



## 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, 2002 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, 2002 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.

As described in Note 3 to the financial statements, during the year ended September 30, 2002, the Fund adopted Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the presentation of management's discussion and analysis. However, we did not audit the information and express no opinion on it.

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 15 through 17 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 17, 2003 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 17, 2003

# POLICE AND FIRE PENSION FUND

## STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED SEPTEMBER 30, 2002

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### ADDITIONS

#### CONTRIBUTIONS:

|                     |                   |
|---------------------|-------------------|
| Employee            | \$ 8,117,203      |
| Employer            | 9,895,774         |
| Total contributions | <u>18,012,977</u> |

#### OTHER ADDITIONS:

|                               |                  |
|-------------------------------|------------------|
| Court fines and penalties     | 3,116,889        |
| State insurance contributions | 5,221,986        |
| Other                         | 153,380          |
| Total other additions         | <u>8,492,255</u> |

#### TOTAL ADDITIONS

26,505,232

### DEDUCTIONS

#### BENEFITS PAID DIRECTLY TO PARTICIPANTS

64,958,496

#### REFUNDS OF CONTRIBUTIONS

424,129

#### INVESTMENT LOSS:

|   |                   |
|---|-------------------|
| Net depreciation in fair value of investments | 71,068,858        |
| Interest and dividends                        | (26,753,514) ✓    |
| Rental revenue                                | <u>(687,894)</u>  |
|   | 43,627,450        |
| Investment expenses                           | 3,458,198         |
| Rental expenses                               | 135,075           |
| Total investment loss                         | <u>47,220,723</u> |

#### ADMINISTRATIVE EXPENSES:

|                               |                  |
|-------------------------------|------------------|
| Personnel services            | 542,432          |
| Central services              | 70,674           |
| Supplies                      | 20,402           |
| Depreciation                  | 48,794           |
| Other services and charges    | 1,131,924        |
| Interest expense              | 123,109          |
| Total administrative expenses | <u>1,937,335</u> |

#### TOTAL DEDUCTIONS

114,540,683

#### NET DECREASE

88,035,451

#### NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:

Beginning of year 727,661,589

End of year \$ 639,626,138 ✓

See notes to financial statements.

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :  
 FISCAL MO/YEAR : 14 2002 YREND2002  
 FUND TYPE : 60 TRUST AND AGENCY FUNDS  
 FUND : 620 POLICE & FIREMENS PENSION TRUST  
 SUBFUND : 621 POLICE & FIREMENS PENSION TRUST  
 CHARACTER : 360 MISCELLANEOUS REVENUE  
 OBJECT : 361 INTEREST, INCL PROFITS ON INVESTMENTS  
 PROJECT :  
 GRANT :

| S       | SUBOBJ    | DESCRIPTION  | BUDGET   | ACTUAL    | ENCUMBERED | BALANCE   |
|---------|-----------|--------------|----------|-----------|------------|-----------|
|         | 36100     | 2400 FUND -  |          | 6,143,205 |            | 6,143,205 |
|         | 36104     | REALIZED GAI |          | 593,563   |            | 593,563   |
|         | 36112     | REBATE OF CO |          | 160,191 ✓ |            | 160,191   |
|         | 36113     | DIVIDENDS ON |          | 6,845,099 |            | 6,845,099 |
|         | 36118     | 2300 FUND -  |          | 5,987,834 |            | 5,987,834 |
|         | 36120     | INVESTMENT P |          | 4,287     |            | 4,287     |
|         | 36121     | 2100 FUND -  |          | 6,473,889 |            | 6,473,889 |
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BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :  
 FISCAL MO/YEAR : 14 2002 YREND2002  
 FUND TYPE : 60 TRUST AND AGENCY FUNDS  
 FUND : 620 POLICE & FIREMENS PENSION TRUST  
 SUBFUND : 621 POLICE & FIREMENS PENSION TRUST  
 CHARACTER : 360 MISCELLANEOUS REVENUE  
 OBJECT : 361 INTEREST, INCL PROFITS ON INVESTMENTS  
 PROJECT :  
 GRANT :

| S | SUBOBJ | DESCRIPTION  | BUDGET | ACTUAL       | ENCUMBERED | BALANCE    |
|---|--------|--------------|--------|--------------|------------|------------|
|   | 36124  | SECURITIES L |        | 545,446      |            | 545,446    |
|   |        | REVENUE TOT  |        | 26,753,514 ✓ |            | 26,753,514 |

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FISCAL MO/YEAR : 14 2002

CURRENCY CODE :

FUND TYPE : 60 TRUST AND AGENCY FUNDS

FUND : 620 POLICE & FIREMENS PENSION TRUST

SUBFUND : 621 POLICE & FIREMENS PENSION TRUST

| S ACCT | DESCRIPTION                  | YREND2002      | BALANCE           |
|--------|------------------------------|----------------|-------------------|
| 24150  | REVISIONS TO APPROPRIATIONS  | 1,000,000.00   | 0.00              |
| 24190  | ALLOTMENTS - CONTRA (NON-CON | -7,572,239.00  | 0.00              |
| 24200  | EXPENDITURES                 | -70,790,534.47 | 0.00              |
| 24201  | TRANSFERS OUT - INTERFUND    | -123,108.72    | 0.00              |
| 27105  | FUND BALANCE - UNRESERVED    | 88,035,861.93  | -639,625,724.94 ✓ |
| 27106  | FUND BALANCE - APPROPRIATED  | -1,000,000.00  | 0.00              |
| 27300  | BUDGETARY FUND BALANCE       | 0.00           | 0.00              |
|        | SUBFUND TOTAL                | 0.00           | 0.00              |

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