

**INDEPENDENT AUDITOR'S  
REPORT**

*to all active members & retirees of the  
Policemen and Firemen Retirement System  
of the City of Detroit*

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

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

<b>ASSETS</b>	<b>2002</b>	<b>2001</b>
Cash .....	\$10,610,287	\$263,468
Investments, at market value .....	2,953,670,031	3,556,816,043
Accrued Investment Income .....	19,392,958	20,246,327
Contributions Receivable .....	2,044,431	7,144,893
Receivables from Investment Sales .....	134,320,603	147,254,932
Other Accounts Receivable .....	402,991	417,977
Capital Assets .....	822,110	0
<b>TOTAL ASSETS</b> .....	<b>\$3,121,263,411</b>	<b>\$3,732,143,640</b>
<b>LIABILITIES</b>		
Payables for Investment Purchases .....	122,777,605	161,085,677
Claims Payable to Retirants and Beneficiaries .....	5,250,716	976,575
Accrued Pension Benefits .....	0	81,791,707
Due to Other Funds .....	0	0
Other Liabilities .....	4,328,100	4,664,461
<b>TOTAL LIABILITIES</b> .....	<b>\$132,356,421</b>	<b>\$248,518,420</b>
<b>FUND BALANCES</b>		
Annuity Reserves:		
Annuity Savings Fund .....	390,637,734	364,215,395
Annuity Reserve Fund .....	14,153,865	13,975,359
Survivor Benefit Fund .....	28,746,636	30,280,626
Pension Reserves:		
Pension Accumulation Fund .....	916,841,337	1,316,835,345
Pension Reserve Fund .....	2,284,727,012	2,174,713,979
Market Stabilization Fund .....	(646,199,594)	(416,395,484)
<b>TOTAL FUND BALANCES</b> .....	<b>\$2,988,906,990</b>	<b>\$3,483,625,220</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b> .....	<b>\$3,121,263,411</b>	<b>\$3,732,143,640</b>

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND BALANCE**

	<u>ANNUITY RESERVES</u>			<u>PENSION RESERVES</u>			<u>TOTAL</u>	
	<u>ANNUITY SAVINGS FUND</u>	<u>ANNUITY RESERVE FUND</u>	<u>MARKET STABILIZATION FUND</u>	<u>SURVIVOR BENEFIT FUND</u>	<u>PENSION ACCUMULATION FUND</u>	<u>PENSION RESERVE FUND</u>	<u>2002</u>	<u>2001</u>
<b>REVENUES:</b>								
City Contributions .....	\$0	\$0	\$0	\$0	\$8,449,645	\$0	\$8,449,645	\$14,443,382
Members' Contributions .....	10,238,785	0	0	0	62,511	0	10,301,296	10,300,781
Investment Income-Net .....	49,930,588	1,055,861	(299,804,110)	2,215,653	(280,376,120)	167,760,997	(289,217,131)	(464,665,754)
<b>TOTAL REVENUES .....</b>	<b>60,169,373</b>	<b>1,055,861</b>	<b>(229,804,110)</b>	<b>2,215,653</b>	<b>(271,863,964)</b>	<b>167,760,997</b>	<b>(270,466,190)</b>	<b>(439,921,591)</b>
<b>EXPENSES:</b>								
Pension & Annuity Benefits .....	0	1,338,485	0	3,749,643	0	181,594,971	186,683,099	288,585,755
General & Administrative Expenses .....	0	0	0	0	3,394,196	0	3,394,196	3,147,697
Refunds .....	34,174,745	0	0	0	0	0	34,174,745	17,766,305
<b>TOTAL EXPENSES .....</b>	<b>34,174,745</b>	<b>1,338,485</b>	<b>0</b>	<b>3,749,643</b>	<b>3,394,196</b>	<b>181,594,971</b>	<b>224,252,040</b>	<b>309,499,757</b>
Excess (Deficiency) of Revenue Over (Under) Expenses .....	25,994,628	(282,624)	(229,804,110)	(1,533,990)	(275,258,160)	(13,833,974)	(494,718,230)	(749,421,348)
Transfers-Net .....	427,711	461,130	0	0	(124,735,848)	123,847,007	0	0
Fund Balance at Beginning of Year .....	364,215,395	13,975,359	(416,395,484)	30,280,626	1,316,835,345	2,174,713,979	3,483,625,220	4,233,046,568
<b>FUND BALANCES</b>								
<b>AT END OF YEAR .....</b>	<b>\$390,637,734</b>	<b>\$14,153,865</b>	<b>\$(646,199,594)</b>	<b>\$28,746,636</b>	<b>\$916,841,337</b>	<b>\$2,284,727,012</b>	<b>\$2,988,906,990</b>	<b>\$3,483,625,220</b>