

UNAUDITED
FY 97

JACKSONVILLE POLICE AND FIRE PENSION FUND

Accounting for Defined Benefit Plans Based on GASB Statements No. 25 and 27

Commencing after June 15, 1996, the reporting of pension plan information in the Plan's financial statements is governed by Governmental Accounting Standards Board Statement No. 25. Historical information required by this standard through September 30, 1997, is provided in this report.

The primary disclosures of actuarial information under GASB No. 25 are the Schedule of Funding Progress and the Schedule of Contributions. Asset information is displayed in the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets.

Commencing after June 15, 1997, the City's pension reporting in its financial statements is governed by GASB Statement No. 27.

Annual required contributions are determined in accordance with the parameters specified in GASB Statements No. 25 and No. 27.

GASB Statement No. 25 also requires measurement recognition, and display standards for pension expenditures/expenses and related liabilities, assets, note disclosures, and if applicable, required supplementary information.

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Changes in Plan Net Assets
as of September 30, 1996 and 1997

	<u>1996</u>	<u>1997</u>
<u>Additions</u>		
Contributions		
Employer	\$3,573,143	\$7,674,943
Plan members	\$7,165,974	\$7,573,697
State	\$4,090,128	\$4,151,282
Court fines	<u>\$2,688,950</u>	<u>\$2,974,239</u>
Total contributions	\$17,518,195	\$22,374,161
Investment income		
Investment income & realized gains	(\$14,710,004)	\$68,821,392
Market valuation adjustment	<u>\$81,700,129</u>	<u>\$58,619,066</u>
	\$66,990,125	\$127,440,458
Less investment expense	<u>\$2,191,335</u>	<u>\$1,897,100</u>
Net investment income	<u>\$64,798,790</u>	<u>\$125,543,358</u>
Total additions	\$82,316,985	\$147,917,519
<u>Deductions</u>		
Benefits	\$23,034,249	\$27,805,024
Refund of contributions	\$172,697	\$257,580
Administrative expense	<u>\$381,553</u>	<u>\$1,017,957</u>
Total deductions	\$23,588,499	\$29,080,561
Net increase	\$58,728,486	\$118,836,958
Net assets held in trust for pension benefits		
Beginning of year	<u>\$506,920,235</u>	<u>\$565,648,721</u>
End of year	<u>\$565,648,721</u>	<u>\$684,485,679</u>

UNAUDITEDNotes to Financial Statements, Plan Year Ended September 30, 1997

1. Plan Description: The Jacksonville Police and Fire Pension Fund is a single-employer defined benefit pension plan that covers all employees of the Fire and Police Department of the City in the following categories: Plan 05, Plan 06, Plan 19, Plan 41, and those returning to work under Plan 15.

At September 30, 1997, membership consisted of:

	<u>Number</u>
Retirees currently receiving benefits	989
Beneficiaries currently receiving benefits	366
Terminated members entitled to but not yet receiving benefits	13
Active plan members	
Vested	1,724
Nonvested	<u>626</u>
Total	3,718

The Plan provides retirement, disability and death benefits to employees and their beneficiaries. An annual cost of living increase is granted to pensioners and their beneficiaries based on DOL CPI up to 3%.

2. Summary of Significant Accounting Policies: The Plan's financial statements are prepared using the accrual basis of accounting. Benefits payable under all circumstances - retirement, death, disability, termination of employment - are included to the extent that they are deemed to have accrued as of September 30, 1997. Investments are reported at market value.

3. Contributions: The City is currently contributing 7.245% of Plan members' salaries. The Plan member's are currently contributing 7.00% of salaries. The remaining contribution is comprised of court fines, State contributions and transfers from the Member Reserve Account, the Base Benefit Reserve Account and the Enhanced Benefit Reserve Account. Investment costs of the Plan are financed through investment earnings. Other administrative costs are included in the annual required contribution amount.

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Plan Net Assets
as of September 30, 1996 and 1997

	<u>1996</u>	<u>1997</u>
<u>Assets</u>		
Cash and short-term investments	\$33,644,634	\$20,753,836
Investments, at fair value		
Fixed Income Securities	\$210,328,545	\$235,674,537
Equities	\$318,928,370	\$425,022,385
Accrued Income	<u>\$2,760,967</u>	<u>\$3,049,713</u>
Total assets	\$565,662,516	\$684,500,471
<u>Liabilities</u>		
Vouchers payable	\$0	\$0
Accrued wages payable	\$2,047	\$2,730
Current portion long term debt	\$1,410	\$1,410
Other long term liabilities	\$10,338	\$14,384
Payroll Clearing	<u>\$0</u>	<u>(\$3,732)</u>
Total liabilities	\$13,795	\$14,792
Net assets held in trust for pension benefits (A schedule of funding progress is presented on page 5.)	<u>\$565,648,721</u>	<u>\$684,485,679</u>

JACKSONVILLE POLICE AND FIRE PENSION FUND

Schedule of Funding Progress

Plan Year Ending Sept. 30,	Actuarial Value of Assets (a)	Accumulated Reserve Accounts (b)	Actuarial Accrued Liability (AAL) Frozen Entry Age* (c)	Unfunded AAL (UAAL) (c - a)	Funded Ratio (a / c)	Covered Valuation Payroll (d)	UAAL as a Percentage of Covered Payroll [(c - a) / d]
1992	\$379,220,936	\$30,788,287	\$430,593,190	\$51,372,254	88.07%	\$80,557,852	63.77%
1993	\$420,332,516	\$36,473,685	\$472,342,663	\$52,010,147	88.99%	\$85,015,897	61.18%
1994	\$447,140,437	\$36,763,074	\$499,566,015	\$52,425,578	89.51%	\$91,084,177	57.56%
1995	\$492,016,780	\$44,529,057	\$544,815,658	\$52,798,878	90.31%	\$98,332,464	53.69%
1996	\$541,269,261	\$50,774,538	\$720,653,981	\$179,384,720	75.11%	\$101,020,744	177.57%
1997	\$615,421,074	\$47,977,987	\$842,848,761	\$227,427,687	73.02%	\$106,111,490	214.33%

* The frozen entry age actuarial cost method does not have a defined AAL after the initial year. We created the AAL by adding the UAAL (which is defined under the frozen entry age method) to the actuarial value of assets.

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Schedule of Contributions From All Sources

<u>Plan Year Ending Sept. 30,</u>	<u>Annual Required Contribution*</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation*</u>
1992	\$12,639,962	100.00%	\$0
1993	\$13,813,835	100.00%	\$0
1994	\$14,505,200	100.00%	\$0
1995	\$15,552,123	100.00%	\$0
1996	\$15,365,896	100.00%	\$0
1997	\$28,909,883	100.00%	\$0

* Excess contributions from all sources are accumulated in the Reserve Accounts which are drawn upon if actual contributions fall below the annual required contribution. Reserve Account balances totaled \$47,977,987 as of September 30, 1997. It should be noted that recent Plan improvements may eventually require additional contributions as Reserve Account balances decrease.

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UNAUDITEDAdditional Actuarial Information, Plan Year Ended September 30, 1997

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date:	10/01/97
Actuarial cost method	Frozen entry age
Amortization method	Level percent open
Remaining amortization period	25 years (weighted)
Asset valuation method	5-year weighted index
Actuarial assumptions:	
Net investment rate of return*	8.40%
Projected salary increases*	6.00%
*Includes inflation at	3.75%
Cost-of-living adjustments	2.80%