

TAUBMAN CENTERS INC
Form 11-K
June 25, 2003

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 11-K

**Annual Report Pursuant to Section 15(d) of the
Securities Exchange Act of 1934**

(X) Annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934

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For the fiscal year ended December 31, 2002

Commission File Number 333-81577

- A. Full title of the plan and the address of the plan, if different from that of the issuer and Related Entities Employee Retirement Savings Plan.
- B. Name of the issuer of the securities held pursuant to the plan and the address of its principal office, Taubman Centers, Inc., 200 East Long Lake Road, Suite 300, P. O. Box 200, Bloomfield Hills, Michigan

**THE TAUBMAN COMPANY AND RELATED ENTITIES
EMPLOYEE RETIREMENT SAVINGS PLAN**

Financial Statements as of
December 31, 2002 and 2001, and
for the Year Ended December 31, 2002,
Supplemental Schedule for the
Year Ended December 31, 2002,
and Independent Auditors' Report

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FINANCIAL STATEMENTS AS OF DECEMBER 31, 2002 AND 2001,
AND FOR THE YEAR ENDED DECEMBER 31, 2002:

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Notes to Financial Statements

SUPPLEMENTAL SCHEDULE AS OF DECEMBER 31, 2002:

Form 5500 Schedule H, Part IV, Line 4i - Schedule of Assets
(held at end of year)

INDEPENDENT AUDITORS' REPORT

Plan Administrator
The Taubman Company and
Related Entities Employee
Retirement Savings Plan
Bloomfield Hills, Michigan

We have audited the accompanying statements of net assets available for benefits of The Taubman Retirement Savings Plan (the "Plan") as of December 31, 2002 and 2001, and the related statements for benefits for the year ended December 31, 2002. These financial statements are the responsibility of the Plan. 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. These 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, the financial statements referred to above present fairly, in all material aspects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in net assets available for benefits for the year ended December 31, 2002 in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements and do not constitute an audit of the Plan's internal control over financial reporting.

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schedule, listed in the Table of Contents, is presented for the purpose of additional analysis of basic financial statements but is supplementary information required by the Department of Labor and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is prepared by management. Such schedule has been subjected to the auditing procedures applied in our audit and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements as a whole.

Deloitte & Touche LLP

Detroit, Michigan

May 29, 2003

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THE TAUBMAN COMPANY AND RELATED ENTITIES
EMPLOYEE RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31
	2002
ASSETS:	
Investments (Note 3)	\$89,112,462
Receivables from participant	331,731
Receivables from employer	243,691

NET ASSETS AVAILABLE FOR BENEFITS	\$89,687,884 =====

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See notes to financial statements.

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**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2002**

NET ASSETS AVAILABLE FOR PLAN BENEFITS AT THE BEGINNING OF THE YEAR	\$ 104,266,724
<hr/>	
ADDITIONS:	
Basic employee contributions	3,991,048
Employer contributions	3,032,112
Investment income:	
Interest and dividend	2,617,830
Loan interest income	204,040
Total additions	\$ 9,845,030
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DEDUCTIONS:	
Net depreciation in fair value of investments (Note 3)	14,295,847
Benefit payments and withdrawals	10,128,023
Total Deductions	\$ 24,423,870
<hr/>	
NET ASSETS AVAILABLE FOR PLAN BENEFITS AT THE END OF THE YEAR	\$ 89,687,884
<hr/>	

See notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2002 AND 2001

1. **THE PLAN**

The Taubman Company (Company) and Related Entities Employee Retirement Savings Plan employees of the participating companies to systematically save funds to supplement their reduction agreement. The Plan has been amended and restated several times, the latest amendment 2001, to comply with tax regulations and enhance benefits.

Related Entities - These are affiliated companies which have approved the Plan and have been

 Company.

Participants - Employees of the Company and Related Entities become participants if

 bargaining agreement, are 21 years old, and have completed their probationary period. E day of the month following the 90 consecutive days of employment probationary period. on-call or temporary employee shall be eligible to participate in the Plan if the individual a Plan year. As of December 31, 2002 and 2001, there were 1,485 and 1,489 participants, res

Basic Employee Contributions - A participant who elects to contribute to the Plan may make b

 compensation, subject to the limitations specified in the Plan and by tax regulations. subject to the results of the actual deferral percentage test as defined in the Plan and, t Effective October 1, 2002, all Employees who are eligible to make Basic and Supplemental have attained age 50 before the close of the Plan year are eligible to make Catch-up contri to the limitations of Section 414(v) of the Code. Voluntary participant contributions in ex permitted. In addition, contributions may be rolled over from other qualified pension or p of the Plan's administrative committee. No after-tax contributions are permitted except to in order to satisfy the nondiscrimination tests.

Employer Contributions - A monthly employer contribution, subject to the limitation

 regulations, is made by the applicable participating company. The amount contributed is the

Basic Contribution Percentage	Employer Contribution Percentage
0%	2%
3	3
4	4
5	5
6	6
7 or more	7

The Company also makes a supplemental employer contribution subject to limitations specified

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Vesting - Other than company contributions, participant account balances are 100% vested.

 follows:

Full Years of Service	Vesting Percentage
1	10%
2	30
3	50
4	70
5 or more	100

Participants receive a year of vesting service as of each anniversary of their hire date, retirement age, defined by the Plan as 65, or upon death or disability while employed.

Forfeitures - Nonvested contributions become forfeitures at the point the participant terminates participation.

 the cash required by the participating companies to fund their contributions.

Allocations - Participants' accounts are valued daily.

Participant Loans - A participant may have a maximum of two loans, one obtained during participation.

 stipulated by the Plan's administrative committee. The sum of all loans to a participant may not exceed 50% of the total vested accrued benefits of the participant or \$50,000 reduced by the highest outstanding loan balance over a one-year period ending on the day before the loan is granted. Plan earnings are not included in the participant's account balance borrowed. However, interest paid by the participant is credited to the participant's account balances.

Withdrawals - A participant may withdraw an amount from his voluntary contribution balance.

 participant who has attained age 65 may also withdraw amounts credited to his Elective Contribution Account, and Supplemental Employer Contribution Account.

Once during any 12 month period, a participant may request a hardship withdrawal from his vested, his employer contribution accounts as defined in the Plan. The hardship withdrawal request must be approved by the administrative committee and, once permitted, the participant cannot contribute to the Plan. Effective for Plan Years prior to January 1, 2002, the suspension period for elective deferrals is 12 months after the receipt of the hardship distributions.

Benefit Payments - A participant's account becomes payable as soon as the paperwork is processed.

 Retirement benefits are payable in a lump-sum, fixed periodic payments, or an annuity, and benefit payments are made in lump-sum distributions. All vested benefits transfer to beneficiary.

For a complete description of vesting and benefit provisions, reference should be made to the Plan document to all participants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accompanying financial statements have been prepared on the accrual

Investments - The investments of the Plan are stated at fair value, as determined by quoted

Net Appreciation/Depreciation on Investments includes net unrealized gains and losses in

investments at fair values.

Payment of Benefits - Benefits are recorded when paid.

Security Transactions - Purchases and sales are accounted for on the trade date. Interest

earned on an accrual basis. Net gains and losses are computed using the average cost.

Administrative Expenses - All administrative expenses of the Plan are currently being paid b

Use of Estimates - The preparation of financial statements in conformity with accounting

United States of America requires management to make estimates and assumptions that affect the amount of benefits available for benefits and changes therein. Actual results could differ from those expected from investment instruments. Investment securities, in general, are exposed to various risks including overall market volatility. Due to the level of risk associated with certain investment securities, there is a possibility that changes in the values of investment securities will occur in the near term and that such changes will affect the amounts reported in the financial statements.

3. INVESTMENTS

Vanguard Fiduciary Trust Company is the Plan Trustee. Vanguard Group of Investment Companies is the recordkeeper and provider of investment funds for the Plan. The Plan enters into contracts with various parties such as trustees or fund managers. With the exception of the investment in Taubman Centers Participant Loans, the following Plan investments are held by Vanguard, the fund manager and are reported by category below, with investments representing 5% or more of the Plan's net assets at year end identified.

	December 31	

	2002	

Investments at fair value -		
Retirement Savings Trust	\$25,373,796 *	\$
Company Stock Fund -Taubman Centers, Inc.	\$ 1,665,223	\$

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Registered Investment Companies:

Money Market Fund -			
Prime Portfolio		\$ 3,454,611	\$
Bond Fund -			
Long-Term Corporate Portfolio		-0-	
Total Bond Market Index		4,106,912	
Balanced Fund -			
Wellington		10,308,171	*
Domestic Equity Funds -			
Explorer		4,146,788	
500 Portfolio Index Trust		25,954,462	*
Growth Index		2,546,883	
U.S. Growth		2,171,416	
Small-Cap Index		1,614,378	
Extended Market Index		665,896	
Value Index		716,926	
Foreign Equity Fund -			
International Growth		1,769,234	
REIT Index Portfolio		2,102,910	

Total Registered Investment Companies		\$ 59,558,587	\$
Participant Loans		2,514,856	

		\$ 89,112,462	\$
		=====	

* Represents 5% or more of net assets available for benefits.

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3. INVESTMENTS - CONTINUED

Net appreciation (depreciation) in fair value of Investments for the year ended December 31,

Bond Funds -		
Long-Term Corporate Portfolio		\$ 9,712
Total Bond Market Index		82,909
Balanced Fund -		
Wellington		(1,207,446)
Domestic Equity Funds -		
Explorer		(1,467,646)
500 Portfolio Index Trust		(8,251,657)
Growth Index		(914,334)
U.S. Growth		(1,333,331)
Small-Cap Index		(399,581)
Extended Market Index		(189,698)
Value Index		(213,452)

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Foreign Equity Fund -	
International Growth	(432,234)
REIT Index Portfolio	(116,898)
Company Stock Fund	137,809

	\$ (14,295,847)
	=====

4. TERMINATION OF THE PLAN

In accordance with the Plan, if a participating company withdraws from or terminates the Plan, the participant shall become fully vested in their contribution account balances. In the event of termination, the trustee, in its sole discretion, may direct payment of such amounts in cash, in assets of the Plan, or in annuity or payment annuity contracts.

5. TAX STATUS

The Internal Revenue Service has determined and informed the Company by letter dated September 1, 2000, as amended and restated on January 1, 2001, meets the requirements of Sections 401(a) and 408(a) of the Code and is exempt from federal income tax under Section 501(a) of the Code. The Plan has since been determined to be a qualified plan and the Plan continues to be administered in accordance with the requirements of such sections.

6. RELATED-PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Vanguard Fiduciary Trust. Vanguard is defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions and are subject to the prohibitive transaction rules.

**SCHEDULE OF ASSETS (HELD at end of year)
FORM 5500 SCHEDULE H, Part IV, Line 4i
AS OF DECEMBER 31, 2002**

**Emplo
Plan**

NAME OF ISSUER	DESCRIPTION OF INVESTMENTS
* Vanguard	500 Portfolio Index Trust Stock Fund
* Vanguard	Retirement Savings Trust
* Vanguard	Wellington, Stock and Bond Balanced Fund
* Vanguard	Explorer, Stock Fund
* Vanguard	Extended Market Index Trust, Stock Fund
* Vanguard	Growth Index Trust, Stock Fund
* Vanguard	Prime Portfolio, Money Market Fund
* Vanguard	Total Bond Market Index Bond Fund
* Taubman Centers, Inc.	Company Stock Fund
* Vanguard	International Growth, Stock Fund
* Vanguard	U.S. Growth, Stock Fund
* Vanguard	Small Cap, Stock Fund
* Vanguard	REIT Index Portfolio, Real Estate Fund
* Vanguard	Value Index Trust Stock Fund

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* Loans to 284 participants Participant borrowings against their individual account balances, interest rates from 5.25% to 10.5% and maturing through November 2012

Total

* Denotes party-in-interest

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee has duly caused its behalf by the undersigned hereunto duly authorized on the 23rd day of June 2003.

**THE TAUBMAN COMPANY AND RELATED
ENTITIES EMPLOYEE RETIREMENT
SAVINGS PLAN**

By: Vanguard Fiduciary Trust Company
as Trustee:

By: /s/ Dennis Simmons

Its: Principal

EXHIBIT INDEX

Exhibit Number		Description
23	--	Consent of Deloitte & Touche LLP
99.1	--	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	--	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002