



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 and for the year ended September 30, 2003, 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 net assets of the Fund at September 30, 2003 and the changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 the Governmental Accounting Standards Board. 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 5, 2004 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 5, 2004

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED SEPTEMBER 30, 2003

ADDITIONS

CONTRIBUTIONS:

Employee	\$ 8,597,199
Employer	<u>9,734,278</u>
Total contributions	<u>18,331,477</u>

OTHER ADDITIONS:

Court fines and penalties	3,040,897
State insurance contributions	5,855,417
Other	<u>30,567</u>
Total other additions	<u>8,926,881</u>

INVESTMENT INCOME, NET

Net appreciation in fair value of investments	87,583,977
Interest and dividends	23,545,773 ✓
Rental revenue	<u>705,853</u>
	111,835,603
Investment expenses	(3,265,680)
Rental expenses	<u>(110,425)</u>
Total investment income, net	<u>108,459,498</u>

TOTAL ADDITIONS

135,717,856

DEDUCTIONS

BENEFITS PAID DIRECTLY TO PARTICIPANTS 69,640,000

REFUNDS OF CONTRIBUTIONS 232,852

ADMINISTRATIVE EXPENSES:

Personnel services	633,460
Central services	58,316
Supplies	19,009
Depreciation	123,294
Other services and charges	462,393
Interest expense	<u>106,050</u>
Total administrative expenses	<u>1,402,522</u>

TOTAL DEDUCTIONS

71,275,374

NET INCREASE

64,442,482

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:

Beginning of year 639,626,138

End of year \$704,068,620 ✓

See notes to financial statements.

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BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2003 YREND2003
 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 -		5,082,257		5,082,257
	36104	REALIZED GAI		481,411		481,411
	36105	EARNINGS OTH		422		422
	36112	REBATE OF CO		231,576 ✓		231,576
	36113	DIVIDENDS ON		7,011,499		7,011,499
	36118	2300 FUND -		5,073,841		5,073,841
	36120	INVESTMENT P		260		260

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 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36121	2100 FUND -		5,260,223		5,260,223
	36124	SECURITIES L		404,284		404,284
		REVENUE TOT		23,545,772 ✓		23,545,772

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FISCAL MO/YEAR : 14 2003 CURRENCY CODE :
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
 SUBFUND :

S ACCT	DESCRIPTION	YREND2003	BALANCE
27105	FUND BALANCE - UNRESERVED	-64,442,895.38	-704,068,620.32 ✓
27300	BUDGETARY FUND BALANCE	0.00	0.00
80000	PAYROLL CLEARING	0.00	23,802.87
	FUND TOTAL	0.00	0.00

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