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INDEPENDENT AUDITOR'S 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") of the Consolidated City of Jacksonville, Florida (the "City") as of and for the fiscal year ended September 30, 2009, as listed in the 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, 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.

As discussed in Note 1, the financial statements present only the Police and Fire Pension Fund and do not purport to, and do not, present fairly the financial position of the City as of September 30, 2009 and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

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, 2009, and the changes in plan net assets for the fiscal 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 our report dated January 14, 2010, on our consideration of the Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and other matters. 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 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 such information and we do not express an 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 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.

Bran & Associates

January 14, 2010

**CITY OF JACKSONVILLE, FLORIDA
POLICE AND FIRE PENSION FUND
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

ADDITIONS:	
Contributions:	
Plan member	\$ 12,169,969
Employer	52,162,385
Total contributions	<u>64,332,354</u>
Other contributions:	
Court fines and penalties	988,726
State insurance contributions	8,900,746
Contributions from other governmental units	4,286,448
Other	186,193
Total other contributions	<u>14,362,113</u>
Investment income (loss)	
Net depreciation in fair value of investments	(41,479,185)
Interest and dividends	25,261,380 ✓
Rental revenue	1,873,920
Investment expenses	(4,255,232)
Rental expenses	(204,535)
Net investment income (loss)	<u>(18,803,652)</u>
TOTAL ADDITIONS	<u>59,890,815</u>
DEDUCTIONS:	
Pension benefits remitted	80,818,250
DROP benefits remitted	29,159,057
Total benefits remitted	<u>109,977,307</u>
Refunds of contributions	<u>263,602</u>
Administrative expenses:	
Personnel services	1,221,738
Central services	117,922
Supplies	7,990
Depreciation	32,665
Other services and charges	398,999
Total administrative expenses	<u>1,779,314</u>
TOTAL DEDUCTIONS	<u>112,020,223</u>
NET (DECREASE)	<u>(52,129,408)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:	
Beginning of year	<u>780,619,952</u>
End of year	<u>\$ 728,490,544 ✓</u>

See notes to the financial statements

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2009 YREND2009
 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 -		3,652,295		3,652,295
	36104	REALIZED GAI		203,536		203,536
	36105	EARNINGS OTH		4,300,762		4,300,762
	36112	REBATE OF CO		138,230 ✓		138,230
	36113	DIVIDENDS ON		8,953,366		8,953,366
	36118	2300 FUND -		4,471,714		4,471,714
	36120	INVESTMENT P		-407,545		-407,545
F1-HELP	F2-SELECT		F4-PRIOR	F5-NEXT		

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2009 YREND2009
 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
	36121	2100 FUND -		3,949,022		3,949,022
		REVENUE TOT		25,261,380 ✓		25,261,380

FISCAL MO/YEAR : 14 2009 CURRENCY CODE :
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
 SUBFUND :

S ACCT	DESCRIPTION	YREND2009	BALANCE
24110	ALLOTMENTS	8,468,629.00	0.00
24150	REVISIONS TO APPROPRIATIONS	8,468,629.00	0.00
24190	ALLOTMENTS - CONTRA (NON-CON)	-8,468,629.00	0.00
24200	EXPENDITURES	-116,479,990.22	0.00
27105	FUND BALANCE - UNRESERVED	52,129,409.18	-728,490,543.14 ✓
27300	BUDGETARY FUND BALANCE	0.00	0.00
	FUND TOTAL	0.00	0.00

F1-HELP F2-SELECT F4-PRIOR F5-NEXT
 F7-PRIOR PG F8-NEXT PG F9-LINK
 G013 - LAST PAGE DISPLAYED