

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
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, 2005, as 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 plan net assets of the Fund as of September 30, 2005, and the changes in plan 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 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. This supplementary information is the responsibility of the Fund's management. 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 basic financial statements of the Police and Fire Pension Fund taken as a whole. The accompanying required basic supplemental schedules on pages 16 through 18 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These supplemental 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 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 22, 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.

Deloitte & Touche LLP

December 22, 2005

POLICE AND FIRE PENSION FUND

STATEMENT OF CHANGES IN PLAN NET ASSETS FOR THE YEAR ENDED SEPTEMBER 30, 2005

| | |
|--|-----------------------|
| ADDITIONS: | |
| Contributions: | |
| Employee | \$ 10,883,726 |
| Employer | <u>25,850,928</u> |
| Total contributions | <u>36,734,654</u> |
| Other additions: | |
| Court fines and penalties | 1,324,890 |
| State insurance contributions | 7,186,521 |
| Contributions from other governmental units | 4,025,000 |
| Other | <u>55,067</u> |
| Total other additions | <u>12,591,478</u> |
| Investment income—net | |
| Net appreciation in fair value of investments | 70,228,910 |
| Interest and dividends | 24,389,924 ✓ |
| Rental revenue | <u>809,294</u> |
| | 95,428,128 |
| Investment expenses | (3,670,575) |
| Rental expenses | <u>(648,208)</u> |
| Total investment income—net | <u>91,109,345</u> |
| TOTAL ADDITIONS | <u>140,435,477</u> |
| DEDUCTIONS: | |
| Benefits remitted | 82,710,765 |
| Refunds of contributions | 179,983 |
| Administrative expenses: | |
| Personnel services | 812,877 |
| Central services | 159,008 |
| Supplies | 11,404 |
| Depreciation | 79,799 |
| Other services and charges | <u>487,372</u> |
| Total administrative expenses | <u>1,550,460</u> |
| TOTAL DEDUCTIONS | <u>84,441,208</u> |
| NET INCREASE | 55,994,269 |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS: | |
| Beginning of year | <u>739,373,182</u> |
| End of year | <u>\$ 795,367,451</u> |

See notes to financial statements.

- 795,373,790 *Audit Firm's*

< 6,339 >
* late Adjusting entry for payroll on 12/16/2005

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 FAML6750 V5.1 ** NW COJ FAMIS PRODUCTION ** 11/11/2015
 LINK TO: FUND SUMMARY INQUIRY 3:02 PM

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 13 2005 ADADJ2005
 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 - | | 3,840,558 | | 3,840,558 |
| | 36104 | REALIZED GAI | | 722,599 | | 722,599 |
| | 36105 | EARNINGS OTH | | 1,216,959 | | 1,216,959 |
| | 36112 | REBATE OF CO | | 312,347 ✓ | | 312,347 |
| | 36113 | DIVIDENDS ON | | 9,368,444 | | 9,368,444 |
| | 36118 | 2300 FUND - | | 4,963,299 | | 4,963,299 |
| | 36120 | INVESTMENT P | | -343,966 | | -343,966 |

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QWS3270X 11/11/2015 3:02 PM
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BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
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 FUND TYPE : 60 TRUST AND AGENCY FUNDS
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 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 |
|---|--------|--------------|--------|--------------|------------|------------|
| | 36121 | 2100 FUND - | | 3,940,596 | | 3,940,596 |
| | 36124 | SECURITIES L | | 369,089 | | 369,089 |
| | | REVENUE TOT | | 24,389,924 ✓ | | 24,389,924 |

F1-HELP F2-SELECT F4-PRIOR F5-NEXT
 F7-PRIOR PG F8-NEXT PG F9-LINK
 G012 - NEXT PAGE DISPLAYED

FISCAL MO/YEAR : 14 2005

CURRENCY CODE :

FUND TYPE : 60 TRUST AND AGENCY FUNDS

FUND : 620 POLICE & FIREMENS PENSION TRUST

SUBFUND :

| S | ACCT | DESCRIPTION | YREND2005 | BALANCE |
|---|-------|------------------------------|----------------|-------------------|
| | 24100 | APPROPRIATIONS | 7,841,146.00 | 0.00 |
| | 24110 | ALLOTMENTS | 9,866,146.00 | 0.00 |
| | 24150 | REVISIONS TO APPROPRIATIONS | 2,025,000.00 | 0.00 |
| | 24190 | ALLOTMENTS - CONTRA (NON-CON | -9,866,146.00 | 0.00 |
| | 24200 | EXPENDITURES | -88,759,989.86 | 0.00 |
| | 27105 | FUND BALANCE - UNRESERVED | -55,998,107.04 | -795,373,790.33 ✓ |
| | 27106 | FUND BALANCE - APPROPRIATED | -1,525,000.00 | 0.00 |
| | 27300 | BUDGETARY FUND BALANCE | 0.00 | 0.00 |
| | | FUND TOTAL | 0.00 | 0.00 |

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FISCAL MO/YEAR : 13 2005 CURRENCY CODE :
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
 SUBFUND :
 GL ACCOUNT : 10400 EQUITY IN POOLED CASH

| BEGINNING BALANCE | | DEBITS | CREDITS | ENDING BALANCE | | |
|-------------------|------------|----------|--------------|----------------|---|----------|
| 4,761,796.72 | | 6,340.19 | .00 | 4,768,136.91 | | |
| S | POST DATE | T/C | DOCUMENT | VENDOR | DESCRIPTION | AMOUNT |
| | INDEX | | DOCUMENT REF | | | |
| | 12/06/2005 | 310 | AEAF05000116 | 12 | | 1,155.53 |
| | PFPF62163 | FTS | | | TO RECORD PR DED UNDERSTATED - PP 17, 5/20/05 | |
| | 12/06/2005 | 310 | AEAF05000116 | 13 | | 615.27 |
| | PFPF62163 | PTS | | | TO RECORD PR DED UNDERSTATED - PP 17, 5/20/05 | |
| | 12/06/2005 | 310 | AEAF05000116 | 14 | | 30.94 |
| | PFPF621 | DROP | | | TO RECORD PR DED UNDERSTATED - PP 17, 5/20/05 | |
| | 12/06/2005 | 310 | AEAF05000116 | 15 | | 43.37 |
| | PFPF62163 | PTS | | | TO RECORD PR DED UNDERSTATED - PP 17, 5/20/05 | |

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