			
Genesis Asset Mgrs	806,272		806,272
Pictet Int'l	848,331		848,331
<b>Total Emerging Markets</b>	<b>\$1,654,603</b>		<b>\$1,654,603</b>
<b>L INTERNATIONAL EQUITIES</b>	<b>\$10,925,504</b>		<b>\$10,925,504</b>
<b>Private Equity Investments</b>			
Apollo Investment Fd V	525,000		525,000
Ares Corp Opp	612,500		612,500
Aurora Equity Capital Partners III	300,000		300,000
Blackstone Capital Ptnrs IV	750,000		750,000
Carlyle Ptnrs III	375,000		375,000
Carlyle Ptnrs IV	500,000		500,000
Coller International Ptnrs IV	181,850		181,850
CVC Euro Eq Ptnrs III	375,000		375,000
Cypress Merch Bk Ptnrs II	750,000		750,000
FDG Capl Ptnrs	789,000		789,000
FDG Capl Ptnrs II	500,000		500,000
FS Equity Ptnrs V	225,000		225,000
Landmark Equity Ptnrs XI	225,000		225,000
Lincolnshire Eq Fd II	240,000		240,000
Lincolnshire Eq Fd III	300,000		300,000
LODH Euro Choice II	360,000		360,000
Markstone Capital Ptnrs	200,000		200,000
New Mountain Ptnrs	300,000		300,000
New Mountain Ptnrs II	154,000		154,000
Paladin Homeland Security	600,000		600,000
Prism Venture Ptnrs II	562,500		562,500
SCP Priv Eq Ptnrs II	500,000		500,000

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total fees
Silver Lake Partners II	\$ 177,000		\$ 177,000
Solera Partners	260,000		260,000
VS & A Comm Partners III	184,000		184,000
Yucaipa American Alliance Fd	400,000		400,000
<b>L Private Equity Investments</b>	<b>10,335,650</b>		<b>10,335,650</b>
<b>Private Real Estate</b>			
Blackstone Real Estate Partners IV	225,000		225,000
Canyon Johnson Urban Fd	175,000		175,000
Canyon Johnson Urban Fd II	50,000		50,000
OCM Real Estate Opportunities Fd III - A	187,500		187,500
The City Investment Fd	875,000		875,000
<b>Total Private Real Estate</b>	<b>1,512,500</b>		<b>1,512,500</b>
<b>Total Equity - Public &amp; Private</b>	<b>30,952,315</b>		<b>30,952,315</b>
<b>Structured Program</b>			
<b>Government Sector</b>			
Fischer Francis	145,906		145,906
Lehman Brothers (formerly Lincoln Capital)	52,524		52,524
PIMCO	143,106		143,106
<b>Total Sector</b>	<b>\$341,536</b>		<b>\$341,536</b>
<b>Mortgage Sector</b>			
Blackrock	237,320		237,320
Lehman Brothers (formerly Lincoln Capital)	272,702		272,702
PIMCO	362,484		362,484
<b>Total Sector</b>	<b>\$872,506</b>		<b>\$872,506</b>
<b>Corporate Sector</b>			
Blackrock	200,263		200,263
T.Rowe Price	252,585		252,585
Taplin Canida	77,481		77,481
<b>Total Sector</b>	<b>\$530,328</b>		<b>\$530,328</b>
<b>Yankee Sector</b>			
Fischer Francis	99,090		99,090
Prudential	59,209		59,209
<b>Total Sector</b>	<b>158,299.00</b>		<b>158,299.00</b>
<b>Total Fixed Income Structured Program</b>	<b>1,902,670.00</b>		<b>1,902,670.00</b>
<b>Total Advisors</b>	<b>1,902,670.00</b>		<b>1,902,670.00</b>
<b>Active TIPS Managers</b>			
Pimco	22,013		22,013
<b>Total Active TIPS Managers</b>	<b>\$22,013.00</b>		<b>\$22,013.00</b>

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total Fee
<b>Enhanced Yield</b>			
Loomis Sayles	\$ 586,703		\$ 586,703
Mackay Shields	716,085		716,085
Seix	330,438		330,438
Shenkman	454,344		454,344
T.Rowe Price	409,066		409,066
High Yield Transition			
<b>Total Enhanced Yield</b>	<b>\$2,496,636</b>		<b>\$2,496,636</b>
<b>CONSULTANTS</b>			
Pacific Corporate Group	543,724		543,724
Strategic Investment Solutions, Inc.	182,500		182,500
Mellon Consultants	100,000		100,000
Townsend - Real Estate	64,081		64,081
<b>Total Consultant Fees</b>	<b>890,306</b>		<b>890,306</b>
<b>Total Cost By System For Fy 2005</b>	<b>36,263,939</b>		<b>36,263,939</b>
<b>Net Changes Due to Accrued Expenses</b>		<b>2,021,154</b>	<b>2,021,154</b>
<b>Total Investment Expenses Incurred By System</b>	<b>\$36,263,939</b>	<b>\$2,021,154</b>	<b>\$38,285,093</b>

NEW YORK CITY POLICE PENSION FUND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



INVESTMENT SECTION

PART III

FISCAL YEAR ENDED

June 30, 2005



## **Investment Section**

This section is prepared from data provided by the investment advisors of the Police Pension Fund and the Comptroller of the City of New York. We wish to express our thanks to Horatio Sparkes, Deputy Comptroller for Pension and his staff for providing assistance in the preparation of this section. We also wish to thank David Jeter, Assistant Comptroller for Asset Management, for providing the investment data reflected in this section. The information contained herein was prepared in conformance with presentation standards of the association for Investment Management & Research. The Comptroller administers the Fund's investments subject to the management and control of the Board of Trustees. The investment advisors seek to increase investment returns and provide greater safety for the assets of the Fund. The Board of Trustees have the ultimate responsibility of ensuring that all the assets of the Fund are managed prudently, in compliance with the administrative code of the City of New York and the State Retirement Social Security Laws. The Board monitors and measures market and various other risk factors associated with investments. The performance of investment advisors is reviewed frequently to insure that their activities in securities are consistent with the best practices in the industry.

## **Investment Policy**

Investment Policy is approved by the Board of Trustees. The New York City Comptroller is the Treasurer, Chief Custodian and Investment Advisor to the Board. The primary objective of the Board is to provide retirement and other benefits for its members.

The Board realizes that increasing investment returns will strengthen the Fund and significantly enhance benefits enjoyed by the members. Increased returns will further assure the safety of assets held in trust for pension benefits. The Investment Policy adopted by the Board of Trustees is one that minimizes credit and market risks while maintaining a competitive yield on the Fund's portfolio. All returns are time weighted rates of return. For periods greater than one year, returns are analyzed.

## **Investment Philosophy**

The investment philosophy of the Board is influenced by key factors that affect investment and strategy, i.e. Risk Tolerance, Returns, Diversification and Liquidity.

### **1-Risk Tolerance**

The Board shall always act to assure that the level of investment risk in the portfolio will be prudent and not exceed levels that may jeopardize the primary objective.

### **2>Returns**

The Board believes that over the long term there is a relationship between the level of investment risk taken and the rate of investment return realized. In order to enhance the level of returns, the assumption of a moderate level of risks is therefore reasonable and justified.

### **3-Diversification**

The Board seeks diversification through investing in a broad array of instruments in order to reduce overall portfolio risks.

### **Liquidity Requirements**

The system anticipates positive cash flow over the near and intermediate term. Liquidity requirements for payment of current and intermediate benefits will therefore not be an issue for the future.

### **Investment Objectives**

The Board has adopted the following general investment objectives in order to enhance returns, providing greater benefits and ensuring the safety of assets held in trust for benefits.

1. In recognition that obligations of the Fund will increase as a result of inflation, the Board seeks to maximize the total return on assets held in trust for pension benefits, while operating within the bounds of regulatory restrictions and prudent parameters of risk.
2. The Board also aims to protect the system from depreciation of assets during adverse market conditions and to attain a level of return that is competitive, not only with similar funds but also with the wider market. These results are attained through broad diversification, careful review of risks and emphasis on Long Term results.
3. The Board of Trustees, where possible and not in conflict with other provisions is interested in increased economic activity in local communities. The Comptroller's Office has made substantial efforts to broaden the Pension Fund's activity in economically targeted investments in the City of New York. This will promote growth in communities while increasing returns. All existing targeted investments are guaranteed by government agencies and earn a rate of return commensurate with risk.

### **Asset Allocation**

The Board's investment policy is implemented using a strategic allocation of assets that meet it's objectives, while working within the confines of the Administrative Code of New York City and the State Retirement and Social Security Laws. The code authorizes the investment of Plan Assets, except equities, subject to the terms, conditions, limitations and restrictions imposed by law for investment by Savings Banks. The code imposes specific criteria for Plan investments. Fixed income investments may be made mostly in U.S. Government securities or agencies backed by the U.S Government, companies rated BBB or better by the Standard and Poor's Corporation or Moody's

Investor's Services or in companies on the Legal Investments lists published by the New York State Banking Department.

Equity investments may be made only in stocks that meet the qualifications of the New York State Retirement and Social Security Law. Short Term Investments may be made in U.S. Government Securities or other securities fully guaranteed by the Government, commercial paper rated AI or PI or fully collateralized repurchase agreements. Investments are made in a broad array of financial instruments; including domestic stocks, bonds and international securities, through a collective fund investment vehicle. Diversification of Investments provides greater security for the assets held in trust, enabling the Fund to become stronger and to meet its obligation. The policy mix targeted for the Fund in fiscal year 2005 included securities from the following categories: U.S. Equities 42%, U.S. Fixed Income (core) 23%, International Equities 16%, Emerging Markets 4%, enhanced yield (Fixed Income) 4%, private Real Estate 3%, Private Equities 5%, U.S. Treasury Inflation - Protected Securities 3%.

#### **Investment current activities and results for Fiscal Year 2005.**

During the year several initiatives were taken to increase investment returns and provide greater safety for the Fund's assets. The Pension Fund continued to diversify assets across different security classes. Exposure to International Equities increased over the previous year. All security on loans is fully collateralized with cash or Treasury Securities.

#### **Results**

Fiscal year 2005 was a good year for the securities industry and also for the Pension system. The overall investment return on assets was 10.3%. The Russell 3000 returned 8.1% and Citigroup Core +5 returned 8.2%, International Equity 13.7%, International Emerging markets at 34.9%. Total fund performance was above assumed actuarial rate of return at 8.0% and above the median public Fund in America, which returned 10.0%. The total investments during the year increased from \$19,146,283 thousand to \$20,171,022 thousand.

Total assets increased during fiscal year 2005 from \$20,053,798 thousand to \$21,348,054 thousand and net investment income decreased from \$2,333,743 thousand to \$1,572,983 thousand.

The investment section includes a list of the portfolio's largest holdings. The complete list of the portfolio's holdings can be obtained by writing to Michael Welsome, Executive Director of the Police Pension Fund at 233 Broadway, New York, NY 10279.

**The following are consultants for the various types of investments.**

**U.S. Equities**

- Mazama Capital (SC-G)
- Dalton Greiner (SC-V)
- Daruma Asset Mgmt Small Cap (SC-CORE)
- J&W Seligman (SMID-G)
- Mackay Shields (SMID-G)
- Forstmann-Leff Associates (MC-G)
- Ariel Capital Mid Cap (MC-V)
- Lord Abbett Mid Cap (MC-V)
- Chicago Equity Partners (MC-CORE)
- Ark Asset Management (LC-G)
- Fidelity (LC-G)
- Goldman Sachs (LC-G)
- Loomis Sayles (LC-G)
- Transamerica (LC-G)
- Aronson Johnson (LC-V)
- Iridian Asset (LC-V)
- Lord Abbett Large Cap (LCV)
- Relational Investors X, L.P.
- Northern Trust (Russell 3000)
- Merrill Lynch (Russell 3000)

**Private Equity Investments**

- Apollo Investment FdV
- Ares Corp Opp
- Aurora Equity Capital Partners III
- Blackstone Capital Ptnrs IV
- Carlyle Ptnrs III
- Carlyle Ptnrs IV
- Coller International Ptnrs IV
- CVC Euro Eq Ptnrs III
- Cypress Merch Bk Ptnrs II
- FdG Capl Ptnrs
- FdG Capl Ptnrs II
- FS Equity Ptnrs V
- Landmark Equity Ptnrs XI
- Lincolnshire Eq Fd II
- Lincolnshire Eq Fd III
- LODH Euro Choice II
- Markstone Capital Ptnrs
- New Mountain Ptnrs
- New Mountain Ptnrs II
- Paladin Homeland Security

**U.S. Fixed Income**

**Government Sector**

- Fischer Francis
- Lehman Brothers (formerly Lincoln Capital)
- PIMCO

**Mortgage Sector**

- Blackrock
- Lehman Brothers (formerly Lincoln Capital)
- PIMCO

**Corporate Sector**

- Blackrock
- T. Rowe Price
- Taplin Canida

**Yankee Sector**

- Fischer Francis
- Prudential

**Active TIPS Managers**

- Pimco

### **International Equities**

- GE Asset Management
- Oechsle
- T.Rowe Price
- Bank of Ireland
- BGI Transition
- Mondrian Investment Partners Ltd
- Capital Guardian
- Barclays Global
- Genesis Asset Mgrs.
- Pictet Int'l

- Prism Venture Ptnrs IV
- SCP Priv Eq Ptnrs II
- Silver Lake Partners II
- Solera Ptnrs
- VS&A Comm Ptnrs III
- Yucaipa American Alliance Fd
- Blackstone Real Estate Ptnrs IV
- Canyon Johnson Urban Fd
- Canyon Johnson Urban Fd II
- OCM-Real-Estate Opportunities FD III-A
- The City Investment FD

### **Enhanced Yield**

- Loomis Sayles
- Mackay Shields
- Seix
- Shenkman
- T. Rowe Price

### **CONSULTANTS**

- Strategic Investment Solutions, Inc.-General
- Buck Consultants – General
- Pacific-Corporate Group-Private Equity
- Townsend – Real Estate



NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005

	Assets (\$MM)	% Total	3 Mos Apr-05 Jun-05	YTD Jan-05 Jun-05	1 Yr Jul-04 Jun-05	3 Yrs Jul-02 Jun-05	5 Yrs Jul-00 Jun-05	10 Yrs Jul-95 Jun-05	15 Yrs Jul-90 Jun-05
<b>EQUITY MANAGEMENT</b>									
SMALL CAP									
MAZAMA CAPITAL	92.48	0.55	4.74	-6.60	-4.11	13.86	****	****	****
TOTAL SMALL CAP GROWTH	92.48	0.55	4.74	-6.60	-4.11	13.86	****	****	****
RUSSELL 2000 GROWTH			3.48	-3.59	4.27	11.36	****	****	****
SMALL CAP GROWTH MEDIAN			4.75	-0.32	5.35	11.81	****	****	****
<b>DALTON GREINER</b>									
TOTAL SMALL CAP VALUE	132.91	0.79	3.42	1.07	10.58	14.78	****	****	****
RUSSELL 2000 VALUE	132.91	0.79	3.42	1.07	10.58	14.78	****	****	****
SMALL CAP VALUE MEDIAN			5.07	0.89	14.38	14.15	****	****	****
			3.63	2.04	14.45	15.56	****	****	****
<b>DARUMA</b>									
TOTAL SMALL CAP CORE	77.27	0.46	3.81	3.70	13.88	12.1	****	****	****
RUSSELL 2000	77.27	0.46	3.81	3.70	11.82	9.80	****	****	****
SMALL CAP CORE MEDIAN			4.32	-1.25	9.45	12.81	****	****	****
			3.94	0.53	10.78	13.70	****	****	****
<b>TOTAL SMALL CAP</b>									
RUSSELL 2000	302.66	1.81	3.92	-0.78	6.41	13.03	****	****	****
			4.32	-1.25	9.45	12.81	****	****	****
<b>SMALL / MID CAP</b>									
J&W SELIGMAN	52.55	0.31	1.15	-1.32	5.47	****	****	****	****
MACKAY MIDFIELD	53.51	0.32	2.63	0.81	6.83	****	****	****	****
TOTAL SMALL/MID CAP	106.06	0.63	1.89	-0.25	6.15	****	****	****	****
RUSSELL 2500 GROWTH			3.56	-0.92	7.47	****	****	****	****

NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005		3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
Assets	%	Apr-05	Jan-05	Jul-04	Jul-02	Jul-00	Jul-95	Jul-90
(\$MM)	Total	Jun-05						
MID CAP								
FORSTMANN LEFF	0.75	2.26	-3.50	8.13	****	****	****	****
TOTAL MID CAP GROWTH	0.75	2.26	-3.50	9.82	****	****	****	****
RUSSELL MIDCAP GROWTH		3.43	1.70	10.85	****	****	****	****
MID CAP GROWTH MEDIAN		3.40	1.58	8.71	****	****	****	****
ARIEL CAP MGMT	0.67	2.82	0.56	10.02	****	****	****	****
LORD ABBETT	0.81	2.29	2.47	17.46	****	****	****	****
TOTAL MID CAP VALUE	1.49	2.53	1.6	13.97	****	****	****	****
RUSSELL MIDCAP VALUE		4.70	5.51	21.79	****	****	****	****
MID CAP VALUE MEDIAN		3.20	3.23	15.49	****	****	****	****
CHICAGO EQUITY	0.77	3.38	3.88	15.11	****	****	****	****
TOTAL MID CAP CORE	0.77	3.38	3.88	15.11	****	****	****	****
S&P MIDCAP INDEX 400		4.26	3.85	14.03	****	****	****	****
MID CAP COREMEDIAN		2.77	0.10	9.52	****	****	****	****
TOTAL MID CAP CORE	3.01	2.68	0.83	13.18	****	****	****	****
RUSSELL MIDCAP		4.18	3.90	17.11	****	****	****	****
LARGE CAP								
ARK ASSET MANAGEMENT	0.69	3.27	****	****	****	****	****	****
FIDELITY MGMT	1.51	1.32	-2.41	1.24	5.54	-6.45	8.58	****
GOLDMAN SACHS	0.65	3.77	****	****	****	****	****	****
LOOMIES SAYLES-GROWTH	1.41	6.10	-0.37	10.59	11.25	-5.71	****	****

NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005	Assets (\$MM)	% Total	3 Mos Apr-05 Jun-05	YTD Jan-05 Jun-05	1 Yr Jul-04 Jun-05	3 Yrs Jul-02 Jun-05	5 Yrs Jul-00 Jun-05	10 Yrs Jul-95 Jun-05	15 Yrs Jul-90 Jun-05
	715.77	4.27	3.47 2.47 3.68	-1.52 -1.72 (1.37)	5.45 1.70 3.56	7.27 7.26 6.09	**** **** ****	**** **** ****	**** **** ****
TOTAL LARGE CAP GROWTH									
RUSSELL 1000 GROWTH									
LARGE CAP GROWTH MEDIAN									
ARONSON JOHNSON	253.93	1.51	2.37	3.73	17.11	****	****	****	****
IRIDIAN ASSET	248.82	1.48	1.73	0.22	14.62	****	****	****	****
LORD ABBETT	359.41	2.14	(0.42)	(2.77)	6.20	****	****	****	****
TOTAL LARGE CAP VALUE	862.16	5.14	1.02	(0.05)	11.69	****	****	****	****
RUSSELL 1000 VALUE			1.67	1.76	14.05	****	****	****	****
LARGE CAP VALUE MEDIAN			2.03	1.46	10.68	****	****	****	****
TOTAL LARGE CAP	1,577.93	9.41	2.09	(0.71)	8.83	****	****	****	****
RUSSELL 1000			2.05	0.11	7.92	****	****	****	****
RELATIONAL INVESTORS X, L.P. S&P 500+ 8%	49.95	0.30	4.51	3.74	****	****	****	****	****
TOTAL OTHER DOMESTIC EQUITY	49.95	0.30	4.51	3.74	****	****	****	****	****
RUSSELL 3000	2,733.80	16.30	2.23	(0.01)	7.95	9.43	-1.19	****	****
MERRILL QUANT RUSSELL 3000	2,639.55	15.74	2.32	0.07	8.17	9.52	-1.18	10.09	10.87
NORTHERN TRUST RUSSELL 3000	5,373.35	32.03	2.27	0.03	8.06	9.48	-1.18	10.09	10.87
TOTAL RUSSELL 3000			2.25	-	8.06	9.46	-1.36	10.05	10.87
RUSSELL 3000									



NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005	Assets (\$MM)	% Total	3 Mos Apr-05 Jun-05	YTD Jan-05 Jun-05	1 Yr Jul-05 Jun-05	3 Yrs Jul-02 Jun-05	5 Yrs Jul-00 Jun-05	10 Yrs Jul-95 Jun-05	15 Yrs Jul-90 Jun-05
			1.73	0.43	10.97	****	****	****	****
	11,951.48	71.25							
TOTAL EQUITY - PUBLIC & PRIVATE									
	-								
	-								
FIXED INCOME MANAGEMENT									
GOVERNMENT									
	233.51	1.39	5.69	5.37	12.50	8.61	9.42	8.21	9.17
	306.61	1.83	6.13	6.18	13.16	8.59	9.32	****	****
	219.62	1.31	6.12	6.01	12.63	8.93	****	****	****
	759.75	4.53	5.99	5.88	12.80	8.69	9.44	8.17	9.22
	-		6.10	5.85	12.66	8.56	9.29	8.03	9.07
	-								
MORTGAGE									
	515.05	3.07	1.97	2.00	5.64	4.81	****	****	****
	554.81	3.31	2.44	2.33	6.44	4.96	7.17	****	****
	519.09	3.09	2.43	2.55	6.43	5.39	7.65	7.35	8.02
	1,588.95	9.47	2.29	2.30	6.18	5.05	7.30	7.04	7.67
	-		2.35	2.15	6.31	4.74	6.86	6.70	7.51
	-								
TOTAL MORTGAGE									
CITIGROUP MORTGAGE INDEX									

NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005									
	Assets (\$MM)	% Total	3 Mos Apr-05 Jun-05	YTD Jan-05 Jun-05	1 Yr Jul-05 Jun-05	3 Yrs Jul-02 Jun-05	5 Yrs Jul-00 Jun-05	10 Yrs Jul-95 Jun-05	15 Yrs Jul-90 Jun-05
PRIVATE EQUITY INVESTMENTS									
22.89	0.14		****	****	****	****	****	****	****
17.66	0.11		****	****	****	****	****	****	****
2.80	0.02		****	****	****	****	****	****	****
39.98	0.24		****	****	****	****	****	****	****
23.80	0.14		****	****	****	****	****	****	****
11.88	0.07		****	****	****	****	****	****	****
20.34	0.12		****	****	****	****	****	****	****
44.71	0.27		****	****	****	****	****	****	****
28.46	0.17		****	****	****	****	****	****	****
7.84	0.05		****	****	****	****	****	****	****
4.20	0.03		****	****	****	****	****	****	****
15.16	0.09		****	****	****	****	****	****	****
9.49	0.06		****	****	****	****	****	****	****
1.36	0.01		****	****	****	****	****	****	****
1.09	0.01		****	****	****	****	****	****	****
1.41	0.01		****	****	****	****	****	****	****
10.35	0.06		****	****	****	****	****	****	****
1.41	0.01		****	****	****	****	****	****	****
8.60	0.05		****	****	****	****	****	****	****
10.32	0.06		****	****	****	****	****	****	****
12.08	0.07		****	****	****	****	****	****	****
0.95	0.01		****	****	****	****	****	****	****
3.54	0.02		****	****	****	****	****	****	****
17.14	0.1		****	****	****	****	****	****	****
11.09	0.07		****	****	****	****	****	****	****
328.56	1.96		****	****	****	****	****	****	****



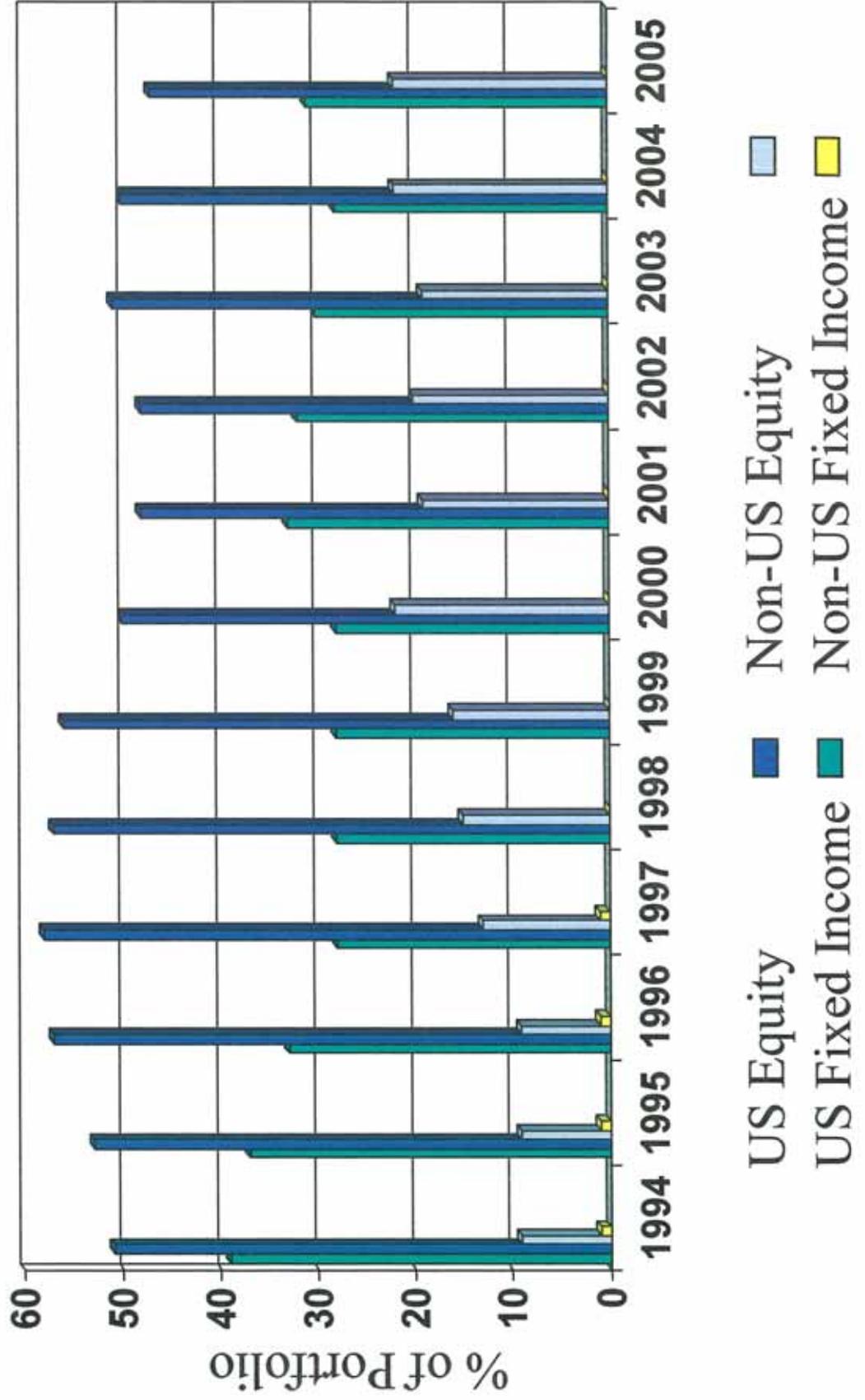
NEW YORK CITY  
POLICE PENSION FUND

YEAR ENDED JUNE 30, 2005  
CONSOLIDATED PERFORMANCE REPORT

Through June 30, 2005		3 Mos	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs
Assets	%	Apr-05	Jan-05	Jul-04	Jul-02	Jul-00	Jul-95	Jul-90
(\$MM)	Total	Jun-05						
173.10	1.03	1.19	-0.52	8.36	****	****	****	****
		2.61	1.14	10.62	14.20	7.14	7.08	****
149.35	0.89	2.79	1.08	9.18	****	****	****	****
123.92	0.74	2.14	1.06	9.75	****	****	****	****
123.99	0.74	2.00	0.78	9.30	****	****	****	****
0.30	0.00	****	****	****	****	****	****	****
707.83	4.22	2.25	0.93	10.13	13.59	6.74	7.63	****
		2.58	1.31	10.15	13.63	7.15	7.14	****
		2.56	1.06	9.32	13.76	8.05	8.69	****
		3.27	2.88	7.01	****	****	****	****
22.44	0.13	2.85	4.35	7.25	6.28	7.65	7.48	9.37
44.83	0.27	3.03	3.82	7.14	5.71	7.30	7.31	9.25
67.27	0.40	3.01	2.52	6.8	5.76	7.41	6.83	7.68
222.38	1.33	0.75	1.36	2.22	1.80	3.26	4.40	****
4,817.22	28.72	3.12	2.68	8.34	7.63	7.67	7.20	8.12
4.42	0.03	****	****	****	****	****	****	****
0.62	0.00	****	****	****	****	****	****	****
16773.75	100	2.11	1.05	10.28	9.96	2.36	9.11	9.74

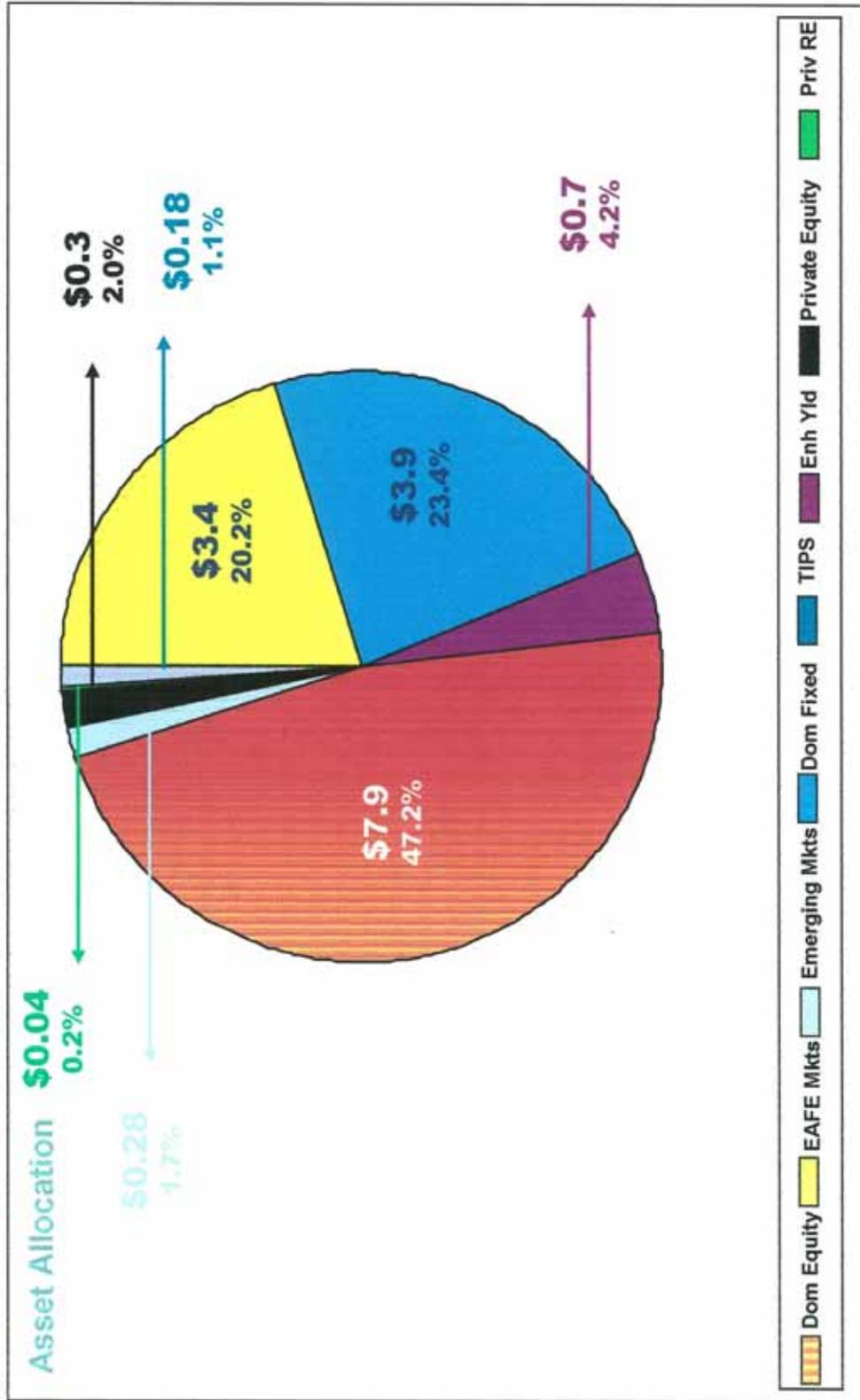
# NYC POLICE DEPARTMENT PENSION FUND ASSET ALLOCATION

June 30, 1994 - June 30, 2005



# Portfolio Asset Allocation: June 30, 2005

• **\$16.3B** Under Management



POLICE

NEW YORK CITY  
POLICE PENSION FUND

ASSET ALLOCATION 06/30/96 TO 06/30/05

	<u>U.S Equity</u>	<u>Int'l Equity</u>	<u>Domestic Fixed</u>	<u>Int'l Fixed</u>	<u>Cash</u>	<u>Total</u>
6/30/1996	57.08%	8.77%	30.25%	1.06%	2.20%	100.00%
6/30/1997	57.40%	13.32%	27.82%	0.93%	2.84%	100.00%
6/30/1998	57.24%	15.13%	27.08%	0.00%	0.53%	100.00%
6/30/1999	56.00%	16.00%	27.00%	0.00%	0.55%	100.00%
6/30/2000	61.63%	11.80%	26.57%	0.00%	1.00%	100.00%
6/30/2001	48.30%	18.80%	32.90%	0.00%	0.00%	100.00%
6/30/2002	47.00%	20.00%	31.00%	2.00%	0.00%	100.00%
6/30/2003	46.00%	19.00%	33.00%	2.00%	0.00%	100.00%
6/30/2004	50.65%	21.48%	27.32%	0.55%	0.00%	100.00%
6/30/2005	48.80%	21.84%	28.78%	0.58%	0.00%	100.00%

**NEW YORK CITY POLICE PENSION FUND**  
**BOND ASSETS HOLDINGS**  
As of June 30, 2005

Cusip	Security Description	Quantity	Market Value	Book Value
S86924920	AFL-CIO HOUSING INV TRUST	20096603	\$ 22,436,818.92	\$23,066,732.38
084664AK7	BERKSHIRE HATHAWAY FIN CORP	7035000	7,037,407.52	7,043,579.20
111021AD3	BRITISH TELECOM	6310000	7,494,464.11	6,903,318.42
02582JCA6	AMERICAN EXPRESS CR ACCOUNT V/R	6075000	6,077,946.13	6,075,000.00
06423EPM1	BANK ONE N A CHICAGO ILL M/T/N	6050000	6,105,727.22	6,068,063.75
02582JBL3	AMERICAN EXPRESS CR ACCOUNT	5415000	5,428,257.11	5,428,749.02
02635PRT2	AMERICAN GEN FIN CORP M/T/N	5046000	5,276,640.05	5,017,087.14
023551AF1	AMERADA HESS CORP	3855000	4,690,050.31	4,232,331.60
02581FVU0	AMERICAN EXPRESS CENTURION BK	3850000	3,948,639.66	3,854,935.00
020002AS0	ALLSTATE CORP	3790000	3,952,237.24	3,771,353.20
00209TAA3	AT&T BROADBAND CORP	3282000	4,082,839.90	3,637,328.68
06605WAC9	BANKBOSTON CAP TR I CAP SECS SER B	3250000	3,541,416.65	3,624,719.58
105756AE0	BRAZIL FEDERATIVE REP	4326000	5,067,638.63	3,548,310.72
111021AC5	BRITISH TELECOM PLC 7.625 15DEC2005 V/R	3260000	3,328,297.00	3,406,385.74
026351BC9	AMERICAN GEN CORP	2940000	3,418,298.78	3,381,010.40
023551AM6	AMERADA HESS CORP	3175000	3,832,508.08	3,305,689.50
0007W0AJ8	ABN AMRO BK N V LTD RECOURSE *PP*	3260000	3,279,884.37	3,260,758.70
003924AC1	ABITIBI-CONSOLIDATED INC	3600000	3,190,500.00	3,238,639.50
084664AQ4	BERKSHIRE HATHAWAY FIN CORP	3150000	3,192,490.85	3,146,031.00
035229CX9	ANHEUSER BUSCH COS INC	3000000	3,103,086.66	3,051,900.00
060505AG9	BANK AMER CORP	2625000	3,093,830.83	3,037,046.25
00130HBB0	AES CORPORATON	2765000	3,135,510.00	2,921,461.61
001957BD0	AT&T CORP	2155000	2,831,041.45	2,704,866.55
05948KAS8	BANC AMER ALTERNATIVE LN TR	4700000	2,591,973.89	2,576,228.91
048625AV5	ATLANTIC RICHFIELD CO DEB	2150000	2,725,182.32	2,539,290.05
001822AA3	ANZ CAP TR I *PP*	2430000	2,424,247.90	2,423,697.50
00130HBA2	AES CORP *PP*	2195000	2,477,453.80	2,323,278.74
031652AT7	AMKOR TECHNOLOGY INC	2525000	2,237,097.38	2,281,186.95
00139RAA2	AIG SUNAMERICA GLOBAL FING XII *PP*	2766000	2,833,694.75	2,788,097.85
092113AE9	BLACK HILLS CORP	2210000	2,374,723.57	2,218,194.10
060505AR5	BANK AMER CORP	2240000	2,335,993.32	2,202,300.80
099599AJ1	BORDEN INC NTS	3125000	2,592,968.75	2,188,312.50
04541GNK4	ASSET BACKED SECS CORP HOME	5200000	2,174,564.93	2,172,941.99
097014AG9	BOEING CAP CORP	2000000	2,286,298.60	2,163,296.50
06423RBH8	BANK ONE ISSUANCE TR	2060000	2,063,648.92	2,061,770.31
017363AE2	ALLEGHENY ENERGY SUPPLY CO LLC *PP*	1875000	2,132,656.24	2,029,281.44
03070QAF8	AMERISTAR CASINOS INC	1835000	2,070,083.89	1,924,238.88
073879AX6	BEAR STEARNS ASSET BACKED SECS	5000000	1,764,139.98	1,771,865.26
001957BC2	AT&T CORP	1540000	1,792,658.38	1,739,591.53
029171AD7	AMERICAN REAL ESTATE PARTNERS *PP*	1660000	1,674,110.00	1,668,681.25
097751AL5	BOMBARDIER INC	1935000	1,668,776.24	1,633,937.50
00184AAC9	AOL TIME WARNER INC	1306000	1,652,073.31	1,575,571.04
032479AD9	ANADARKO FIN CO	1480000	1,887,000.00	1,566,153.19
00130HAU9	AES CORP	1575000	1,808,931.24	1,565,513.40
066050CV5	BANKAMERICA CORP DEB	1425000	1,537,895.33	1,553,492.25
00130HAL9	AES CORP	2100000	\$ 2,330,562.49	\$ 1,525,827.08

**NEW YORK CITY POLICE PENSION FUND**  
**BOND ASSETS HOLDINGS**  
As of June 30, 2005

Cusip	Security Description	Quantity	Market Value	Book Value
013716AR6	ALCAN ALUM LTD	1475000	\$ 1,508,119.89	\$ 1,505,871.75
00873NAA1	AIFUL CORP *PP*	1430000	1,437,847.13	1,428,927.50
111021AE1	BRITISH TELECOMMUNICATIONS	1325000	1,875,662.63	1,423,269.16
008739AA2	AIG SUNAMERICA GLOBAL FING VII	1370000	1,461,563.95	1,412,271.35
03958QAC2	ARCHSTONE-SMITH OPER TR	1400000	1,499,064.00	1,396,990.00
001814AQ5	ANR PIPELINE CO DEB	1515000	1,645,109.88	1,380,500.00
058498AF3	BALL CORP	1330000	1,400,563.88	1,353,385.94
06606H8D2	BANKBOSTON N A M/T/N	1225000	1,312,808.00	1,318,724.75
10513QBE0	BRANCH BKG & TR CO WILSON N C	1310000	1,315,475.80	1,310,537.10
00440EAG2	ACE INA HLDG INC	1275000	1,339,478.17	1,273,546.50
05564UAB6	BMW FLOORPLAN MASTER OWNER TR *PP*	1270000	1,272,244.73	1,270,000.00
05948KNQ8	BANC AMER ALTERNATIVE LN TR	1500000	1,255,147.95	1,266,822.02
008190AG5	AFFILIATED COMPUTER SVCS INC	1265000	1,265,257.91	1,264,669.90
054937AF4	BB&T CORP	1235000	1,294,539.35	1,234,481.30
00209AAE6	AT&T WIRELESS SVCS INC	1045000	1,241,898.90	1,231,051.80
073902CC0	BEAR STEARNS COS INC	1295000	1,264,703.64	1,221,508.75
03958QAB4	ARCHSTONE-SMITH OPER TR	1225000	1,179,103.33	1,218,752.50
07384YJP2	BEAR STEARNS ASSET BACKED SECS TR V/R	4200000	1,191,596.96	1,189,099.37
103304BD2	BOYD GAMING CORP	1175000	1,221,118.75	1,184,551.47
097014AF1	BOEING CAP CORP	1130000	1,184,864.01	1,184,409.50
05565AAA1	BNP PARIBAS	1150000	1,163,004.33	1,150,000.00
055654AB3	BSCH ISSUANCES LTD	1050000	1,234,173.35	1,140,258.87
03939RAB6	ARCH WESTN FIN LLC	1075000	1,146,218.75	1,115,187.50
023608AD4	AMEREN CORP	1100000	1,106,915.88	1,110,590.80
05508RAC0	B & G FOODS INC	1025000	1,080,093.75	1,048,310.42
02504RAC1	AMERICAN CASINO & ENTMT PFTYS	1000000	1,092,708.34	1,016,836.39
099599AH5	BORDEN INC	1000000	947,088.88	820,766.67
110709EQ1	BRITISH COLUMBIA PROV CDA	605000	639,549.70	630,089.35
110122AC2	BRISTOL-MEYER SQUIBB	475000	605,461.52	528,271.25
10525MAB2	BRAND SVCS INC	350000	383,366.67	408,786.18
103304BB6	BOYD GAMING CORP	320000	343,102.22	321,970.54
105253AA6	BRAND INTER HLDGS INC *PP*	255200	260,573.09	279,036.75
099611AD7	BORDEN U S FIN CORP / BORDEN RESTR	225000	238,275.00	225,806.59
064057BB7	BANK NEW YORK INC	830000	867,383.20	895,196.50
029171AC9	AMERICAN REAL ESTATE PARTNERS	900000	933,093.75	893,394.00
111013AA6	NT	740000	780,042.22	828,230.20
02666QUW1	AMERICAN HONDA FIN CORP M/T/N 144A *PP*	825000	837,053.25	823,242.75
087851AT8	BEVERLY ENTERPRISES INC	750000	820,125.00	773,295.00
105756BB5	BRAZIL FEDERATIVE REP	950000	964,151.04	737,375.00
025169AC7	AMERICAN COLOR GRAPHICS INC	710000	514,355.55	731,300.00
116881AB9	BRUNOS INC SR SUB NT *DFLT*	1064000	-	716,320.63
085790AJ2	BERRY PLASTICS CORP	505000	576,113.82	541,871.29
093879AA6	BLOCKBUSTER INC *PP*	485000	468,025.00	480,037.50
025058AG3	AMERICAN CELLULAR CORP	500000	528,333.33	444,375.00
097751AG6	BOMBARDIER INC *PP*	475000	456,593.75	439,312.50
02364WAJ4	AMERICA MOVIL S A DE C V	435000	434,200.69	433,912.50
02744RAH0	AMERICAN MEDIA OPERATIONS INC	395000	402,735.42	404,323.16
06050HXW3	BANK AMER MTG SECS INC	5000000	413,566.78	401,700.03
02389AAE8	AMERICAN ACHIEVEMENT CORP	375000	384,609.38	381,202.08
001669AT7	AMC ENTMT INC	325000	343,714.58	333,687.50
02408PAE0	AMERICAN AXLE & MFG INC	375000	337,656.25	328,000.00
02364WAH8	AMERICA MOVIL S A DE C V	300000	316,012.16	296,038.00
097751AH4	BOMBARDIER INC *PP*	225000	205,987.50	195,437.50
S04701830	CPC #844 6-12-26-34 W 132ND ST	137270	161,005.00	140,814.94
090572AK4	BIO RAD LABS INC	135000	\$ 136,717.50	\$ 135,000.00

NEW YORK CITY  
POLICE PENSION FUND

INTERNATIONAL HOLDINGS  
FOR FISCAL YEAR ENDED JUNE 30, 2005

Cusip	Security Description	Quantity	Market Value	Book Value
FCB197994	FORWARD USD/GBP	203,143,118.00	\$ 203,143,118.00	\$ 203,143,118.00
G3910J112	GLAXOSMITHKLINE PLC 25P	4,944,648.00	120,642,681.38	119,664,540.06
F92124100	TOTAL SA EUR 10.0	777,832.00	183,043,954.03	112,875,729.50
	U.S. DOLLARS	90,768,916.69	90,768,916.69	90,768,916.69
G5542W106	LLOYDS TSB GROUP PLC 25P	10,322,267.00	87,527,334.87	86,288,939.74
J81281115	TAKEDA CHEM INDS	1,995,400.00	99,058,579.29	81,249,303.07
Q65336119	NATIONAL AUSTRALIA BANK LTD	3,637,407.00	87,615,613.82	70,855,496.81
H57312466	NESTLE SA CHF 1.0 (REGD)	292,902.00	76,212,151.32	67,702,755.71
E90183182	TELEFONICA SA EUR 1.0	5,199,829.00	85,247,226.92	64,700,339.40
N76277172	ROYAL DUTCH PETROLEUM CO	1,183,866.00	78,498,729.06	63,380,644.59
X9USD9073	BNY COLLECTIVE FUND	61,621,671.48	61,768,390.76	61,621,671.48
D07112119	BAYER AG	1,814,882.00	60,681,002.97	55,110,331.30
T1700N109	BANCA INTESA SPA EUR 0.52	18,232,494.00	83,560,210.06	54,993,312.20
J92676113	TOYOTA MOTOR CORP	1,777,300.00	63,686,984.38	54,822,267.00
H5820Q150	NOVARTIS AG CHF 0.5	1,204,791.00	58,032,383.08	52,055,530.09
J31843105	KDDI CORPORATION	10,315.00	47,762,388.30	51,720,330.21
N4578E413	ING GROEP NV CVA EUR 0.24	1,985,534.00	56,709,085.58	49,018,903.54
G12517101	BOOTS GROUP ORD GBP0.25	4,098,496.00	46,288,439.58	46,865,306.59
G12068113	BOC GROUP GBP0.25	2,908,795.00	53,673,827.18	46,230,962.02
J41121104	MATSUSHITA ELECTRIC INDUST	2,671,000.00	40,574,898.45	42,358,598.49
T3643A145	ENI SPA EUR 1.0	2,759,815.00	71,209,175.08	42,902,958.24
D6629K109	RWE AG (NEU) NPV 'A'	1,136,636.00	73,592,671.29	42,200,915.09
Q3944W187	FOSTERS GROUP LIMITED	13,838,541.00	56,136,059.11	39,899,797.02
D08064103	BAYERISCHE HYPO-UND VEREINS	1,466,919.00	38,187,139.51	39,573,921.77
G12793181	BP PLC USD 0.25	5,163,632.00	54,152,514.24	39,139,756.50
F43638141	SOC GENERALE EUR 1.25	588,809.00	60,090,946.15	38,846,943.25
822703104	SHELL TRNSPT+TRDG GBP0.25	5,414,522.00	52,682,627.92	38,330,438.77
N29370132	REED ELSEVIER NV EUR 0.06	2,930,614.00	41,223,471.06	37,025,405.77
D69671218	SIEMENS AG NPV(REGD)	518,594.00	37,898,867.89	35,917,700.62
G4364D106	HBOS ORD GBP 25P	3,289,295.00	50,741,251.56	35,166,776.97
F58485115	LVMH MOET-HENNESSY LOUI EUR	466,300.00	36,081,227.74	32,521,155.56
E19790109	BANCO SANTANDER CENT HISP	3,339,000.00	38,771,049.80	32,267,238.84
G1245Z108	BG GROUP PLC-ORD SHS GBP 0.1	7,355,823.00	60,527,318.14	32,179,062.44
01888M940	ALLIED IRISH BK E0.32 (DUBLIN	2,243,970.00	48,282,865.84	31,765,128.67
V80178110	SINGAPORE AIRLINES SGD 0.5	4,322,000.00	28,693,775.93	31,385,947.39
F5548N101	SANOFI-AVENTIS EUR 2.0	515,155.00	42,379,647.68	30,317,193.77
J20454120	HITACHI LTD	4,020,000.00	24,455,997.83	30,276,890.71
G0593M107	ASTRAZENECA ORD US	680,748.00	28,202,901.79	30,053,652.72
G03764100	ANGLO AMERICAN PLC USD 0.50	1,678,004.00	39,376,772.26	27,779,554.93
G75754104	RIO TINTO PLC 10P	1,342,330.00	41,101,212.92	27,242,404.28
G1307R101	BRAMBLES INDUSTRIE ORD	5,721,081.00	31,383,906.31	26,477,295.45
G12924109	BAA PLC GBP 1.0	2,899,851.00	32,974,473.54	25,825,433.34
X61873133	NOKIA OYJ EUR 0.06	1,379,801.00	23,138,689.75	24,592,477.45
Q03080100	AMCOR ORD NPV	5,756,734.00	29,409,724.01	23,851,880.25
G12796101	BPB GBP 0.5	4,036,556.00	38,280,193.95	23,230,867.90
H69293217	ROCHE HLDG AG	221,641.00	28,230,135.84	22,872,564.33
G82401103	SMITHS GROUP PLC 25P	1,982,549.00	32,662,311.54	22,580,094.40
861012102	STMICROELECTRO EUR 3.12	1,065,460.00	17,029,779.67	21,408,853.23
E11805103	BANCO BILBAO VIZCAYA ARGEN	1,480,561.00	22,874,389.61	20,934,892.55
J59009159	NOMURA HOLDINGS INC	1,435,600.00	17,195,064.53	20,641,891.74
Q09504137	AUSTRALIA + NEW ZEALAND NPV	1,198,400.00	19,894,981.61	19,835,143.75
064149107	BANK OF NOVA SCOTIA	1,036,936.00	34,574,977.50	19,798,887.58
Y64248126	OVERSEA-CHINESE BANKING CORP	2,912,000.00	21,749,377.59	19,699,710.67
E19550206	BANCO POPULAR ESPANOL SA EUR	1,622,372.00	19,624,042.01	19,460,333.83
G76891111	ROYAL BK SCOT GRP ORD GBP0.25	749,181.00	22,643,929.84	18,068,519.06
X56533114	NATL BK OF GREECE EUR 4.50	530,932.00	18,051,302.30	17,981,453.88
T05040109	ASSIC GENERALI SPA EUR 1	512,228.00	16,001,310.58	16,294,168.94
82668X991	SIGNET GROUP PLC 0.5P	8,097,310.00	15,997,950.28	16,102,960.42
F06106102	AXA EUR 2.29 RFD	574,468.00	14,378,211.55	15,998,202.59
J61546115	ONO PHARMACEUTICAL	402,700.00	\$ 19,119,072.12	\$ 15,375,250.71

NEW YORK CITY  
POLICE PENSION FUND

INTERNATIONAL HOLDINGS  
FOR FISCAL YEAR ENDED JUNE 30, 2005

Cusip	Security Description	Quantity	Market Value	Book Value
W7912C118	SECURITAS B SHS SEK 1.0	854,364.00	\$ 14,281,899.14	\$ 15,281,805.09
693483109	POSCO KRW 5000.0	595,408.00	26,365,857.06	14,912,130.77
X3258B102	OTE(HELLENIC TLCM) EUR 2.2	974,380.00	18,923,665.35	14,863,703.83
D12096109	BAYER MOTOREN WERK EUR 1.0	393,224.00	17,969,949.43	14,831,357.14
G08036124	BARCLAYS ORD GBP0.25	1,346,159.00	13,405,650.66	13,813,963.95
J96216122	ASTELLAS PHARMA INC JPY 50.0	362,400.00	12,397,292.17	13,410,828.78
G0683Q109	AVIVA PLC 25P	1,871,098.00	20,863,847.27	13,355,347.61
G74600167	REED ELSEVIER PLC GBP 0.125	1,609,168.00	15,419,012.93	13,204,180.99
K7314N145	NOVO-NORDISK AS - SERIES 'B' DKK	349,408.00	17,801,513.67	13,034,986.99
G03815118	ANGLO IRISH BANK CORP PLC EUR	1,012,600.00	12,615,438.40	12,839,307.94
71654V408	PETROLEO BRASILEIRO SA	449,875.00	23,451,983.75	12,136,660.61
J61933123	ORIX CORP	136,900.00	20,561,566.93	12,087,868.62
803866102	SASOL NPV	1,064,178.00	28,852,140.24	11,790,043.17
J69972107	SECOM CO	295,000.00	12,701,056.05	11,571,576.73
X5967A101	OPAP(ORG OF FOOTB) GRD100(CR)	426,200.00	12,343,751.07	11,460,345.69
71654V101	PETROL BRASILEIROS SPONS ADR-	380,926.00	17,537,833.04	11,429,306.53
T1700N117	BANCA INTESA SPA EUR 0.52	2,640,600.00	11,302,241.20	11,259,912.62
J71434146	SHARP CORP	703,000.00	11,002,816.14	10,865,675.82
E8471S130	REPSOL YPF SA EUR1.00	470,976.00	12,066,657.18	10,122,294.05
G82343164	SMITH AND NEPHEW PLC 12.222P	1,097,189.00	10,837,784.70	9,119,076.76
D67334108	SCHERING AG DEM NPV	120,381.00	7,429,690.76	8,713,534.31
J72122104	SHIMACHU CO Y50	393,100.00	9,899,350.12	8,484,898.58
G08288105	BARRATT DEVEL ORD 10P	758,020.00	9,736,532.88	7,860,065.15
J72810120	SHIN-ETSU CHEMICAL	196,700.00	7,474,564.49	7,830,747.64
N44062128	SBM OFFSHORE NV EUR 1.0	161,729.00	11,223,198.43	7,717,052.39
002255107	AU OPTRONICS CORP ADS EACH	575,755.00	9,753,289.70	7,415,325.22
F84941123	SODEXHO ALLIANCE EUR 4.0	179,653.00	5,573,540.72	6,763,717.16
T8578L107	SNAM RETE GAS SPA SAN DONAT	1,548,326.00	8,293,733.18	6,637,431.73
85771L994	STATOIL ASA NOK 2.5	311,100.00	6,355,002.83	5,524,259.22
J76379106	SONY CORP	145,200.00	5,006,444.62	5,446,589.76
X03188137	BCO COM PORTUGUES EUR 1.0	2,196,535.00	5,653,807.19	5,420,820.43
02364W105	AMERICA MOVIL - ADR SERIES L NO	201,403.00	12,025,235.38	4,902,419.88
Y06070109	BANGKOK BANK PCL THB 10.0	1,961,100.00	4,794,749.46	4,811,679.79
Q0344G101	AMP LIMITED NPV	944,200.00	4,658,094.13	4,636,411.53
78440P108	SK TELECOM CO LTD KRW 5000.0	214,600.00	4,401,499.88	4,408,582.91
G83561103	SPIRAX-SARCO ENG ORD 25P	519,428.00	6,969,869.34	4,171,105.37
J0429N102	BENESSE CORP JPY50	116,800.00	3,753,118.51	3,873,447.47
Y7990F106	SINGAPORE PRESS HOLDINGS LT	1,385,500.00	3,531,505.63	3,409,916.58
Y77538109	SHINSEGAE DEPT STR KSW 0.0005	17,640.00	5,584,007.74	3,395,152.68
J75734103	SMC CORP Y50	29,700.00	\$ 3,243,704.31	\$ 3,226,510.61

**NEW YORK CITY POLICE PENSION FUND**  
**EQUITY ASSETS HOLDINGS**  
As of June 30, 2005

Cusip	Security Description	Quantity	Market Value	Book Value
594918104	MICROSOFT CORP COM	4,655,738.00	115,648,531.92	69,214,794.83
369604103	GENERAL ELECTRIC CO	5,230,623.00	182,382,674.65	64,800,850.13
30231G102	EXXON MOBIL CORP	3,186,933.00	183,153,039.51	56,069,698.87
717081103	PFIZER INC COM	3,892,044.00	107,342,573.52	51,964,654.80
172967101	CITIGROUP INC	2,666,238.00	123,260,182.74	51,535,444.71
S99993000	NYC CUSTOM STIF	48,711,433.95	48,897,266.67	48,711,433.95
92343V104	VERIZON COMMUNICATIONS INC	1,563,067.00	54,003,964.85	39,009,366.61
026874107	COM	1,174,314.00	68,227,643.40	35,895,599.68
458140100	INTEL CORPORATION	3,372,024.00	87,874,945.44	34,657,632.48
060505104	BANK AMER CORP	2,126,091.00	96,971,010.51	34,348,388.28
887317105	TIME WARNER INC NEW	1,918,494.00	32,058,034.74	32,992,982.49
17275R102	CISCO SYS INC	3,083,054.00	58,917,161.94	32,434,163.83
46625H100	JPMORGAN CHASE & CO	1,765,957.00	62,373,601.24	31,057,181.20
459200101	CORP	767,400.00	56,941,080.00	30,611,148.97
478160104	JOHNSON & JOHNSON COM	1,425,581.00	92,662,765.00	30,691,482.64
742718109	PROCTER & GAMBLE CO COM	1,339,609.00	70,664,374.75	28,637,720.41
78387G103	SBC COMMUNICATIONS INC	1,725,169.00	40,972,763.75	27,027,065.00
38259P508	GOOGLE INC	103,870.00	30,553,360.50	25,130,998.23
166764100	CHEVRON CORPORATION	1,060,112.00	59,281,463.04	24,487,330.74
589331107	MERCK & CO INC	1,047,349.00	32,668,215.30	22,848,399.10
911312106	UNITED PARCEL SVC INC CL B	331,315.00	22,913,745.40	21,504,910.82
38141G104	GOLDMAN SACHS GROUP INC	222,337.00	22,682,820.74	20,807,292.69
031162100	AMGEN INC	664,474.00	40,174,098.04	20,599,397.62
983024100	WYETH	843,826.00	37,550,257.00	20,521,551.80
071813109	BAXTER INTL INC COM	767,760.00	28,483,896.00	19,903,355.98
24702R101	DELL INC	1,304,800.00	51,552,648.00	19,240,203.55
46612J101	JDS UNIPHASE CORP	562,928.00	855,650.56	19,189,413.07
48203R104	JUNIPER NETWORKS INC	386,875.00	9,741,512.50	19,071,515.69
191216100	COCA-COLA CO USD	942,068.00	39,600,942.04	19,010,824.91
428236103	HEWLETT PACKARD COMPANY	1,464,394.00	34,554,302.86	18,176,741.78
713448108	PEPSICO INC COM	904,968.00	48,804,924.24	18,144,885.90
902973304	US BANCORP DEL	1,149,406.00	33,907,477.00	17,227,785.29
949746101	WELLS FARGO & CO NEW	758,328.00	46,697,838.24	17,279,735.98
20030N101	COMCAST CORP NEW CL A	707,726.00	21,727,188.20	16,917,225.61
620076109	MOTOROLA INC COM	1,633,170.00	29,886,677.32	16,808,502.29
94973V107	WELLPOINT INC COM	476,330.00	33,171,621.20	16,271,129.36
254687106	DISNEY (WALT) COMPANY .	1,082,262.00	27,251,357.16	15,884,719.47
65248E104	NEWS CORP	925,600.00	14,976,208.00	15,626,402.62
375766102	GILLETTE COMPANY COMMON	632,121.00	32,004,286.23	15,590,642.61
313400301	FEDERAL HOME LN MTG CORP	437,900.00	28,564,217.00	15,432,552.87
079860102	BELLSOUTH CORPORATION	982,444.00	26,103,537.08	15,252,984.54
002824100	ABBOTT LABORATORIES	814,726.00	39,929,721.26	15,167,411.13
984332106	YAHOO INC	696,167.00	24,122,186.55	15,103,851.05
263534109	E I DU PONT DE NEMOURS & CO COMM	569,296.00	24,485,420.96	14,867,715.27
268648102	EMC CORP(MASS) USD 0.01	1,409,744.00	19,327,590.24	14,865,589.92
747525103	QUALCOMM INC	829,464.00	27,380,606.64	14,742,316.67
852061100	SPRINT CORP	831,744.00	20,868,456.96	14,546,019.64
882508104	TEXAS INSTRUMENTS INC	1,021,804.00	28,682,038.28	14,371,235.94
110122108	BRISTOL MYERS SQUIBB CO COM	915,243.00	23,119,038.18	14,334,518.22
460146103	COMMON	439,139.00	13,266,389.19	13,997,415.90
319963104	FIRST DATA CORP COM	557,859.00	22,425,931.80	13,800,738.99
09062X103	BIAGEN IDEC INC	388,555.00	13,385,719.75	13,750,660.97

**NEW YORK CITY POLICE PENSION FUND  
EQUITY ASSETS HOLDINGS  
As of June 30, 2005**

Cusip	Security Description	Quantity	Market Value	Book Value
530718105	LIBERTY MEDIA CORP NEW	1,673,844.00	17,056,470.36	13,515,401.41
617446448	MORGAN STANLEY GROUP INC	540,694.00	28,370,214.18	13,415,886.20
549463107	LUCENT TECHNOLOGIES INC	1,775,381.00	5,166,358.71	13,364,707.11
368710406	GENENTECH INC	273,050.00	21,920,454.00	12,877,691.86
369550108	COM	171,700.00	18,876,698.00	12,822,193.86
101137107	BOSTON SCIENTIFIC CORP COM	558,840.00	15,088,680.00	12,378,046.26
651639106	NEWMONT MINING CORP	357,429.00	13,950,453.87	12,292,799.82
65332V103	NEXTEL COMMUNICATIONS INC CL A	483,010.00	15,606,053.10	12,189,142.24
437076102	HOME DEPOT INC USD 0.05	1,039,097.00	40,420,873.30	12,171,214.92
278642103	EBAY INC	496,240.00	16,380,882.40	12,105,757.61
806605101	SCHERING-PLOUGH CORP COM	997,707.00	19,016,295.42	12,034,622.23
260543103	DOW CHEMICAL COMPANY COMMON	525,507.00	23,576,871.56	11,966,687.21
02209S103	ALTRIA GROUP INC	839,456.00	54,919,767.84	11,959,797.51
020002101	ALLSTATE CORP COM	460,205.00	27,650,434.35	11,895,498.31
14149Y108	CARDINAL HEALTH INC COM	293,606.00	16,923,449.84	11,531,593.30
20825C104	CONOCOPHILLIPS	674,640.00	38,785,053.60	10,834,098.69
580135101	MC DONALDS CORPORATION COMMON	771,500.00	21,409,125.00	10,626,466.86
744320102	PRUDENTIAL FINL INC	277,457.00	18,217,826.62	10,560,867.65
501044101	KROGER COMPANY COMMON	764,765.00	14,553,477.95	10,265,187.62
416515104	HARTFORD FINL SVCS GROUP INC COM	222,934.00	16,735,826.77	10,181,249.80
219350105	CORNING INC COM	755,860.00	12,562,393.20	10,124,807.15
524908100	LEHMAN BROTHERS HLDGS INC	195,746.00	19,433,662.88	9,598,899.42
404119109	HCA INC	273,246.00	15,484,850.82	9,122,790.63
88579Y101	3M CO	356,600.00	25,782,180.00	8,828,603.36
438516106	HONEYWELL INTL INC	463,852.00	16,990,898.76	8,740,138.07
460690100	INC	597,810.00	7,281,325.80	8,264,057.19
494368103	KIMBERLY-CLARK CORP COM	264,234.00	16,656,383.91	8,120,751.29
749121109	QWEST COMMUNICATIONS INTL INC	608,541.00	2,257,687.11	7,968,329.02
345370860	FORD MOTOR CO DEL	879,201.00	9,003,018.24	7,606,673.12
755111507	RAYTHEON CO	238,333.00	9,376,020.22	6,935,211.70
745867101	PULTE HOMES INC	124,457.00	10,492,055.10	6,000,925.51
786429100	SAFECO CORPORATION COMMON	146,930.00	7,984,176.20	5,266,388.48
785905100	SABRE HOLDINGS CORPORATION CL A	193,281.00	3,855,955.95	4,682,060.17
257867101	COM	159,700.00	5,511,247.00	4,458,403.29
757209507	REDBACK NETWORKS INC NEW	2,819.00	17,985.22	3,669,784.79
786514208	SAFEWAY INC COM NEW	233,130.00	5,278,108.20	3,226,555.90
75689M101	RED ROBIN GOURMET BURGERS INC	92,635.00	5,741,517.30	3,005,525.93
803111103	SARA LEE CORP COM	321,250.00	6,427,824.13	3,001,031.22
80004C101	SANDISK CORP COM	94,200.00	2,235,366.00	2,574,747.99
744573106	INC COM	96,820.00	5,888,592.40	2,362,971.59
747277101	QLOGIC CORP	37,955.00	1,171,670.85	2,290,505.59
75605L104	REALNETWORKS INC	41,200.00	204,764.00	2,162,363.74
756577102	RED HAT INC	146,500.00	1,919,150.00	2,129,282.58
800907107	SANMINA-SCI CORPORATION	213,116.00	1,165,744.52	2,068,819.59
74955W307	R H DONNELLEY CORP NEW	37,700.00	2,336,646.00	1,749,958.76
755267101	STOCK	41,800.00	689,700.00	1,463,463.24
79377W108	SAKS INC	51,076.00	968,911.72	1,369,092.34
74460D109	PUBLIC STORAGE INC COM	44,800.00	2,833,600.00	1,314,582.23

**NEW YORK CITY  
POLICE PENSION FUND**

**INVESTMENT SUMMARY  
YEAR ENDED JUNE 30, 2005  
(In Thousands)**

Type of Investments:	Market Value	<u>Percentage of Total Market Value</u>
<b>Fixed Income:</b>		
Corporate Bonds	\$ 2,148,079,375	12%
U.S Government Securities	2,480,617,005	14%
Yankee Bonds	96,874,757	1%
Mortgages	198,542,749	1%
<b>Total Fixed Income</b>	<u>4,924,113,886</u>	<u>28%</u>
<b>Domestic Equities:</b>	7,863,546,738	45%
<b>International Equities:</b>	3,872,721,602	21%
<b>Private Equity-Other</b>	362,157,169	2%
<b>Short-term Investments:</b>		
Short-term Investments	338,518,950	2%
Commercial Paper	114,348,945	0.66%
Discount Notes	28,783,568	0.17%
Treasury Bills	13,872,162	0.08%
<b>Total Short-term</b>	<u>495,523,625</u>	<u>3%</u>
<b>Total Market Value*</b>	<u>\$ 17,318,063,020</u>	<u>100%</u>

\*Security lending transactions of \$ 2,852,958,968 not included in total.

All returns are Time weighted rates of return.

For periods greater than one year, returns are analyzed.

SCHEDULE 6

NEW YORK CITY  
POLICE PENSION FUND  
REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

U.S. Equities	Estimated Fees 2005	Performance Fee Max	Total Fee
<b>Active</b>			
<b>Small Cap Growth</b>			
Mazama Capital	\$508,536		\$508,536
<b>Total Small Cap Growth</b>	<b>\$508,536</b>		<b>\$508,536</b>
<b>Small Cap Value</b>			
Dalton greiner	\$750,881		\$750,881
<b>Total Small Cap Value</b>	<b>\$750,881</b>		<b>\$750,881</b>
<b>Small Cap Core</b>			
Daruma Asset Mgmt Small Cap	\$374,867		\$374,867
<b>Total Small Cap Core</b>	<b>\$374,867</b>		<b>\$374,867</b>
<b>Total Small Cap</b>	<b>\$1,634,284</b>		<b>\$1,634,284</b>
<b>Small/Mid Cap Growth</b>			
J & W Seligman	\$226,771		\$226,771
Mackay Shields	226,429		226,429
	<u>\$453,200</u>		<u>\$453,200</u>
<b>Mid Cap Growth</b>			
Forstmann - Leff Associates	\$349,677		\$349,677
<b>Total Mid Cap Growth</b>	<b>\$349,677</b>		<b>\$349,677</b>
<b>Mid Cap Value</b>			
Ariel Capital Mid Cap	323,006		323,006
Lord Abbett Mid Cap	336,807		336,807
<b>Total Mid Cap Value</b>	<b>\$659,813</b>		<b>\$659,813</b>
<b>Mid Cap Core</b>			
Chicago Equity Partners	\$219,459		\$219,459
<b>Total Mid Cap Core</b>	<b>\$219,459</b>		<b>\$219,459</b>
<b>Total Mid Cap</b>	<u><b>\$1,228,948</b></u>		<u><b>\$1,228,948</b></u>

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total Fee
<b>Large Cap Growth</b>			
Ark Asset Management	\$ 199,789		\$ 199,789
Fidelity	1,051,757		1,051,757
Goldman Sachs	80,533		80,533
Loomis Sayles	638,412		638,412
Transamerica	179,616		179,616
<b>Total Large Cap Growth</b>	<b>\$2,150,107</b>		<b>\$2,150,107</b>
<b>Large Cap Value</b>			
Aronson Johnson	565,488		565,488
Iridian Asset	849,646		849,646
Lord Abbett Large Cap	847,347		847,347
<b>Total Large Cap Value</b>	<b>\$2,262,482</b>		<b>\$2,262,482</b>
<b>Total Large Cap</b>	<b>\$4,412,589</b>		<b>\$4,412,589</b>
<b>Other Domestic Equity</b>			
Relational Investors X, L.P.	365,695		365,695
<b>Total other Domestic Equity</b>	<b>\$365,695</b>		<b>\$365,695</b>
<b>Total Active</b>	<b>\$8,094,716</b>		<b>\$8,094,716</b>
<b>Passive</b>			
<b>Russell 3000</b>			
Northern Trust	48,016		48,016
Merill Lynch	35,930		35,930
<b>Total Passive Equities</b>	<b>\$83,946</b>		<b>\$83,946</b>
<b>Total U.S. Equities</b>	<b>\$8,178,662</b>		<b>\$8,178,662</b>
<b>EAFE Markets Equities</b>			
<b>Active</b>			
<b>Growth</b>			
GE Asset Management	584,027		584,027
Oechsle	1,441,470		1,441,470
T. Rowe Price	1,283,739		1,283,739
<b>Total EAFE Growth</b>	<b>\$3,309,235</b>		<b>\$3,309,235</b>

NEW YORK CITY  
POLICE PENSION FUND  
REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total Fee
<b>Value</b>			
Bank of Ireland	\$1,369,392		\$1,369,392
BGI Transition			
Mondrian Investment Partners Ltd	1,917,179		1,917,179
<b>Total EAFE Value</b>	<b>\$3,286,571</b>		<b>\$3,286,571</b>
<b>CORE</b>			
Capital Guardian	2,295,381		2,295,381
Putnam - terminated	306,134		306,134
<b>Total EAFE Core</b>	<b>\$2,601,515</b>		<b>\$2,601,515</b>
<b>Total Active</b>	<b>\$9,197,322</b>		<b>\$9,197,322</b>
<b>Passive</b>			
Barclays Global	73,579		73,579
<b>Total Passive</b>	<b>\$73,579</b>		<b>\$73,579</b>
<b>Total EAFE Markets Equities</b>	<b>\$9,270,901</b>		<b>\$9,270,901</b>
<b>Emerging Markets</b>			
Genesis Asset Mgrs	806,272		806,272
Pictet Int'l	848,331		848,331
<b>Total Emerging Markets</b>	<b>\$1,654,603</b>		<b>\$1,654,603</b>
<b>L INTERNATIONAL EQUITIES</b>	<b>\$10,925,504</b>		<b>\$10,925,504</b>
<b>Private Equity Investments</b>			
Apollo Investment Fd V	525,000		525,000
Ares Corp Opp	612,500		612,500
Aurora Equity Capital Partners III	300,000		300,000
Blackstone Capital Ptnrs IV	750,000		750,000
Carlyle Ptnrs III	375,000		375,000
Carlyle Ptnrs IV	500,000		500,000
Colter International Ptnrs IV	181,850		181,850
CVC Euro Eq Ptnrs III	375,000		375,000
Cypress Merch Bk Ptnrs II	750,000		750,000
FDG Capl Ptnrs	789,000		789,000
FDG Capl Ptnrs II	500,000		500,000
FS Equity Ptnrs V	225,000		225,000
Landmark Equity Ptnrs XI	225,000		225,000
Lincolnshire Eq Fd II	240,000		240,000
Lincolnshire Eq Fd III	300,000		300,000
LODH Euro Choice II	360,000		360,000
Markstone Capital Ptnrs	200,000		200,000
New Mountain Ptnrs	300,000		300,000
New Mountain Ptnrs II	154,000		154,000
Paladin Homeland Security	600,000		600,000
Prism Venture Ptnrs II	562,500		562,500
SCP Priv Eq Ptnrs II	500,000		500,000

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total fees
Silver Lake Partners II	\$ 177,000		\$ 177,000
Solera Ptnrs	250,000		250,000
VS & A Comm Ptnrs III	184,000		184,000
Yucalpa American Alliance Fd	400,000		400,000
<b>L Private Equity Investments</b>	<b>10,335,650</b>		<b>10,335,650</b>
<b>Private Real Estate</b>			
Blackstone Real Estate Ptnrs IV	225,000		225,000
Canyon Johnson Urban Fd	175,000		175,000
Canyon Johnson Urban Fd II	50,000		50,000
OCM Real Estate Opportunities Fd III - A	187,500		187,500
The City Investment Fd	875,000		875,000
<b>Total Private Real Estate</b>	<b>1,512,500</b>		<b>1,512,500</b>
<b>Total Equity - Public &amp; Private</b>	<b>30,952,315</b>		<b>30,952,315</b>
<b>Structured Program</b>			
<b>Government Sector</b>			
Fischer Francis	145,906		145,906
Lehman Brothers (formerly Lincoln capital)	52,524		52,524
PIMCO	143,106		143,106
<b>Total Sector</b>	<b>\$341,536</b>		<b>\$341,536</b>
<b>Mortgage Sector</b>			
Blackrock	237,320		237,320
Lehman Brothers (formerly Lincoln Capital)	272,702		272,702
PIMCO	362,484		362,484
<b>Total Sector</b>	<b>\$872,506</b>		<b>\$872,506</b>
<b>Corporate Sector</b>			
Blackrock	200,263		200,263
T.Rowe Price	252,585		252,585
Taplin Canida	77,481		77,481
<b>Total Sector</b>	<b>\$530,328</b>		<b>\$530,328</b>
<b>Yankee Sector</b>			
Fischer Francis	99,090		99,090
Prudential	59,209		59,209
<b>Total Sector</b>	<b>158,299.00</b>		<b>158,299.00</b>
<b>Total Fixed Income Structured Program</b>	<b>1,902,670.00</b>		<b>1,902,670.00</b>
<b>Total Advisors</b>	<b>1,902,670.00</b>		<b>1,902,670.00</b>
<b>Active TIPS Managers</b>			
Pimco	22,013		22,013
<b>Total Active Tips Managers</b>	<b>\$22,013.00</b>		<b>\$22,013.00</b>

NEW YORK CITY  
POLICE PENSION FUND

REPORT ON INVESTMENT MANAGEMENT FEES  
YEAR ENDED JUNE 30, 2005

	Estimated Fees	Performance Fee Max	Total Fee
Enhanced Yield			
Loomis Sayles	\$ 586,703		\$ 586,703
Mackay Shields	716,085		716,085
Seix	330,438		330,438
Shenkman	454,344		454,344
T.Rowe Price	409,066		409,066
High Yield Transition			
Total Enhanced Yield	\$2,496,636		\$2,496,636
CONSULTANTS			
Pacific Corporate Group	543,724		543,724
Strategic Investment Solutions, Inc.	182,500		182,500
Mellon Consultants	100,000		100,000
Townsend - Real Estate	64,081		64,081
Total Consultant Fees	890,306		890,306
Total Cost By System For Fy 2005	36,263,939		36,263,939
Net Changes Due to Accrued Expenses		2,021,154	2,021,154
Total Investment Expenses Incurred By System	<u>\$36,263,939</u>	<u>\$2,021,154</u>	<u>\$38,285,093</u>



NEW YORK CITY POLICE PENSION FUND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



ACTUARIAL SECTION

PART IV

FISCAL YEAR ENDED

June 30, 2005





## OFFICE OF THE ACTUARY

75 PARK PLACE • 9<sup>TH</sup> FLOOR  
NEW YORK, NY 10007  
(212) 442-5775 • FAX: (212) 442-5777

**ROBERT C. NORTH, JR.**  
CHIEF ACTUARY

December 2, 2005

Board of Trustees  
New York City Police Pension Fund  
233 Broadway  
New York, NY 10279

Re: Actuarial Information for the Comprehensive Annual Financial  
Report ("CAFR") for the Fiscal Year ended June 30, 2005

Dear Members:

The financial objective of the New York City Police Pension Fund (the "Plan") is to fund members' retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of June 30 preceding each fiscal year to determine the employer contributions to be paid for that fiscal year.

Under current law, the City of New York is required to contribute statutorily-required contributions ("Statutory Contributions") and these contributions are generally funded by the City of New York within the appropriate fiscal year.

Statutory Contributions for Fiscal Year 2005 were less than the Annual Required Contributions as defined under Governmental Accounting Standards Board Statement Number 25 ("GASB 25"). This relationship occurs because Chapter 125 of the Laws of 2000 ("Chapter 125/00"), which provides eligible retirees and eligible beneficiaries with Supplementation benefits effective September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001, also provides for a phase-in schedule, later modified by Chapter 278 of the Laws of 2002 ("Chapter 278/02"), for funding the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00.

The Annual Required Contributions were computed in accordance with GASB 25 and are consistent with generally accepted actuarial principles.

#### Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a "Summary of Actuarial Assumptions and Methods in Effect as of June 30, 2004." These actuarial assumptions and methods were employed in the June 30, 2004 actuarial valuation that was used to determine Fiscal Year 2005 employer contributions to the Plan.

These actuarial assumptions and methods are generally the same as those employed in the June 30, 2003 actuarial valuation that was used to determine Fiscal Year 2004 employer contributions to the Plan.

After reviewing the results of an independent actuarial study dated October 2003 prepared by Gabriel, Roeder, Smith & Company in accordance with Section 96 of the New York City Charter, the Actuary issued a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund" dated August 24, 2005.

The Board of Trustees of the Plan has adopted the Actuary's proposed changes in actuarial assumptions and methods that require Board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during Fiscal Year 2006.

#### Benefits and Census Data

A summary of the benefits available under the Plan is shown later in this Actuarial Section of the CAFR.

Census data are submitted by the Plan's administrative staff, by the employer's payroll facilities and by the Comptroller of the City of New York, and are reviewed by the Office of the Actuary ("OA") for consistency and reasonability.

A summary of the census data as of June 30, 2004 is included in this CAFR. A summary of the census data used in the June 30, 2003 actuarial valuation of the Plan is available in the June 30, 2004 CAFR.

#### Funded Status

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

With respect to the funded status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress (Schedule 1).

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association ("GFOA"). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

In addition to the Schedule of Funding Progress and the Solvency Test, included in the Actuarial Section of the CAFR (following the Solvency Test) are two Other Measures of Funded Status which provide different comparisons of the Assets and Liabilities of the Plan.

#### Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB 25 which was adopted for financial reporting purposes beginning Fiscal Year 1995.

As prescribed by GASB 25, included in the Financial Section of the CAFR are the following schedules prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect as of June 30, 2004.
- Active Member Valuation Data.
- Retirants and Beneficiaries Added to and Removed from Rolls.
- Actual vs. Required Contributions.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets - Solvency Test.

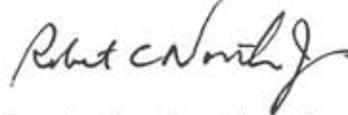
Board of Trustees  
New York City Police Pension Fund  
December 2, 2005  
Page 5

- Other Measures of Funded Status.
- Summary of Plan Provisions.

The Summary of Plan Membership in the Financial Section of the CAFR was prepared by the OA.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere in this CAFR, please do not hesitate to contact Mr. Martin A. Einhorn or me.

Respectfully submitted,



Robert C. North, Jr., F.S.A.  
Chief Actuary

RCN/bs

cc: Mr. M.A. Einhorn  
Mr. J.R. Gibney  
Mr. M.D. Welsome

5722R-POLICECAFR:bs

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004

- (1) The investment rate of return assumption is 8.0% per annum.
- (2) The mortality tables for service and disability pensioners were developed from an experience study of the Plan's and the predecessor Plan's pensioners. Sample probabilities are shown in Table 1.
- (3) Active service tables are used to estimate various withdrawals from active service. Sample probabilities are shown in Table 2 for members retiring and dying after eligible for Service Benefits and in Table 3 for members withdrawing from active service other than for Service Retirement.
- (4) A Salary Scale is used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 4. The Salary Scale includes an assumed General Wage Increase ("GWI") rate of 3.0% per annum.
- (5) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments ("COLA") rate) were developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum. The COLA assumption is 1.3% per annum.
- (6) The valuation method assumes a closed group. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.
- (7) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the contribution from the employer. Under this Actuarial Cost Method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999 but with the Unfunded Actuarial Accrued Liability ("UAAL") not less than \$0.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

Under this method, the excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

All outstanding components of the UAAL are being amortized over closed periods.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999.

The schedule of payments toward the reestablished UAAL provides that the UAAL, if any, be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first annual payment equals 103% of its preceding annual payment.

- (8) The Actuarial Asset Valuation Method ("AAVM") was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan and was made as one component of an overall revision of actuarial assumptions and methods as of June 30, 1999.

This AAVM recognizes expected investment returns immediately and phases in investment returns greater or less than expected (i.e., Unexpected Investment Returns ("UIR")) over a period of five years.

Under this AAVM, any UIR for Fiscal Years 2000 and later is phased into the AAV beginning the following June 30 at rates of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

- (9) The obligations of the Plan to the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF") are recognized through the use of the Liability Valuation Method.

Under this methodology the APV of the potential excess earnings transfers from the Plan to the POVSF and PSOVSF are included directly as an actuarial liability of the Plan. This amount is computed as the excess, if any, of the APV of benefits of the POVSF and PSOVSF over the AAV of the POVSF and PSOVSF, respectively.

- (10) In a report dated October 1999 entitled Report on the Experience Study of the New York City Retirement Systems for the Four Years ended June 30, 1997, Watson Wyatt and Company, an independent actuarial auditor, presented an actuarial experience study and made recommendations for changes in certain actuarial assumptions and methods. Based upon a review of that study, the Actuary, in a Report dated December 27, 1999, proposed changes to certain actuarial assumptions and methods to be used by the Plan for Fiscal Years beginning on and after July 1, 1999 (i.e., Fiscal Years beginning 2000).

Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions and methods that required Board approval and the New York State Legislature and the Governor enacted Chapter 85/00 to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate ("AIR") assumption of 8.0% per annum.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

The most recent actuarial experience study was published by Gabriel, Roeder, Smith & Company ("GRS") dated October 2003 and analyzed experience for Fiscal Years 1998 through 2001. Based in part on the recommendations of GRS, the Actuary has proposed changes to the actuarial assumptions and methods applicable to the determination of the Fiscal Year 2006 employer contributions. Such proposed changes were issued in a Report entitled "Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Police Pension Fund" dated August 24, 2005.

The Board of Trustees of the Plan has adopted the Actuary's proposed changes in actuarial assumptions and methods that require Board approval. For those changes to the actuarial assumptions and methods that require legislation, such actions are anticipated during Fiscal Year 2006.

- (11) Chapter 125 of the Laws of 2000 ("Chapter 125/00") provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic Cost-of-Living Adjustments ("COLA") beginning September 2001.

Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278 of the Laws of 2002 ("Chapter 278/02") required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

Specifically, in accordance with Chapter 125/00 the Actuary, in calculating the Statutory Contributions for Fiscal Years 2001 and 2002, included the following percentages of the increase in additional actuarial liabilities attributable to Chapter 125/00 COLA benefits:

<u>Fiscal Year</u>	<u>Phase-In Percent</u>
2001	20%
2002	40%

Chapter 278/02 revised the phase-in schedule for Fiscal Years 2003 and later.

Chapter 278/02 provided that, for the June 30, 2000 actuarial valuation, the Actuary is required to recognize, on a theoretical basis, only 10% of the additional actuarial liabilities attributable to the benefits provided by Chapter 125/00 for determining Fiscal Year 2001 employer contributions.

For each of the next eight June 30 actuarial valuations (i.e., June 30, 2001 to June 30, 2008), the Actuary is required to recognize progressively increasing percentages (i.e., 20% to 90%) of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Year 2002 to Fiscal Year 2009 employer contributions.

For the June 30, 2009 and later actuarial valuations, the Actuary is required to recognize the full amount of the additional actuarial liabilities attributable to Chapter 125/00 for determining Fiscal Years 2010 and later employer contributions.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

- (12) Distinct male and female probabilities for mortality are used effective June 30, 1995.
- (13) A Dual Overtime assumption (i.e., a Baseline Overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Average Salary) was introduced as of June 30, 1995. Baseline Overtime of 6% is assumed. For actuarial valuations from June 30, 1995 to June 30, 1999 the following overtime assumptions were used in Final Average Salary ("FAS"):
- 12% for Tier I Service Retirements
  - 9% for Tier II Service Retirements
  - 2% for Tier I Disability Retirements
  - 4% for Tier II Disability Retirements
  - 6% for all other benefits.

For actuarial valuations on and after June 30, 2000, in recognition of Chapter 372 of the Laws of 2000 that provides for the use of one-year FAS for Tier II members of the Plan, the following overtime assumptions are used in FAS:

- 12% for Service Retirements
  - 2% for Disability Retirements except 2% for Tier II Ordinary Disability Retirements with respect to the first 20 Years of Service and 4% thereafter
  - 6% for all other benefits.
- (14) The salary data as of June 30, 2004 presented herein was adjusted to reflect overtime earnings by an assumed Baseline Overtime rate of 6%.

**NEW YORK CITY POLICE PENSION FUND**

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS  
IN EFFECT AS OF JUNE 30, 2004  
(Cont'd)

Table 1

Deaths among Service and Disability Pensioners

Percentage of Pensioners Dying within Next Year

<u>Age</u>	<u>Service Pensioners</u>		<u>Disability Pensioners</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	.1151%	.0677%	.1477%	.0817%
50	.2781	.2205	.4574	.2788
60	1.0416	.7143	1.2209	.8895
70	2.2892	1.7416	2.7024	2.1653
80	5.1995	4.6138	6.0431	5.6527
90	13.7899	12.2729	16.4676	15.1220
100	30.1977	28.6331	36.7152	34.8130
110	100.0000	100.0000	100.0000	100.0000

Table 2

Retirements and Deaths after Eligibility for Service Benefits

Percentage of Eligible Active Members Retiring  
Or Dying within Next Year

<u>Age</u>	<u>Service Retirement Years of Service Since First Eligible</u>			<u>Accident Disability Retirement</u>	<u>Ordinary Disability Retirement</u>	<u>Ordinary Death</u>		<u>Accidental Death</u>
	<u>1</u>	<u>2</u>	<u>Ultimate</u>			<u>Males</u>	<u>Females</u>	
40	40.00%	20.00%	12.00%	1.60%	.30%	.1151%	.0645%	.02%
45	40.00	20.00	12.00	1.80	.40	.2030	.0980	.02
50	40.00	20.00	12.00	2.00	.50	.3635	.1598	.02
55	40.00	20.00	12.00	2.50	1.00	.5702	.2465	.01
60	40.00	20.00	12.00	4.00	6.00	.8517	.4114	.00
63	100.00	100.00	100.00	N/A	N/A	N/A	N/A	N/A

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT AS OF JUNE 30, 2004 (Cont'd)

Table 3

Withdrawals from Active Service (Other than for Service Retirement)

Percentage of Active Members Separating within Next Year

<u>Age</u>	<u>Withdrawal</u>	<u>Accidental Disability</u>	<u>Ordinary Disability</u>	<u>Ordinary Males</u>	<u>Death Females</u>	<u>Accidental Death</u>
20	3.00%	.20%	.01%	.0351%	.0183%	.02%
25	2.50	.35	.05	.0432	.0245	.02
30	1.50	.70	.10	.0565	.0332	.02
35	0.75	1.40	.20	.0800	.0462	.02
40	0.50	1.60	.30	.1151	.0645	.02
45	0.50	1.80	.40	.2030	.0980	.02
50	0.50	2.00	.50	.3635	.1598	.02
55	0.50	2.50	1.00	.5702	.2465	.01
60	0.50	4.00	6.00	.8517	.4114	.00

Table 4

Salary Scale

<u>Years of Service</u>	<u>Assumed Annual Percentage Increases Within Next Year*</u>
0	9.50%
5	4.00
10	4.30
15	4.50
20	4.00
25	4.00
30	4.00
35	4.00
40	4.00

\* Salary Scale includes an assumed General Wage Increase rate of 3.0% per annum.

## NEW YORK CITY POLICE PENSION FUND

### ACTIVE MEMBER VALUATION DATA

<u>Valuation Date</u>	<u>Number</u>	<u>Annual Payroll*</u>	<u>Annual Average Pay</u>	<u>Percentage Increase (Decrease) in Average Pay</u>
6/30/99	39,107	\$2,331,956,949	\$59,630	8.7%
6/30/00	40,451	2,465,681,677	60,955	2.2
6/30/01	38,827	2,500,130,264	64,392	5.6
6/30/02	36,536	2,496,249,037	68,323	6.1
6/30/03	35,841	2,433,897,222	67,908	(0.6)
6/30/04	35,049	2,460,750,037	70,209	3.4

\* Annual Payroll was increased by a percentage to reflect overtime earnings, and, where applicable, adjusted to be consistent with collective bargaining agreements estimated to be achieved.

**NEW YORK CITY POLICE PENSION FUND**

RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

<u>Fiscal Year Ended</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Rolls end of Year</u>		<u>% Increase In Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>	<u>Number</u>	<u>Annual Allowances</u>		
6/30/99	682	\$60,850,228	990	\$14,695,539	34,739	\$856,579,731	5.7%	\$24,658
6/30/00	832	41,398,525	935	15,698,156	34,636	882,280,100	3.0	25,473
6/30/01	1,582	169,140,021	973	16,481,363	35,245	1,034,938,758	17.3	29,364
6/30/02	2,916	108,830,413	898	19,684,195	37,263	1,124,084,976	8.6	30,166
6/30/03	1,942	86,819,507	945	21,085,545	38,260	1,189,818,938	5.8	31,098
6/30/04	2,058	103,277,524	866	19,894,055	39,452	1,273,202,407	7.0	32,272

## NEW YORK CITY POLICE PENSION FUND

### ACTUAL VS. REQUIRED CONTRIBUTIONS

(Dollar amounts in thousands)

<u>Fiscal Year Ended</u>	<u>Actual Employer Contribution*</u>	<u>Annual Required Contribution</u>	<u>Employer Rate of Contribution**</u>
6/30/00	\$ 250,021 <sup>(1)</sup>	\$ 250,021	10.722%
6/30/01	413,156 <sup>(2)</sup>	543,758	16.756
6/30/02	534,476 <sup>(3)</sup>	636,481	21.378
6/30/03	625,379 <sup>(4)</sup>	821,387	25.053
6/30/04	811,978 <sup>(5)</sup>	917,731	33.361
6/30/05	1,033,285 <sup>(6)</sup>	1,123,939	41.991

\* Represents total employer contributions accrued for fiscal year.

\*\* The employer rates of contribution equal the actual employer contributions as percentages of the salaries of members who were on payroll as of the preceding June 30<sup>th</sup> increased to reflect overtime earnings and, where applicable, adjusted to be consistent with collective bargaining agreements estimated to be achieved.

- (1) Represents total employer contributions made during Fiscal Year 2000 net of \$189,225 thousand deferred to Fiscal Year 2001 and adjustments for delayed payments.
- (2) The Statutory Contribution of \$413,156 thousand for Fiscal Year 2001 was computed in accordance with Chapter 125/00 which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.
- (3) The Statutory Contribution of \$534,476 thousand for Fiscal Year 2002 was computed in accordance with Chapter 125/00 which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.
- (4) The Statutory Contribution of \$625,379 thousand for Fiscal Year 2003 was computed in accordance with Chapter 125/00 which provides for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00 and Chapter 278/02 which extends the phase-in period for funding these liabilities from five years to ten years.
- (5) The Statutory Contribution of \$811,978 thousand for Fiscal Year 2004 was computed in accordance with Chapter 278/02 which provides for a ten-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.
- (6) The Statutory Contribution of \$1,033,285 thousand for Fiscal Year 2005 was computed in accordance with Chapter 278/02 which provides for a ten-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

**NEW YORK CITY POLICE PENSION FUND**

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES  
COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST  
(Dollar amounts in thousands)

As of June 30	Aggregate Accrued Liabilities for				Actuarial Value of Assets (D)	Percentage of Actuarial Values Covered by	
	Accumulated Member Contributions (A)	Current Retirees and Beneficiaries (B)	Active Members' Employer Financed Portion (C)	Actuarial Value of Assets (A)		(B)	(C)
1999*	\$ 947,614	\$ 8,121,653	\$ 5,421,075	\$ 16,877,765	100%	100%	100%
2000	1,051,312	9,733,708	6,290,250	17,601,913	100	100	100
2001	1,163,665	10,245,495	6,688,974	18,141,670	100	100	100
2002	1,715,036	11,294,438	6,645,998	18,913,634	100	100	89
2003	1,805,279	12,020,762	6,512,726	18,781,359	100	100	76
2004	1,819,074	12,856,032	6,686,486	18,510,638	100	100	57

\*As of June 30 1999, economic and noneconomic assumptions were revised due to experience review and the Actuarial Value of Assets was reset to Market Value.

Also, see following "SOLVENCY TEST - NOTES".

# NEW YORK CITY POLICE PENSION FUND

## COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

### SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Valuation Assets of the retirement system with the Aggregate Accrued Liabilities for:

- (A) Accumulated Member Contributions;
- (B) Current Retirants and Beneficiaries; and
- (C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the APV of credited projected benefits produced by the credited projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5.

This comparative summary allocates assets as if they were priority groups, somewhat similar to (but not identical with) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. The economic assumptions used in the actuarial calculations are as follows:

<u>Valuation Date June 30</u>	<u>Assumed Annual Rate of Return On Investments</u>	<u>Merit and Promotion Increases Plus an Assumed General Wage Increase Per Year of</u>
1999	8.00%	3.0%
2000	8.00	3.0
2001	8.00	3.0
2002	8.00	3.0
2003	8.00	3.0
2004	8.00	3.0

## NEW YORK CITY POLICE PENSION FUND

### OTHER MEASURES OF FUNDED STATUS

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

Furthermore, there are multiple, possible definitions of the Plan's Assets and Liabilities. For example, with respect to the Liabilities, the Projected Benefit Obligation ("PBO") is defined as the APV of all benefits attributed by the Plan's benefit formula to employee service rendered prior to the valuation date, assuming future salary levels calculated using the actuarial assumptions. The Accumulated Benefit Obligation ("ABO") is determined in the same manner as the PBO but without assuming future salary increases.

The following table presents two Other Measures of Funded Status comparing (1) the AAV with the PBO calculated using the actuarial assumptions in effect as of June 30, 2004 and (2) the Market Value of Assets ("MVA") with the Market Value Accumulated Benefit Obligation ("MVABO") calculated using the same actuarial assumptions in effect as of June 30, 2004 except for an investment rate of return assumption equal to the yields on U.S. Treasury securities where durations are consistent with those of the expected payments from the funds.

Other Measures of Funded Status						
(Dollar Amounts in millions)						
Valuation Date	Actuarial Asset Value (AAV)	Market Value of Assets (MVA)	Projected Benefit Obligation (PBO)*	Market Value Accumulated Benefit Obligation (MVABO)**	AAV/PBO	MVA/MVABO
6/30/99	\$16,877.8	\$16,877.8	\$14,490.3	\$15,570.2	116%	108%
6/30/00	17,601.9	17,813.4	17,075.3	18,772.2	103	95
6/30/01	18,141.7	15,765.3	18,098.1	20,971.4	100	75
6/30/02	18,913.6	14,504.9	19,655.5	23,738.9	96	61
6/30/03	18,781.4	14,271.6	20,338.8	29,086.2	92	49
6/30/04	18,510.6	16,136.7	21,361.6	27,160.8	87	59

\* Calculated based on actuarial assumptions used for determining employer contributions.

\*\* Calculated based on actuarial assumptions used for determining employer contributions except that projected benefit payments are discounted using the expected yields on U.S. Treasury securities of like duration (estimated average yields of approximately 6.0%, 6.1%, 5.6%, 5.3%, 4.2% and 5.0% for June 30, 1999, 2000, 2001, 2002, 2003, and 2004, respectively).

## NEW YORK CITY POLICE PENSION FUND

### OTHER MEASURES OF FUNDED STATUS (Cont'd)

These Other Measures of Funded Status provide different relationships between the Assets and Liabilities of the Plan and are designed solely to offer additional insight into the Funded Status of the Plan that the Actuary believes may prove interesting to some readers.

In addition, it should be noted that any measures of Funded Status should generally be examined with more consideration of their trends over time than their values at any given point in time.

Note, the ratios of AAV to PBO present a comparable but somewhat different representation of the information shown in the Solvency Test.

The ratios of MVA to MVABO provide a measure of Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

# NEW YORK CITY POLICE PENSION FUND

## SUMMARY OF PLAN PROVISIONS

### DEFINITIONS

Accumulated Deductions - The total contributions made by a member to his/her annuity savings account, with regular and special interest thereon.

Reserve for Increased Take Home Pay ("ITHP") - A reserve consisting of 2.5% or 5.0% of the member's salary, pursuant to the provisions of Section 13-226 of the Administrative Code of the City of New York ("Code"), accumulated with regular and additional interest.

Chapter 373 of the Laws of 2000 increased the ITHP contribution rate to 5.0% from 2.5% for certain members.

Minimum Accumulation - The amount of normal contributions accumulated with interest to the earliest date for service retirement less the amount of the reserve for ITHP on such date.

Final Salary - For a member who joined prior to July 1, 1973, Final Salary equals the annual rate of salary earnable on the date of retirement. However, for members appointed on or after June 17, 1971 and on or before June 30, 1973, if the salary earned during the one-year period prior to retirement exceeds the previous one-year period prior to retirement by more than twenty percent, the amount in excess of twenty percent is excluded from the computation. For a member who joined after June 30, 1973, Final Salary equals the salary earned during the one-year period prior to retirement or final three-year average salary immediately preceding the date of retirement. The salary cannot exceed 120% of the previous twelve months or the three consecutive calendar years used. The final year cannot exceed 120% of the average of the previous two years.

Variable Supplements Funds - The New York City Police Department maintains the Police Officers' Variable Supplements Fund ("POVSF") and the Police Superior Officers' Variable Supplements Fund ("PSOVSF"). These funds operate pursuant to the provisions of Title 13, Chapter 2 of the Administrative Code of the City of New York.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS (Cont'd)

#### MEMBER CONTRIBUTIONS

Member contributions are made on the basis of a normal rate of contribution that is assigned by the Plan at the time of membership. The normal rate, which is dependent upon the member's age and the Plan at the time of membership, as well as the tables in effect for such purpose, is determined so as to provide an annuity of approximately one-quarter of the service retirement allowance at the earliest date for service retirement. Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity.

Contributions from members are recorded when the employer makes payroll deductions from Plan members. Members are permitted to borrow up to 90% of their own contributions including accumulated interest. These loans are accounted for as reductions in such member's contribution accounts.

#### BENEFITS

Briefly stated, the benefit provisions and the contribution provisions, of which account was taken in the valuation, are as follows:

##### I. SERVICE RETIREMENT

The service retirement allowance consists of two parts, a pension payable from City contributions and an annuity from member's contributions.

According to his election when he joined the Pension Fund, a member may retire from service after having completed 20 years of police service, or after having completed 25 years of police service, or at the attainment of age 55 regardless of years of service.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS (Cont'd)

Upon retirement after having become eligible for service retirement the member receives an annual allowance which is the sum of (a) 50% of Final Salary, reduced by an annuity which is the actuarial equivalent of the Minimum Accumulation, (b) an annuity which is the actuarial equivalent of the Accumulated Deductions and (c) for all years of service other than the minimum required service:

- (i)  $1/60$  of average salary for the period of service after the completion of his minimum required service for each year of such service and
- (ii) an annual pension for ITHP which is the actuarial equivalent of the reserve for ITHP less the reserve for ITHP at the minimum service date with interest to the date of retirement.

#### II. ORDINARY DISABILITY RETIREMENT

An annual ordinary disability retirement allowance is paid upon the disablement of a member from causes other than accident in the actual performance of duty.

For a member who elected the 20 year plan, the annual ordinary disability retirement allowance is equal to  $1/40$  ( $1/50$  for members who elected the 25 year plan;  $1/60$  for members who elected to retire at the attainment of age 55) of Final Salary multiplied by the number of years of service, but not less than  $1/2$  of his Final Salary if he completed 10 or more years of City service, or  $1/3$  of his Final Salary if less than 10 years of City service.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS (Cont'd)

#### III. ACCIDENT DISABILITY RETIREMENT

Upon the occurrence of disability caused by an accident in the actual performance of duty, a member is granted a retirement allowance. The allowance consists of a pension equal to three-fourths of his Final Salary and, if he is eligible for service retirement, an additional increment of 1/60 of average salary from date of eligibility for service retirement to date of retirement for each year of service. An additional pension is paid which is the actuarial equivalent of the reserve for ITHP, as well as an annuity which is the amount which can be purchased with the member's Accumulated Deductions.

#### IV. ORDINARY DEATH BENEFIT

Upon the death of a member in active service from causes other than accident in the actual performance of duty, a benefit is paid to his estate or to such person as he shall have nominated.

With respect to a member who joined before July 1, 1973, the benefit is equal to the compensation earnable by the member in the six months immediately preceding his death and, if the total number of years of allowable service exceeds ten, then the benefit is equal to the compensation earnable by him during the twelve months immediately preceding death. In addition, the member's accumulated deductions, the reserve for ITHP, and the City's obligation on account of military service, if any, are paid to his estate or to his designated beneficiary.

A member who joins after June 30, 1973 is covered for a death benefit upon completion of 90 days of service. The amount of the death benefit is equal to three times member's salary raised to the next higher multiple of \$1,000. In addition, the member's accumulated deductions are payable.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS (Cont'd)

The benefit payable on account of a member who at the time of his death, would have been eligible for service retirement is either the benefit described above or an amount equal to the reserve on the retirement allowance which would have been payable if he had retired on the day before his death, whichever is larger.

The Rules and Regulations adopted by the Board of Trustees in accordance with Chapter 581 of the Laws of 1970 provide that the first \$50,000 of each benefit on account of death in active service is payable from the group term life insurance plan. Only the amount in excess of \$50,000, if any, is payable by the Pension Fund.

#### V. ACCIDENTAL DEATH BENEFIT

The benefit is payable upon the death of a member which occurs as the result of an accident sustained in the performance of duty.

The accidental death benefit is a lump sum payment of the member's accumulated deductions and ITHP reserve plus an annual pension equal to one-half of the average salary in the five years immediately preceding death but not less than one-half the full salary of a first grade patrolman, payable to the widow for life, or if there is no widow, to a child, or children until the attainment of age 18 or age 23 if a full-time student, or if there is no widow or child, to the dependent parents.

# NEW YORK CITY POLICE PENSION FUND

## SUMMARY OF PLAN PROVISIONS (Cont'd)

### VI. TERMINATION OF EMPLOYMENT

A member who either resigns or is dismissed receives a benefit equal to his Accumulated Deductions. At resignation with at least 5 years of service, the member may elect, in lieu of a return of his Accumulated Deductions, to receive a service retirement allowance reduced in proportion to his years of service. The allowance is deferred to the earliest date on which the member would have been eligible for service retirement had the member not resigned. Should a member with less than 10 years of service who elected to receive a vested retirement allowance die during the period of deferment, the benefit is the Accumulated Deductions. For a member who at resignation with at least 10 years of service, who elected to receive a deferred retirement allowance and dies before the attainment of his service retirement date, the benefit is one-half of the ordinary death benefit.

### VII. DEPENDENT BENEFIT

Upon the death of a member during active service or after retirement, a pension of \$600 per annum is payable to the widow until remarriage, to a child, or to the dependent parents provided that upon becoming a member, he had elected to make the additional contributions required for this benefit.

### VIII. AUTOMATIC COST-OF-LIVING ADJUSTMENTS ("COLA")

COLA benefits are payable to members who are either (1) at least age 62 and have been retired for at least 5 years or (2) at least age 55 and have been retired for at least 10 years. Additionally, COLA benefits are payable to members who retired for disability after being retired for 5 or more years and to beneficiaries receiving accidental death benefits who have been receiving them for at least 5 years.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS

(Cont'd)

Beginning September 2001, COLA benefits equal 50% of the increase in the CPI-U based on the year ending March 31, rounded to the next higher .1%, not less than 1% nor greater than 3% of the first \$18,000 of the maximum pension allowance.

The COLA benefit is payable during the life of the retired member. One half of the amount is also payable after the member's death and during the life of the spouse beneficiary if such retired member had elected one of the options under the Code which provides that benefits are to be continued for the life of such spouse after the death of the retired member, and where the death of such retired member occurred or occurs more than thirty days after the effective date of the retirement of such member.

#### IX. OPTIONS ON RETIREMENT

Upon retirement a member may elect to receive his basic retirement allowance payable in monthly installments throughout life with all payments ending at death. Alternatively, the member may elect to receive the actuarial equivalent in any one of the following optional forms:

- (a) With respect to members who joined prior to July 1, 1973, a cash refund allowance under which reduced payments will be made for the life of the member with a provision that, in case of death before such payments have equaled the present value of the retirement allowance at date of retirement, the balance shall be paid to the designated beneficiary or estate in a lump sum. With respect to members who joined after June 30, 1973, this option is only available with respect to the annuity benefit derived from the member's Accumulated Deductions.

## NEW YORK CITY POLICE PENSION FUND

### SUMMARY OF PLAN PROVISIONS (Cont'd)

- (b) With respect to members who join or joined after June 30, 1973, a five-year or ten-year certain and life thereafter allowance under which reduced payments will be made for the life of the member with a provision that, in case of death within the guarantee period, the benefit that would have been payable had the member survived shall continue to the designated beneficiary or estate for the balance of the guarantee period.
- (c) A joint and survivor allowance under which reduced payments will be made for the life of the member with a provision that at the death of the member the same payments or one-half of such payments shall be continued for the life of such other person as the member shall have designated.
- (d) Such other form of benefit which is the actuarial equivalent of the basic benefit as may be certified by the Actuary and approved by the Board of Trustees. By resolution, the Board of Trustees has approved an option under which reduced payments will be made for the life of the member with a provision that upon his death, a sum specified by the member at the time of retirement shall be paid to his designated beneficiary or estate.

NEW YORK CITY POLICE PENSION FUND  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A PENSION TRUST FUND OF THE CITY OF NEW YORK



STATISTICAL SECTION

PART V

FISCAL YEAR ENDED

June 30, 2005



NEW YORK CITY POLICE PENSION FUND

AVERAGE ANNUAL BENEFIT PAYMENT AMOUNTS

<u>Date</u>	<u>Service Retirement Benefits</u>		<u>Ordinary (Non-Duty) Disability Benefits</u>		<u>Accidental (Duty) Disability Benefits</u>	
	<u>Number</u>	<u>Average Annual Allowance</u>	<u>Number</u>	<u>Average Annual Allowance</u>	<u>Number</u>	<u>Average Annual Allowance</u>
6/30/99	18,622	\$22,971	4,109	\$24,159	9,403	\$33,365
6/30/00	18,689	23,821	4,056	24,249	9,478	34,069
6/30/01	19,423	27,489	4,021	28,155	9,611	38,308
6/30/02	21,394	28,346	3,986	28,466	9,837	39,019
6/30/03	22,416	29,324	3,943	28,571	10,021	39,852
6/30/04	23,504	30,556	3,923	28,856	10,282	40,941

NEW YORK CITY  
POLICE PENSION FUND

SCHEDULE OF BENEFIT EXPENSES BY TYPE

(In Thousands)

June 30, 2005

BENEFIT PAYMENTS

Fiscal Year 6/30	Service & Disability Retirement	Ordinary Death in Service	Payments for Death After Retirement	Line of Duty Deaths	Total
1996	\$729,956	\$9,503	\$3,528	\$459	\$743,446
1997	777,973	8,313	992	3,650	790,928
1998	827,670	5,901	1,319	3,913	838,803
1999	871,621	2,491	7,867	8,609	890,588
2000	883,069	3,537	4,137	5,586	896,329
2001	1,017,966	1,831	7,001	4,365	1,031,163
2002	1,101,569	5,143	1,574	8,449	1,116,735
2003	1,303,153	4,374	4,265	7,360	1,319,152
2004	1,386,332	5,317	5,771	7,968	1,405,388
2005	\$315,803	\$639,791	\$364,194	\$305,082	\$1,624,870

NEW YORK CITY  
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004

SERVICE RETIREMENT

MALE

FEMALE

BOTH MALE & FEMALE

AGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
30 To 34	0	0	0	0	0	0	0	0	0
35 To 39	4	137,040	34,260	1	33,120	33,120	5	170,160	34,032
40 To 44	1,551	53,375,991	34,414	245	7,272,880	29,685	1,796	60,648,871	33,769
45 To 49	2,578	89,418,440	34,685	459	14,223,308	30,988	3,037	103,641,748	34,126
50 To 54	2,006	70,669,383	35,229	251	8,043,710	32,047	2,257	78,713,093	34,875
55 To 59	3,055	108,719,192	35,587	75	2,611,932	34,826	3,130	111,331,124	35,569
60 To 64	4,127	133,652,254	32,385	82	2,691,302	32,821	4,209	136,343,556	32,393
65 To 69	2,788	78,524,057	28,165	46	1,452,971	31,586	2,834	79,977,028	28,221
70 To 74	1,890	47,628,148	25,200	24	660,500	27,521	1,914	48,288,648	25,229
75 To 79	1,954	47,063,795	24,086	35	692,715	19,792	1,989	47,756,510	24,010
80 To 84	1,405	30,686,787	21,841	22	476,962	21,680	1,427	31,163,749	21,839
85 To 89	726	15,823,391	21,795	8	142,011	17,751	734	15,965,402	21,751
90 & UP	168	\$4,097,766	\$24,391	4	\$81,759	\$20,440	172	\$4,179,525	\$24,300
	22,252	\$679,796,244	\$30,550	1,252	\$38,383,170	\$30,657	23,504	\$718,179,414	\$30,556

NEW YORK CITY

POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004

ORDINARY DISABILITY (NON-DUTY) RETIREMENT

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$20,520	\$10,260	2	\$25,560	\$12,780	4	\$46,080	\$11,520
30 to 34	34	651,112	19,150	13	266,209	20,478	47	917,321	19,517
35 to 39	109	2,520,795	23,127	66	1,419,740	21,511	175	3,940,535	22,517
40 to 44	159	3,525,527	22,173	96	2,028,176	21,127	255	5,553,703	21,779
45 to 49	144	3,178,247	22,071	58	1,316,688	22,702	202	4,494,935	22,252
50 to 54	116	2,408,563	20,763	24	515,311	21,471	140	2,923,874	20,885
55 to 59	407	7,818,445	19,210	18	354,371	19,687	425	8,172,816	19,230
60 to 64	608	14,014,311	23,050	15	278,753	18,584	623	14,293,064	22,942
65 to 69	388	12,130,969	31,265	12	215,247	17,937	400	12,346,216	30,866
70 to 74	455	17,112,351	37,610	12	298,955	24,913	467	17,411,306	37,283
75 to 79	636	23,967,714	37,685	7	220,487	31,498	643	24,188,201	37,618
80 to 84	367	12,863,542	35,051	9	228,126	25,347	376	13,091,668	34,818
85 to 89	140	4,994,109	35,672	8	240,994	30,124	148	5,235,103	35,372
90 & up	18	\$588,411	\$32,690	\$0	\$0	\$0	18	\$588,411	\$32,690
	3,583	\$105,794,616	\$29,527	340	\$7,408,617	\$21,790	3,923	\$113,203,233	\$28,856

NEW YORK CITY  
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004

ACCIDENT DISABILITY RETIREMENT

MALE

FEMALE

BOTH MALE & FEMALE

<u>AGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>
UNDER 30	2	\$82,440	\$41,220	2	\$69,240	\$34,620	4	\$151,680	\$37,920
30 to 34	139	5,826,302	41,916	20	789,475	39,474	159	6,615,777	41,609
35 to 39	530	23,074,385	43,537	105	4,249,661	40,473	635	27,324,046	43,030
40 to 44	1,141	50,907,480	44,617	196	8,205,233	41,863	1,337	59,112,713	44,213
45 to 49	948	43,500,878	45,887	123	5,100,833	41,470	1,071	48,601,711	45,380
50 to 54	732	30,809,390	42,089	57	2,276,008	39,930	789	33,085,398	41,933
55 to 59	1,694	66,349,929	39,168	44	1,477,206	33,573	1,738	67,827,135	39,026
60 to 64	1,910	74,094,098	38,793	30	1,177,887	39,263	1,940	75,271,985	38,800
65 to 69	950	38,076,573	40,081	12	467,637	38,970	962	38,544,210	40,067
70 to 74	617	25,621,081	41,525	2	52,394	26,197	619	25,673,475	41,476
75 to 79	599	23,873,073	39,855	9	347,634	38,626	608	24,220,707	39,837
80 to 84	286	10,046,455	35,127	1	25,328	25,328	287	10,071,783	35,093
85 to 89	104	3,474,263	33,406	2	56,111	28,056	106	3,530,374	33,305
90 & up	27	\$922,107	\$34,152	0	\$0	\$0	27	\$922,107	\$34,152
	9,679	\$396,658,454	\$40,981	603	\$24,294,647	\$40,290	10,282	\$420,953,101	\$40,941

NEW YORK CITY  
POLICE PENSION FUND

SERVICE OR DISABILITY  
SURVIVORS OF DECEASED PENSIONERS UNDER SELECTED OPTIONS

June 30, 2004

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$39,168	\$19,584	6	\$100,764	\$16,794	8	\$139,932	\$17,492
30 to 34	0	0	0	2	56,256	28,128	2	56,256	28,128
35 to 39	0	0	0	12	227,082	18,924	12	227,082	18,924
40 to 44	0	0	0	18	460,465	25,581	18	460,465	25,581
45 to 49	0	0	0	7	177,459	25,351	7	177,459	25,351
50 to 54	2	50,880	25,440	17	408,262	24,015	19	459,142	24,165
55 to 59	0	0	0	22	491,096	22,323	22	491,096	22,323
60 to 64	2	38,641	19,321	48	1,134,595	23,637	50	1,173,236	23,465
65 to 69	0	0	0	44	834,721	18,971	44	834,721	18,971
70 to 74	0	0	0	89	1,572,387	17,667	89	1,572,387	17,667
75 to 79	0	0	0	108	1,466,636	13,580	108	1,466,636	13,580
80 to 84	0	0	0	176	1,575,793	8,953	176	1,575,793	8,953
85 to 89	1	14,528	14,528	297	1,787,987	6,020	298	1,802,515	6,049
90 & up	19	\$660,655	\$34,771	552	\$2,274,289	\$4,120	571	\$2,934,944	\$5,140
<b>Total</b>	<b>26</b>	<b>\$803,872</b>	<b>\$30,918</b>	<b>1,398</b>	<b>\$12,567,792</b>	<b>\$8,990</b>	<b>1,424</b>	<b>\$13,371,664</b>	<b>\$9,390</b>

NEW YORK CITY  
POLICE PENSION FUND

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

June 30, 2004

BENEFICIARIES OF PENSIONERS KILLED IN  
ACTUAL PERFORMANCE OF DUTY

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
UNDER 30	2	\$79,503	\$39,752	11	\$306,465	\$27,860	13	\$385,968	\$29,690
30 to 34	0	0	0	3	105,269	35,090	3	105,269	35,090
35 to 39	0	0	0	8	241,514	30,189	8	241,514	30,189
40 to 44	0	0	0	24	719,598	29,983	24	719,598	29,983
45 to 49	0	0	0	21	654,367	31,160	21	654,367	31,160
50 to 54	0	0	0	26	635,265	24,433	26	635,265	24,433
55 to 59	0	0	0	46	1,046,107	22,741	46	1,046,107	22,741
60 to 64	1	35,002	35,002	58	1,264,076	21,794	59	1,299,078	22,018
65 to 69	2	55,052	27,526	25	493,157	19,726	27	548,209	20,304
70 to 74	2	48,188	24,094	39	773,006	19,821	41	821,194	20,029
75 to 79	1	27,062	27,062	25	486,475	19,459	26	513,537	19,751
80 to 84	1	26,331	26,331	15	323,188	21,546	16	349,519	21,845
85 to 89	0	0	0	7	142,913	20,416	7	142,913	20,416
90 & up	0	\$0	\$0	2	\$32,457	\$16,229	2	\$32,457	\$16,229
<b>Total</b>	<b>9</b>	<b>\$271,138</b>	<b>\$30,126</b>	<b>310</b>	<b>\$7,223,857</b>	<b>\$23,303</b>	<b>319</b>	<b>\$7,494,995</b>	<b>\$23,495</b>

NEW YORK CITY  
POLICE PENSION FUND  
SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT  
June 30, 2004

ALL PENSIONERS AND BENEFICIARIES

AGE	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE &amp; FEMALE</u>		
	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>
UNDER 30	8	\$221,631	\$27,704	21	\$502,029	\$23,906	29	\$723,660	\$24,954
30 to 34	173	6,477,414	37,442	38	1,217,209	32,032	211	7,694,623	36,467
35 to 39	643	25,732,220	40,019	192	6,171,117	32,141	835	31,903,337	38,208
40 to 44	2,851	107,808,998	37,814	579	18,686,352	32,273	3,430	126,495,350	36,879
45 to 49	3,670	136,097,565	37,084	668	21,472,655	32,145	4,338	157,570,220	36,323
50 to 54	2,856	103,938,216	36,393	375	11,878,556	31,676	3,231	115,816,772	35,845
55 to 59	5,156	182,887,566	35,471	205	5,980,712	29,174	5,361	188,868,278	35,230
60 to 64	6,648	221,834,306	33,369	233	6,546,613	28,097	6,881	228,380,919	33,190
65 to 69	4,128	128,786,651	31,198	139	3,463,733	24,919	4,267	132,250,384	30,994
70 to 74	2,964	90,409,768	30,503	166	3,357,242	20,224	3,130	93,767,010	29,958
75 to 79	3,190	94,931,644	29,759	184	3,213,947	17,467	3,374	98,145,591	29,089
80 to 84	2,059	53,623,115	26,043	223	2,629,397	11,791	2,282	56,252,512	24,651
85 to 89	971	24,306,291	25,032	322	2,370,016	7,360	1,293	26,676,307	20,631
90 & up	232	\$6,268,939	\$27,021	558	\$2,388,505	\$4,280	790	\$8,657,444	\$10,959
<b>Total</b>	<b>35,549</b>	<b>\$1,183,324,324</b>	<b>\$33,287</b>	<b>3,903</b>	<b>\$89,878,083</b>	<b>\$23,028</b>	<b>39,452</b>	<b>\$1,273,202,407</b>	<b>\$32,272</b>

NEW YORK CITY  
POLICE PENSION FUND

June 30, 2005

EXPENSE BY TYPE

(In Thousands)

<u>Fiscal Year Ended 6/30</u>	<u>Benefit Payments (1)</u>	<u>Administrative Expense</u>	<u>Refund</u>	<u>Total</u>	<u>Employer Contributions as a Percentage of Annual Covered Payroll</u>
1996	\$743,118	—	\$328	\$743,446	30.1
1997	790,230	—	698	790,928	27.6
1998	837,802	—	1,001	838,803	26.1
1999	889,961	—	627	890,588	23.3
2000	895,853	—	476	896,329 *	10.7
2001	1,030,239	—	924	1,031,163	16.8
2002	1,116,411	—	324	1,116,735	21.4
2003	1,306,299	11,395	1,458	1,319,152	25.1
2004	1,393,470	11,612 **	306	1,405,388	33.3
2005	\$1,610,795	\$13,670 **	\$405	\$1,624,870	41.9

**\*\* This amount represents expenses incurred and paid by the Fund for its overhead expenses. The schedule of Administrative expenses also includes certain expenses incurred by other City agencies but paid by the City on behalf of the Fund.**

NEW YORK CITY  
POLICE PENSION FUND

June 30, 2005

REVENUE BY SOURCE

*(In Thousands)*

Fiscal Year Ended 6/30	Member Contributions	Employer Contributions	Net Investment Income	Other	Total	Employer Contributions as A Percentage of Annual Covered Payroll
1996	\$43,791	\$554,961	\$1,394,090	-	\$1,992,842	30.1
1997	31,954	529,777	2,691,569	-	3,253,300	27.6
1998	36,945	531,657	2,623,086	-	3,191,688	26.1
1999	43,091	486,780	1,868,386	-	2,398,257	23.3
2000	40,761	250,021	1,537,845	3,355	1,831,982	10.7
2001	37,862	413,156	(1,473,957)	5,983	(1,016,956)	16.8
2002	127,044	534,476	(1,233,996)	5,105	(567,371)	21.4
2003	110,839	625,379	345,690	4,007	1,085,915	25.0
2004	118,565	811,978	2,333,744	6,190	3,270,477	33.3
2005	\$119,575	\$1,033,285	\$1,572,983	\$2,442	\$2,728,285	41.9

NEW YORK CITY  
POLICE PENSION FUND

PENSIONER VALUATION AS OF  
June 30, 2004

SUMMARY BY CAUSE, FUND AND GENDER

CAUSE	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE &amp; FEMALE</u>		
	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE NUMBER</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	
<b><u>REGULAR BENEFITS (PENSIONER FILE) :</u></b>									
ACC. DIS	8,932	\$298,322,536	\$33,399	496	\$18,067,126	\$36,426	9,428	\$316,389,662	\$33,559
ORD. DIS	3,434	79,303,037	23,093	265	5,016,474	18,930	3,699	84,319,511	22,795
SERVICE	18,346	445,099,446	24,261	640	18,553,975	28,991	18,986	463,653,421	24,421
ACC DEATH-	7	179,737	25,677	293	4,621,386	15,773	300	4,801,123	16,004
BENEFY	26	\$801,577	\$30,830	463	\$6,960,672	\$15,034	489	7,762,249	15,874
TOTAL	30,745	\$823,706,333	\$26,792	2,157	\$53,219,633	\$24,673	32,902	\$876,925,966	\$26,653
<b><u>REGULAR BENEFITS (UNPROCESSED FILE) :</u></b>									
ACC. DIS	743	\$40,261,344	\$54,188	107	\$4,911,000	\$45,897	850	\$45,172,344	\$53,144
ORD. DIS	142	4,025,832	28,351	75	1,669,800	22,264	217	5,695,632	26,247
SERVICE	3,810	137,394,764	36,062	612	18,595,800	30,385	4,422	155,990,564	35,276
ACC DEATH-	2	79,503	39,752	16	388,583	24,286	18	468,086	26,005
BENEFY	0	\$0	\$0	6	\$148,327	\$24,721	6	\$148,327	\$24,721
TOTAL	4,697	\$181,761,443	\$38,697	816	\$25,713,510	\$31,512	5513	\$207,474,953	\$37,634
<b><u>REGULAR BENEFITS (CLOSED FILE) :</u></b>									
ACC. DIS	4	\$17,301	\$4,325	0	\$0	\$0	4	\$17,301	\$4,325
ORD. DIS	7	20,702	2,957	0	0	0	7	20,702	2,957
SERVICE	96	642,908	6,697	0	0	0	96	642,908	6,697
ACC DEATH-	0	0	0	1	4,420	4,420	1	4,420	4,420
BENEFY	0	\$0	\$0	929	\$1,189,120	\$1,280	929	\$1,189,120	\$1,280
TOTAL	107	\$680,911	\$6,364	930	\$1,193,540	\$1,283	1,037	\$1,874,451	\$1,808
<b><u>REGULAR BENEFITS (ALL FILES) :</u></b>									
ACC. DIS	9,679	\$338,601,181	\$34,983	603	\$22,978,126	\$38,106	10,282	\$361,579,307	\$35,166
ORD. DIS	3,583	83,349,571	23,263	340	6,686,274	19,666	3,923	90,035,845	22,951
SERVICE	22,252	583,137,118	26,206	1,252	37,149,775	29,672	23,504	620,286,893	26,391
ACC DEATH-	9	259,240	28,804	310	5,014,389	16,175	319	5,273,629	16,532
BENEFY	26	\$801,577	\$30,830	1,398	\$8,298,119	\$5,936	1,424	\$9,099,696	\$6,390
TOTAL	35,549	\$1,006,148,687	\$28,303	3,903	\$80,126,683	\$20,530	39,452	\$1,086,275,370	\$27,534

Excl Unmatched Records

NEW YORK CITY  
POLICE PENSION FUND

PENSIONER VALUATION AS OF

June 30, 2004

SUMMARY BY CAUSE, FUND AND GENDER

	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE &amp; FEMALE</u>		
<u>CAUSE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>
<b><u>SUPPLEMENTATION BENEFITS (PENSIONER FILE)</u></b>									
ACC. DIS	8,330	\$57,970,311	\$6,959	415	\$1,316,521	\$3,172	8,745	\$59,286,832	\$6,780
ORD.DIS	3,306	22,359,796	6,763	213	722,343	3,391	3,519	23,082,139	6,559
SERVICE	13,896	94,930,314	6,831	225	1,233,395	5,482	14,121	96,163,709	6,810
ACC DEATH	5	11,898	2,380	265	2,087,003	7,875	270	2,098,901	7,774
BENEFY	1	\$2,295	\$2,295	398	1,947,173	\$4,892	399	\$1,949,468	\$4,886
.....									
TOTAL	25,538	\$175,274,614	\$6,863	1,516	\$7,306,435	\$4,820	27,054	\$182,581,049	\$6,749
<b><u>SUPPLEMENTATION BENEFITS (UNPROCESSED FILE)</u></b>									
ACC. DIS	1	\$990	\$990	0	\$0	\$0	1	\$990	\$990
ORD.DIS	0	0	0	0	0	0	0	0	0
SERVICE	3	4,302	1,434	0	0	0	3	4,302	1,434
ACC DEATH	0	0	0	8	121,753	15,219	8	121,753	15,219
BENEFY	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0
.....									
TOTAL	4	\$5,292	\$1,323	8	\$121,753	\$15,219	12	\$127,045	\$10,587
<b><u>SUPPLEMENTATION BENEFITS ( CLOSED FILE)</u></b>									
ACC. DIS	4	\$85,972	\$21,493	0	0	0	4	85,972	21,493
ORD.DIS	7	85,249	12,178	0	0	0	7	85,249	12,178
SERVICE	96	1,724,510	17,964	0	0	0	96	1,724,510	17,964
ACC DEATH	0	0	0	1	712	712	1	712	712
BENEFY	0	\$0	\$0	929	\$2,322,500	\$2,500	929	\$2,322,500	\$2,500
.....									
TOTAL	107	\$1,895,731	\$17,717	930	\$2,323,212	\$2,498	1,037	\$4,218,943	\$4,068
<b><u>SUPPLEMENTATION BENEFITS ( ALL FILES )</u></b>									
ACC. DIS	8,335	\$58,057,273	\$6,965	415	\$1,316,521	\$3,172	8,750	\$59,373,794	\$6,786
ORD.DIS	3,313	22,445,045	6,775	213	722,343	3,391	3,526	23,167,388	6,570
SERVICE	13,995	96,659,126	6,907	225	1,233,395	5,482	14,220	97,892,521	6,884
ACC DEATH	5	11,898	2,380	274	2,209,468	8,064	279	2,221,366	7,962
BENEFY	1	\$2,295	\$2,295	1,327	\$4,269,673	\$3,218	1,328	\$4,271,968	\$3,217
.....									
TOTAL	25,649	\$177,175,637	\$6,908	2,454	\$9,751,400	\$3,974	28,103	\$186,927,037	\$6,651

**NEW YORK CITY  
POLICE PENSION FUND**

**PENSIONER VALUATION AS OF  
June 30, 2004**

**SUMMARY BY CAUSE, FUND AND GENDER**

<u>CAUSE</u>	<u>MALE</u>			<u>FEMALE</u>			<u>BOTH MALE &amp; FEMALE</u>			
	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	<u>NUMBER</u>	<u>BENEFITS</u>	<u>AVERAGE</u>	
<b><u>TOTAL BENEFITS (PENSIONER FILE)</u></b>										
ACC. DIS	8,932	\$356,292,847	\$39,889	496	\$19,383,647	\$39,080	9,428	\$375,676,494	\$39,847	
ORD.DIS	3,434	101,662,833	29,605	265	5,738,817	21,656	3,699	107,401,650	29,035	
SERVICE	18,346	540,029,760	29,436	640	19,787,370	30,918	18,986	559,817,130	29,486	
ACC DEATH	7	191,635	27,376	293	6,708,389	22,896	300	6,900,024	23,000	
BENEFY	26	\$803,872	\$30,918	463	\$8,907,845	\$19,239	489	\$9,711,717	\$19,860	
<b>TOTAL</b>	<b>30,745</b>	<b>\$998,980,947</b>	<b>\$32,492</b>	<b>2,157</b>	<b>\$60,526,068</b>	<b>\$28,060</b>	<b>32,902</b>	<b>\$1,059,507,015</b>	<b>\$32,202</b>	
<b><u>TOTAL BENEFITS (UNPROCESSED FILE)</u></b>										
ACC. DIS	743	\$40,262,334	\$54,189	107	\$4,911,000	\$45,897	850	\$45,173,334	\$53,145	
ORD.DIS	142	4,025,832	28,351	75	1,669,800	22,264	217	5,695,632	26,247	
SERVICE	3,810	137,399,066	36,063	612	18,595,800	30,385	4,422	155,994,866	35,277	
ACC DEATH	2	79,503	39,752	16	510,336	31,896	18	589,839	32,769	
BENEFY	0	\$0	\$0	6	\$148,237	\$24,721	6	\$148,327	\$24,721	
<b>TOTAL</b>	<b>4,697</b>	<b>\$181,766,735</b>	<b>\$38,698</b>	<b>816</b>	<b>\$25,835,263</b>	<b>\$31,661</b>	<b>5,513</b>	<b>207,601,998</b>	<b>37,657</b>	
<b><u>TOTAL BENEFITS (CLOSED FILE)</u></b>										
ACC. DIS	4	\$103,273	\$25,818	0	\$0	\$0	4	\$103,273	\$25,818	
ORD.DIS	7	105,951	15,136	0	0	0	7	105,951	15,136	
SERVICE	96	2,367,418	24,661	0	0	0	96	2,367,418	24,661	
ACC DEATH	0	0	0	1	5,132	5,132	1	5,132	5,132	
BENEFY	0	\$0	\$0	929	3,511,620	\$3,780	929	3,511,620	3,780	
<b>TOTAL</b>	<b>107</b>	<b>\$2,576,642</b>	<b>\$24,081</b>	<b>930</b>	<b>\$3,516,752</b>	<b>\$3,781</b>	<b>1,037</b>	<b>\$6,093,394</b>	<b>\$5,876</b>	
<b><u>TOTAL BENEFITS (ALL FILES)</u></b>										
ACC. DIS	9,679	\$396,658,454	\$40,981	603	\$24,294,647	\$40,290	10,282	\$420,953,101	\$40,941	
ORD.DIS	3,583	105,794,616	29,527	340	7,408,617	21,790	3,923	113,203,233	28,856	
SERVICE	22,252	679,796,244	30,550	1,252	38,383,170	30,657	23,504	718,179,414	30,556	
ACC DEATH	9	\$271,138	30,126	310	7,223,857	23,303	319	7,494,995	23,495	
BENEFY	26	\$803,872	\$30,918	1,398	\$12,567,792	\$8,990	1,424	\$13,371,664	9,390	
<b>TOTAL</b>	<b>35,549</b>	<b>\$1,183,324,324</b>	<b>\$33,287</b>	<b>3,903</b>	<b>\$89,878,083</b>	<b>\$23,028</b>	<b>39,452</b>	<b>\$1,273,202,407</b>	<b>\$32,272</b>	

Excl Unmatched Records

NEW YORK CITY  
POLICE PENSION FUND  
ACTIVE VALUATION AS OF  
June 30, 2004

TIER: ALL GENDER: M

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 to 24	842	0	0	0	0	0	0	0	0	0	842
25 to 29	2,799	811	0	0	0	0	0	0	0	0	3,610
30 to 34	1,585	2,713	2,264	3	0	0	0	0	0	0	6,565
35 to 39	722	1,561	4,350	2,311	6	0	0	0	0	0	8,950
40 to 44	89	527	1,517	3,383	897	0	0	0	0	0	6,413
45 to 49	6	89	111	1,163	764	51	1	0	0	0	2,185
50 to 54	2	10	2	99	221	44	62	7	0	0	447
55 to 59	2	1	0	2	8	9	61	67	0	0	150
60 to 64	0	0	1	2	0	0	14	41	5	0	63
65 to 69	0	0	0	0	1	0	0	0	0	0	1
70 & UP	0	1	1	0	2	0	0	0	1	0	5
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,047</b>	<b>5,713</b>	<b>8,246</b>	<b>6,963</b>	<b>1,899</b>	<b>104</b>	<b>138</b>	<b>115</b>	<b>6</b>	<b>0</b>	<b>29,231</b>

<b>SALARIES IN (THOUSANDS):</b>											
UNDER 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	37,056	0	0	0	0	0	0	0	0	0	37,056
25 to 29	131,393	51,576	0	0	0	0	0	0	0	0	182,970
30 to 34	75,843	187,337	172,951	212	0	0	0	0	0	0	436,344
35 to 39	34,708	108,431	329,928	189,175	548	0	0	0	0	0	662,792
40 to 44	4,348	36,546	111,966	273,038	82,467	0	0	0	0	0	508,367
45 to 49	424	5,996	8,198	91,001	70,765	5,800	86	0	0	0	182,273
50 to 54	144	739	170	7,809	19,886	4,571	6,860	887	0	0	41,070
55 to 59	173	97	0	170	666	791	6,669	7,692	0	0	16,262
60 to 64	0	0	99	174	0	0	1,393	4,222	549	0	6,439
65 to 69	0	0	0	0	101	0	0	0	0	0	101
70 & UP	0	98	99	0	202	0	0	0	108	0	509
UNKNOWN	\$0	\$0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$284,093</b>	<b>\$390,824</b>	<b>\$623,413</b>	<b>\$561,582</b>	<b>\$174,638</b>	<b>\$11,163</b>	<b>\$15,010</b>	<b>\$12,803</b>	<b>\$658</b>	<b>\$0</b>	<b>\$2,074,188</b>

<b>AVERAGE SALARIES :</b>											
UNDER 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	44,011	0	0	0	0	0	0	0	0	0	44,011
25 to 29	46,943	63,596	0	0	0	0	0	0	0	0	50,684
30 to 34	47,851	69,052	76,392	70,882	0	0	0	0	0	0	66,465
35 to 39	48,072	69,463	75,846	81,859	91,353	0	0	0	0	0	74,055
40 to 44	48,858	69,349	73,808	80,709	91,937	0	0	0	0	0	79,271
45 to 49	70,826	67,372	73,859	78,247	92,625	113,731	86,886	0	0	0	83,421
50 to 54	72,138	73,995	85,157	78,883	89,985	103,903	110,647	126,849	0	0	91,880
55 to 59	86,918	97,273	0	85,313	83,348	87,966	109,330	114,816	0	0	108,414
60 to 64	0	0	99,357	87,331	0	0	99,562	102,991	109,898	0	102,222
65 to 69	0	0	0	0	101,419	0	0	0	0	0	101,419
70 & UP	0	98,315	99,357	0	101,442	0	0	0	108,939	0	101,899
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$46,981</b>	<b>\$68,410</b>	<b>\$75,602</b>	<b>\$80,652</b>	<b>\$91,964</b>	<b>\$107,343</b>	<b>\$108,768</b>	<b>\$111,333</b>	<b>\$109,738</b>	<b>\$0</b>	<b>\$70,959</b>

INCL MISSING AGE AND SERVICE

Office Of The  
Actuary 12/02/05

NEW YORK CITY  
POLICE PENSION FUND  
ACTIVE VALUATION AS OF  
June 30, 2004

TIER: ALL GENDER: F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 to 24	161	0	0	0	0	0	0	0	0	0	161
25 to 29	640	149	0	0	0	0	0	0	0	0	789
30 to 34	422	507	352	0	0	0	0	0	0	0	1,281
35 to 39	232	288	803	311	0	0	0	0	0	0	1,634
40 to 44	11	116	524	731	80	0	0	0	0	0	1,462
45 to 49	1	20	40	281	89	7	0	0	0	0	438
50 to 54	0	0	0	17	33	3	0	0	0	0	53
55 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,467</b>	<b>1,080</b>	<b>1,719</b>	<b>1,340</b>	<b>202</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,818</b>

<b>SALARIES IN (THOUSANDS) :</b>											
UNDER 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	7,026	0	0	0	0	0	0	0	0	0	7,026
25 to 29	29,815	9,320	0	0	0	0	0	0	0	0	39,136
30 to 34	20,046	34,167	25,480	0	0	0	0	0	0	0	79,693
35 to 39	11,087	19,272	58,384	23,894	0	0	0	0	0	0	112,640
40 to 44	532	7,980	37,222	56,485	7,111	0	0	0	0	0	109,332
45 to 49	48	1,320	2,889	21,422	7,799	692	0	0	0	0	34,174
50 to 54	0	0	0	1,338	2,934	285	0	0	0	0	4,558
55 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$68,557</b>	<b>\$72,061</b>	<b>\$123,997</b>	<b>\$103,141</b>	<b>\$17,845</b>	<b>\$978</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$386,561</b>

<b>AVERAGE SALARIES:</b>											
UNDER 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	43,644	0	0	0	0	0	0	0	0	0	43,644
25 to 29	46,587	62,554	0	0	0	0	0	0	0	0	49,603
30 to 34	47,503	67,391	72,387	0	0	0	0	0	0	0	62,212
35 to 39	47,793	66,919	72,708	76,832	0	0	0	0	0	0	68,935
40 to 44	48,379	68,797	71,036	77,271	88,895	0	0	0	0	0	74,783
45 to 49	48,695	66,026	72,249	76,238	87,631	98,977	0	0	0	0	78,023
50 to 54	0	0	0	78,731	88,935	95,133	0	0	0	0	86,013
55 to 59	0	0	0	0	0	0	0	0	0	0	0
60 to 64	0	0	0	0	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0	0
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$46,733</b>	<b>\$66,724</b>	<b>\$72,122</b>	<b>\$76,971</b>	<b>\$88,344</b>	<b>\$97,824</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$86,442</b>

INCL MISSING AGE AND SERVICE

Office Of The  
Actuary 12/02/05

NEW YORK CITY  
POLICE PENSION FUND  
ACTIVE VALUATION AS OF  
June 30, 2004

TIER: ALL GENDER: M&F

AGE	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	UNKNOWN	ALL YEARS
<b>NUMBERS:</b>											
UNDER 20	0	0	0	0	0	0	0	0	0	0	0
20 to 24	1,003	0	0	0	0	0	0	0	0	0	1003
25 to 29	3,439	960	0	0	0	0	0	0	0	0	4,399
30 to 34	2,007	3,220	2,616	3	0	0	0	0	0	0	7,846
35 to 39	954	1,849	5,153	2,622	6	0	0	0	0	0	10,584
40 to 44	100	643	2,041	4,114	977	0	0	0	0	0	7,875
45 to 49	7	109	151	1,444	853	58	1	0	0	0	2,623
50 to 54	2	10	2	116	254	47	62	7	0	0	500
55 to 59	2	1	0	2	8	9	61	67	0	0	150
60 to 64	0	0	1	2	0	0	14	41	5	0	63
65 to 69	0	0	0	0	1	0	0	0	0	0	1
70 & UP	0	1	1	0	2	0	0	0	1	0	5
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>7,514</b>	<b>6,793</b>	<b>9,965</b>	<b>8,303</b>	<b>2,101</b>	<b>114</b>	<b>138</b>	<b>115</b>	<b>6</b>	<b>0</b>	<b>35,049</b>

<b>SALARIES IN (THOUSANDS) :</b>											
UNDER 20	\$0	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	44,083	0	0	0	0	0	0	0	0	0	44,083
25 to 29	161,209	60,897	0	0	0	0	0	0	0	0	222,106
30 to 34	95,889	221,505	198,431	212	0	0	0	0	0	0	516,038
35 to 39	45,795	127,704	388,313	213,070	548	0	0	0	0	0	775,432
40 to 44	4,880	44,527	149,188	329,523	89,578	0	0	0	0	0	617,699
45 to 49	473	7,316	11,088	112,424	78,564	6,493	86	0	0	0	216,447
50 to 54	144	739	170	9,147	22,821	4,857	6,860	887	0	0	45,629
55 to 59	173	97	0	170	666	791	6,669	7,692	0	0	16,262
60 to 64	0	0	99	174	0	0	1,393	4,222	549	0	6,439
65 to 69	0	0	0	0	101	0	0	0	0	0	101
70 & UP	0	98	99	0	202	0	0	0	108	0	509
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$352,650</b>	<b>\$462,886</b>	<b>\$747,391</b>	<b>\$664,723</b>	<b>\$192,484</b>	<b>\$12,141</b>	<b>\$15,010</b>	<b>\$12,803</b>	<b>\$658</b>	<b>\$0</b>	<b>\$2,460,750</b>

<b>AVERAGE SALARIES:</b>											
UNDER 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20 to 24	43,952	0	0	0	0	0	0	0	0	0	43,952
25 to 29	46,877	63,435	0	0	0	0	0	0	0	0	50,490
30 to 34	47,778	68,790	75,853	70,882	0	0	0	0	0	0	65,771
35 to 39	48,004	69,067	75,357	81,262	91,353	0	0	0	0	0	73,265
40 to 44	48,805	69,250	73,096	80,098	91,688	0	0	0	0	0	78,438
45 to 49	67,664	67,125	73,433	77,856	92,104	111,950	86,886	0	0	0	82,519
50 to 54	72,138	73,995	85,157	78,861	89,849	103,343	110,647	126,849	0	0	91,258
55 to 59	86,918	97,273	0	85,313	83,348	87,966	109,330	114,816	0	0	108,414
60 to 64	0	0	99,357	87,331	0	0	99,562	102,991	109,898	0	102,222
65 to 69	0	0	0	0	101,419	0	0	0	0	0	101,419
70 & UP	0	98,315	99,357	0	101,442	0	0	0	108,939	0	101,899
UNKNOWN	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$46,932</b>	<b>\$68,142</b>	<b>\$75,002</b>	<b>\$80,058</b>	<b>\$91,616</b>	<b>\$106,508</b>	<b>\$108,768</b>	<b>\$111,333</b>	<b>\$109,738</b>	<b>\$0</b>	<b>\$70,209</b>

INCL MISSING AGE AND SERVICE

Office Of The  
Actuary 12/02/05



