

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, 2004, 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, the financial statements referred to above present fairly, in all material respects, the net assets of the Fund as of September 30, 2004, and the changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 5, 2005, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 1 through 4 is not a required part of the 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 methods of measurement and presentation of management's discussion and analysis. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the 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.

Deloitte & Touche LLP

January 5, 2005

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED SEPTEMBER 30, 2004

ADDITIONS

CONTRIBUTIONS:

Employee	\$ 9,910,679
Employer	<u>22,097,656</u>
Total contributions	<u>32,008,335</u>

OTHER ADDITIONS:

Court fines and penalties	2,913,999
State insurance contributions	6,654,638
Other	<u>45,952</u>
Total other additions	<u>9,614,589</u>

INVESTMENT INCOME—Net

Net appreciation in fair value of investments	53,230,683
Interest and dividends	22,995,699 ✓
Rental revenue	<u>690,871</u>
	76,917,253
Investment expenses	(3,486,322)
Rental expenses	<u>(151,417)</u>
Total investment income—net	<u>73,279,514</u>

TOTAL ADDITIONS

114,902,438

DEDUCTIONS

BENEFITS PAID DIRECTLY TO PARTICIPANTS	77,840,910
REFUNDS OF CONTRIBUTIONS	416,151
ADMINISTRATIVE EXPENSES:	
Personnel services	719,638
Central services	80,734
Supplies	7,324
Depreciation	81,379
Other services and charges	<u>451,740</u>
Total administrative expenses	<u>1,340,815</u>

TOTAL DEDUCTIONS

79,597,876

NET INCREASE

35,304,562

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:

Beginning of year	<u>704,068,620</u>
End of year	<u>\$ 739,373,182</u> ✓

See notes to financial statements.

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 13 2004 ADADJ2004
 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 -		4,629,069		4,629,069
	36104	REALIZED GAI		299,244		299,244
	36112	REBATE OF CO		306,957		306,957
	36113	DIVIDENDS ON		7,868,523		7,868,523
	36118	2300 FUND -		5,112,775		5,112,775
	36120	INVESTMENT P		-32,090		-32,090
	36121	2100 FUND -		4,492,624		4,492,624
F1-HELP		F2-SELECT		F4-PRIOR	F5-NEXT	

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 13 2004 ADADJ2004
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
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 CHARACTER : 360 MISCELLANEOUS REVENUE
 OBJECT : 361 INTEREST, INCL PROFITS ON INVESTMENTS
 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36124	SECURITIES L		321,101		321,101
		REVENUE TOT		22,998,203		22,998,203

FISCAL MO/YEAR : 14 2004

CURRENCY CODE :

FUND TYPE : 60 TRUST AND AGENCY FUNDS

FUND : 620 POLICE & FIREMENS PENSION TRUST

SUBFUND :

S ACCT	DESCRIPTION	YREND2004	BALANCE
24110	ALLOTMENTS	7,321,091.00	0.00
24190	ALLOTMENTS - CONTRA (NON-CON	-7,321,091.00	0.00
24200	EXPENDITURES	-83,746,057.40	0.00
27105	FUND BALANCE - UNRESERVED	-35,307,062.97	-739,375,683.29
27300	BUDGETARY FUND BALANCE	0.00	0.00
80000	PAYROLL CLEARING	0.00	198,205.57
	FUND TOTAL	0.00	0.00

F1-HELP

F2-SELECT

F4-PRIOR

F5-NEXT

F7-PRIOR PG

F8-NEXT PG

F9-LINK

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