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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, 2000 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, 2000 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 December 8, 2000 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

December 8, 2000

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS YEAR ENDED SEPTEMBER 30, 2000

ADDITIONS

CONTRIBUTIONS:

Employee	\$ 7,985,297
Employer	9,186,257
Total contributions	<u>17,171,554</u>

INVESTMENT INCOME:

Net appreciation in fair value of investments	59,136,619
Interest and dividends	27,087,544 ✓
Rental revenue	170,328
Total investment gain	86,394,491
Less investment expenses	3,760,191
Less rental expenses	5,910
Net investment income	<u>82,628,390</u>

OTHER ADDITIONS:

Court fines and penalties	2,941,762
State insurance contributions	4,298,677
Other	32,669
Total other additions	<u>7,273,108</u>

TOTAL ADDITIONS

107,073,052

DEDUCTIONS

BENEFITS PAID DIRECTLY TO PARTICIPANTS 52,141,810

REFUNDS OF CONTRIBUTIONS 307,080

ADMINISTRATIVE EXPENSES:

Personnel services	459,107
Central services	78,565
Supplies	18,904
Depreciation	47,770
Other services and charges	160,834
Interest expense	161,748
Total administrative expenses	<u>926,928</u>

TOTAL DEDUCTIONS

53,375,818

NET INCREASE

53,697,234

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:

Beginning of year	<u>761,191,805</u>
End of year	<u>\$ 814,889,039</u> ✓

See notes to financial statements.

BALANCE (Y,M,Q,A) : A TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2000 YREND2000
 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 -		6,076,510		6,076,510
	36104	REALIZED GAI		2,082,961		2,082,961
	36112	REBATE OF CO		299,528 ✓		299,528
	36113	DIVIDENDS ON		5,912,747		5,912,747
	36118	2300 FUND -		6,253,313		6,253,313
	36120	INVESTMENT P		28,310		28,310
	36121	2100 FUND -		5,834,279		5,834,279

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 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36124	SECURITIES L		599,896		599,896
		REVENUE TOT		27,087,544 ✓		27,087,544

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FISCAL MO/YEAR : 14 2000

CURRENCY CODE :

FUND TYPE : 60 TRUST AND AGENCY FUNDS

FUND : 620 POLICE & FIREMENS PENSION TRUST

SUBFUND : 621 POLICE & FIREMENS PENSION TRUST

S ACCT	DESCRIPTION	YREND2000	BALANCE
24100	APPROPRIATIONS	7,242,280.00	0.00
24110	ALLOTMENTS	9,685,503.88	0.00
24150	REVISIONS TO APPROPRIATIONS	2,443,223.88	0.00
24190	ALLOTMENTS - CONTRA (NON-CON	-9,685,503.88	0.00
24200	EXPENDITURES	-56,980,170.78	0.00
24201	TRANSFERS OUT - INTERFUND	-161,748.04	0.00
27105	FUND BALANCE - UNRESERVED	-53,697,233.88	-814,889,038.58 ✓
27106	FUND BALANCE - APPROPRIATED	-971,669.88	0.00
27300	BUDGETARY FUND BALANCE	-7,242,280.00	0.00
	SUBFUND TOTAL	0.00	0.00

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