

**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 KPMG. KPMG'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	2001	2000
Cash	\$263,468	\$46,189
Investments, at market value	3,556,816,043	4,227,747,513
Accrued Investment Income	20,246,327	18,611,430
Contributions Receivable	7,144,893	2,111,371
Receivables from Investment Sales	147,254,932	262,492,416
Other Accounts Receivable	417,977	389,053
TOTAL ASSETS	\$3,732,143,640	\$4,511,397,972
LIABILITIES		
Payables for Investment Purchases	161,085,677	265,038,302
Claims Payable to Retirants and Beneficiaries	976,575	1,466,012
Accrued Pension Benefits	81,791,707	0
Due to Other Funds	0	6,500,326
Other Liabilities	4,664,461	5,346,764
TOTAL LIABILITIES	\$248,518,420	\$278,351,404
FUND BALANCES		
Annuity Reserves:		
Annuity Savings Fund	364,215,395	225,914,827
Annuity Reserve Fund	13,975,359	25,057,750
Survivor Benefit Fund	30,280,626	31,370,989
Pension Reserves:		
Pension Accumulation Fund	1,316,835,345	1,744,044,936
Pension Reserve Fund	2,174,713,979	1,994,942,969
Market Stabilization Fund	(416,395,484)	211,715,097
TOTAL FUND BALANCES	\$3,483,625,220	\$4,233,046,568
TOTAL LIABILITIES AND FUND BALANCES	\$3,732,143,640	\$4,511,397,972

**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>2001</u>	<u>2000</u>
REVENUES:								
City Contributions	\$0	\$0	\$0	\$0	\$14,443,382	\$0	\$14,443,382	\$19,972,058
Members' Contributions	10,239,667	0	0	0	61,114	0	10,300,781	8,670,003
Investment Income-Net	36,934,638	1,462,010	(628,110,581)	2,314,161	(31,259,591)	153,993,609	(464,665,754)	596,904,584
TOTAL REVENUES	47,174,305	1,462,010	(628,110,581)	2,314,161	(16,755,095)	153,993,609	(439,921,591)	625,546,645
EXPENSES:								
Pension & Annuity Benefits	0	110,390,525	0	3,404,524	0	174,790,706	288,585,755	170,247,388
General & Administrative Expenses	0	0	0	0	3,147,697	0	3,147,697	3,656,663
Refunds	17,616,973	149,332	0	0	0	0	17,766,305	26,493,390
TOTAL EXPENSES	17,616,973	110,539,857	0	3,404,524	3,147,697	174,790,706	309,499,757	200,397,441
Excess (Deficiency) of Revenue Over (Under) Expenses	29,557,332	(109,077,847)	(628,110,581)	(1,090,363)	(19,902,792)	(20,797,097)	(749,421,348)	425,149,204
Transfers-Net	108,743,236	97,995,456	0	0	(407,306,799)	200,568,107	0	0
Fund Balance at Beginning of Year	225,914,827	25,057,750	211,715,097	31,370,989	1,744,044,936	1,994,942,969	4,233,046,568	3,807,897,364
FUND BALANCES								
AT END 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