

**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. Copies of the report
can be obtained by a request, in writing, to the
Retirement System's Office.*

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

ASSETS	2003	2002
Cash	\$1,625,974	\$10,610,287
Investments, at market value	2,814,323,022	2,953,670,031
Accrued Investment Income	17,326,211	19,392,958
Contributions Receivable	66,843,029	2,044,431
Receivables from Investment Sales	70,707,206	134,320,603
Other Accounts Receivable	590,005	402,991
Capital Assets	598,933	822,110
Securities Lending Collateral	0	258,413,127
TOTAL ASSETS	\$2,972,014,380	\$3,379,676,538
LIABILITIES		
Payables for Investment Purchases	85,533,471	122,777,605
Claims Payable to Retirants and Beneficiaries	4,245,327	5,250,716
Accrued Pension Benefits	0	0
Due to Other Funds	19,000	0
Other Liabilities	3,951,637	4,328,100
Securities Lending Collateral	0	258,413,127
TOTAL LIABILITIES	\$93,749,435	\$390,769,548
FUND BALANCES		
Annuity Reserves:		
Annuity Savings Fund	341,313,264	390,637,734
Annuity Reserve Fund	14,728,245	14,153,865
Survivor Benefit Fund	27,085,474	28,746,636
Pension Reserves:		
Pension Accumulation Fund	487,494,405	916,841,337
Pension Reserve Fund	2,334,895,269	2,284,727,012
Market Stabilization Fund	(327,251,712)	(646,199,594)
TOTAL FUND BALANCES	\$2,878,264,945	\$2,988,906,990
TOTAL LIABILITIES AND FUND BALANCES	\$2,972,014,380	\$3,379,676,538

**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>2003</u>	<u>2002</u>
REVENUES:								
City Contributions	\$0	\$0	\$0	\$0	\$66,843,029	\$0	\$66,843,029	\$8,449,645
Members' Contributions	10,092,079	0	0	0	51,870	0	10,143,949	10,301,296
Investment Income-Net	13,817,134	1,084,122	318,947,882	2,095,719	(428,340,431)	170,964,257	78,568,683	(289,217,131)
TOTAL REVENUES	23,909,213	1,084,122	318,947,882	2,095,719	(361,445,532)	170,964,257	155,555,661	(270,466,190)
EXPENSES:								
Pension & Annuity Benefits	0	1,004,953	0	3,756,881	0	185,755,118	190,516,952	186,683,099
General & Administrative	0	0	0	0	3,486,770	0	3,486,770	3,394,196
Refunds	72,193,984	0	0	0	0	0	72,193,984	34,174,745
TOTAL REVENUES	72,193,984	1,004,953	0	3,756,881	3,486,770	185,755,118	266,197,706	224,252,040
Excess (Deficiency) of Revenue								
Over (Under) Expenses	(48,284,771)	79,169	318,947,882	(1,661,162)	(364,932,302)	(14,790,861)	(110,642,045)	(494,718,230)
Transfers-Net	(1,039,699)	495,211	0	0	(64,414,630)	64,959,118	0	0
Fund Balance at								
Beginning of Year	390,637,734	14,153,865	(646,199,594)	28,746,636	916,841,337	2,284,727,012	2,988,906,990	3,483,625,220
FUND BALANCES								
AT END OF YEAR	\$341,313,264	\$14,728,245	\$(327,251,712)	\$27,085,474	\$487,494,405	\$2,334,895,269	\$2,878,264,945	\$2,988,906,990