



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Police and Fire Pension Fund
Jacksonville, Florida

We have audited the accompanying financial statements of the Police and Fire Pension Fund (the "Fund") as of September 30, 1996 and for the year then ended, listed in the foregoing Table of Contents. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those 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 audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Fund at September 30, 1996 and the changes in its net assets available for benefits for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 18, 1997 on our consideration of the Fund's internal control structure and a report dated February 18, 1997 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This schedule is the responsibility of the management of the Fund. Such schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

February 18, 1997

POLICE AND FIRE PENSION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS SEPTEMBER 30, 1996

ASSETS

CASH AND INVESTMENTS:

Equity in pooled cash	\$ 22,256
Short term investments	33,663,314
Investments	<u>529,256,915</u>

Total cash and investments 562,942,485

ACCRUED INTEREST

2,402,256

PROPERTY, PLANT AND EQUIPMENT:

Land	16,093
Building and improvements	249,643
Furniture and equipment	106,501
Accumulated depreciation	<u>(107,335)</u>

Net property, plant and equipment 264,902

TOTAL ASSETS

565,609,643

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

557,294

ACCRUED COMPENSATED ABSENCES

13,795

TOTAL LIABILITIES

571,089

NET ASSETS AVAILABLE FOR BENEFITS

\$ 565,038,554

See notes to financial statements.

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEAR ENDED SEPTEMBER 30, 1996

ADDITIONS

INVESTMENT INCOME:

Interest and dividends	\$ 21,812,266
Net appreciation in fair value of investments	<u>44,889,398</u>
Total investment gain	66,701,664
Less investment expenses	<u>2,191,335</u>
Net investment income	<u>64,510,329</u>

CONTRIBUTIONS:

Employee	7,165,973
Employer	<u>3,573,143</u>
Total contributions	<u>10,739,116</u>

OTHER ADDITIONS:

Court fines and penalties	2,688,950
State insurance contributions	4,090,128
Miscellaneous	<u>63,758</u>
Total other additions	<u>6,842,836</u>

TOTAL ADDITIONS

82,092,281

DEDUCTIONS

BENEFITS PAID DIRECTLY TO PARTICIPANTS

23,034,253

REFUNDS OF CONTRIBUTIONS

172,697

ADMINISTRATIVE EXPENSES:

Personnel services	192,664
Central services	35,506
Supplies	12,500
Depreciation	23,212
Other services and charges	<u>123,399</u>
Total administrative expenses	<u>387,281</u>

TOTAL DEDUCTIONS

23,594,231

NET INCREASE

58,498,050

NET ASSETS AVAILABLE FOR BENEFITS:

Beginning of year 506,540,504

End of year \$565,038,554

See notes to financial statements.



POLICE AND FIRE PENSION FUND

THIRTY TWO HUNDRED EMERSON STREET

JACKSONVILLE, FLORIDA 32207-6822

"We Serve ... and We Protect"

Telephone: (904) 346-3863
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John Keane
Administrator

March 21, 1997

Mr. Richard Cohee, CPA
City Treasurer/Fund Treasurer
220 East Bay Street, 7th Floor
Jacksonville, FL 32202

Dear Mr. Cohee:

Attached is a copy of the audit year ending September 30, 1996 prepared by Deloitte & Touche for the Police and Fire Pension Fund which was approved by the Board on March 20, 1997.

Please call us at (904) 346-3863 if you have any questions.

Sincerely,

John Keane
Administrator

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Enclosure