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**Deloitte
& Touche**

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, 2001 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial position of the Fund at September 30, 2001 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Police and Fire Pension Fund taken as a whole. The accompanying required supplemental schedules on pages 10 through 12 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Fund's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 18, 2002 on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

January 18, 2002

**Deloitte
Touche
Tohmatsu**

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED SEPTEMBER 30, 2001

ADDITIONS

CONTRIBUTIONS:

Employee	\$ 7,765,784
Employer	9,058,080
Total contributions	<u>16,823,864</u>

OTHER ADDITIONS:

Court fines and penalties	3,033,021
State insurance contributions	4,513,150
Other	55,561
Total other additions	<u>7,601,732</u>

TOTAL ADDITIONS

24,425,596

DEDUCTIONS

BENEFITS PAID DIRECTLY TO PARTICIPANTS

56,580,722

REFUNDS OF CONTRIBUTIONS

389,015

INVESTMENT LOSS:

Net depreciation in fair value of investments	78,939,538
Interest and dividends	(28,435,615) ✓
Rental revenue	<u>(161,430)</u>
	50,342,493
Investment expenses	3,308,451
Rental expenses	13,704
Total investment loss	<u>53,664,648</u>

ADMINISTRATIVE EXPENSES:

Personnel services	544,410
Central services	71,831
Supplies	19,470
Depreciation	53,224
Other services and charges	245,949
Interest expense	83,777
Total administrative expenses	<u>1,018,661</u>

TOTAL DEDUCTIONS

111,653,046

NET DECREASE

87,227,450

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:

Beginning of year 814,889,039

End of year

\$ 727,661,589 ✓

See notes to financial statements.

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2001 YREND2001
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
 SUBFUND :
 CHARACTER : 360 MISCELLANEOUS REVENUE
 OBJECT : 361 INTEREST, INCL PROFITS ON INVESTMENTS
 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36100	2400 FUND -		6,235,120		6,235,120
	36104	REALIZED GAI		1,418,001		1,418,001
	36112	REBATE OF CO		102,402 ✓		102,402
	36113	DIVIDENDS ON		6,429,178		6,429,178
	36118	2300 FUND -		6,920,398		6,920,398
	36120	INVESTMENT P		29,396		29,396
	36121	2100 FUND -		6,794,362		6,794,362
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F7-PRIOR PG		F8-NEXT PG	F9-LINK			

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
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 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36124	SECURITIES L		506,758		506,758
		REVENUE TOT		28,435,615 ✓		28,435,615

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FISCAL MO/YEAR : 14 2001

CURRENCY CODE :

FUND TYPE : 60 TRUST AND AGENCY FUNDS

FUND : 620 POLICE & FIREMENS PENSION TRUST

SUBFUND :

S ACCT	DESCRIPTION	YREND2001	BALANCE
21701	FLORIDA STATE SALES TAX PAYA	0.00	-1,191.89
22003	DEPOSITS HELD IN ESCROW	0.00	-281,000.00
24100	APPROPRIATIONS	8,624,648.00	0.00
24110	ALLOTMENTS	9,624,648.00	0.00
24150	REVISIONS TO APPROPRIATIONS	1,000,000.00	0.00
24190	ALLOTMENTS - CONTRA (NON-CON	-9,624,648.00	0.00
24200	EXPENDITURES	-61,226,777.81	0.00
24201	TRANSFERS OUT - INTERFUND	-83,776.80	0.00
27105	FUND BALANCE - UNRESERVED	87,227,451.71	-727,661,586.87 ✓
27106	FUND BALANCE - APPROPRIATED	-1,000,000.00	0.00
27300	BUDGETARY FUND BALANCE	0.00	0.00
80000	PAYROLL CLEARING	0.00	209,101.15

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