

Reply to Common Council File No. 050235
From DOA-Budget and Management Division

June 27, 2005

Ref: 05002

Common Council File 050235 contains a communication transmitting a report entitled, Audited Financial Statements of the Policemen's Annuity and Benefit Fund of Milwaukee for the years ended December 31, 2004 and 2003.

The PABF is governed by a Board charged with fiduciary and due diligence responsibilities to administer annuity and benefit funds for police officers hired prior to July 1947. Per City Charter, the PABF Board has sole fiduciary responsibility for the Fund.

The audit reviewed the assets of the Fund in 2003 and 2004, including cash and invested assets, benefits paid to annuitants, and the current membership of the PABF. As of December 31, 2004, assets totaled \$7.3 million, liabilities (actuarial present value of future plan benefits) of \$10.7 million, and a resulting unfunded pension benefit obligation of \$3.5 million. Membership as of January 1, 2004 was 226.

The audit concluded that "the financial statements referred to above present fairly, in all material respects, information regarding the Fund's assets available for benefits at December 31, 2004 and 2003." The report did not recommend any changes in how the Fund's assets are reported.

**RECOMMENDATION: PLACE COMMON COUNCIL FILE NUMBER
050235 ON FILE**



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