

**JACKSONVILLE
POLICE AND FIRE PENSION FUND**



**ANNUAL REPORT TO THE
STATE OF FLORIDA
DIVISION OF RETIREMENT**

MAY, 2008



POLICE AND FIRE PENSION FUND

ONE WEST ADAMS STREET, SUITE 100

JACKSONVILLE, FLORIDA 32202-3616

"We Serve...and We Protect"


Telephone: (904) 255-7373

Fax: (904) 353-8837

John Keane
Executive Director -
Administrator

DATE: May 1, 2008

TO: Elected and Appointed Officials
Interested Parties

FROM: John Keane 
Executive Director - Administrator

RE: **2007 ANNUAL REPORT TO THE STATE
OF FLORIDA DIVISION OF RETIREMENT**

Attached are copies of the key pages of the 2007 Annual Report of the Jacksonville Police and Fire Pension Fund. The report was submitted, reviewed, and approved by the State Division of Retirement. The entire report is available at the Pension Fund Office.

During our fiscal year ending September 30, 2007, the value of Fund assets increased by one hundred ten million, eight hundred thirty four thousand, four hundred eighty six dollars, bringing the asset value of the Fund to one billion, ninety eight million, three hundred seventy two thousand, six hundred one dollars. Since then, the Fund assets have been under severe market pressure due to the "sub-prime" mortgage issues leading to record home foreclosures, increased energy prices, inflationary pressures, declining value of the US currency, and fears of a prolonged recession. The top tier investment performance is due to the understanding of the market by our investment management team. The Fund investment advisors are experienced in the mechanics of institutional investment, knowledgeable of current market conditions and trends, skillful in structuring our portfolio to meet the fiscal needs both offensively and defensively, and are able to move quickly in response to uncertain market conditions.

Please contact our office if you should require any additional information.

ANNUAL REPORT FOR YEAR 2007

Jacksonville

(CITY)

Police and Fire Pension Fund

(NAME OF FUND)

One West Adams Street, Suite 100, Jacksonville, FL 32202

(ADDRESS OF FUND)

STATE OF Florida

COUNTY OF Duval

We declare that the information given in this Annual Report and any attachments thereto is true and complete to the best of our information, knowledge and belief. We declare that the plan is within the provisions of ss. 175.041 & 185.03, F.S.

Bobby Deal
Signature CHAIRMAN *

Bobby Deal
Please Type: Name of Chairman

* Must be member of the Board of Trustees

One West Adams Street, Suite 100, Jacksonville, FL 32202
Mailing Address

904 354-7373
Area Code Telephone/Suncom Email

Nathaniel Glover
Signature SECRETARY *

Nathaniel Glover
Please Type: Name of Secretary

One West Adams Street, Suite 100, Jacksonville, FL 32202
Mailing Address

904 354-7373
Area Code Telephone/Suncom Email

CONTACT PERSON FOR ANNUAL REPORT: John Keane
Name: Please Type

The Municipal Police Officers' and Firefighters' Retirement Trust Funds Office is hereby authorized to contact the person listed above for additional information and/or corrections regarding the annual report. Administrator
Title

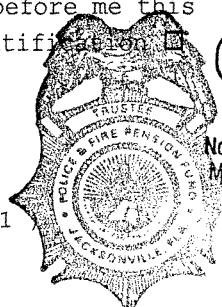
One West Adams Street, Suite 100
Jacksonville, FL 32202
Mailing Address

904 354-7373
Area Code Telephone/Suncom Email

Chairman: Subscribed and sworn to before me this 14 day of MARCH, 2008
Personally known or Produced identification Type of ID _____

Secretary: Subscribed and sworn to before me this 14 day of MARCH, 2008
Personally known or Produced identification Type of ID _____

John Keane
JOHN KEANE
Notary Public, State of Florida
My comm. exp. June 2, 2008
Comm. No. DD 289472



1. ACTUARIAL VALUATION

Contributions (Page 5, Line 3) for this reporting period were made in accordance with the valuation performed by:

Pension Board Consultants, Inc
Name of Actuarial Firm

Jarmon Welch
Contact Person Mailing Address

904 892-9798
Area Code Telephone Number

Date of Valuation 10/01/06 Period Covered 3 yrs ended 9/30/06

2. CERTIFIED PUBLIC ACCOUNTANT

Grau & Associates
Name of Firm

C. Michelle Blackstock, CPA 2700 N Military Trl, Ste 350, Boca Rotan, FL 33431
Contact Person Mailing Address

561 994-9299
Area Code Telephone Number

3. MONEY MANAGER

See Attached
Name of Firm

Contact Person Mailing Address

Area Code Telephone Number

4. PERFORMANCE EVALUATION

Merryl Lynch
Name of Firm

Mike Callaway 50 N Laura St, Ste 3600, Jacksonville, FL 32202
Contact Person Mailing Address

904 634-6120
Area Code Telephone Number

9/30/06 10/01/06-09/30/07
Date of Evaluation Period Covered

5. LEGAL ADVISOR

Klausner & Kaufman, P.A.
Name of Firm

Robert Klausner 10059 N W 1st Court, Plantation, FL 33324
Attorney Mailing Address

954 916-1202
Area Code Telephone/Suncom Number

6. PLAN ADMINISTRATOR

Police and Fire Pension Fund
Name of Firm

John Keane One W Adams Street, Ste 100, Jacksonville, FL 32202
Administrator Mailing Address

904 354-7373
Area Code Telephone/Suncom Number

Jacksonville
CITY NAME

Police and Fire Pension Fund
NAME OF PENSION FUND

STATEMENT OF ASSETS AND LIABILITIES

AS OF 9/30/2007
Month/Day/Year

ASSETS - MARKET VALUE

1. CASH, CHECKING AND SAVINGS (From pg. 7)	\$4,122,604.00
2. CERTIFICATES OF DEPOSIT (From pg. 7)	\$0.00
3. SHORT TERM INVESTMENTS (From pg. 7)	\$1,181,907.00
4. OTHER CASH AND EQUIVALENTS (From pg. 8)	\$204,824.00
5. U. S. BONDS AND BILLS (From pg. 8)	\$40,477,875.00
6. FEDERAL AGENCY GUARANTEED SECURITIES (From pg. 8)	\$111,408,584.00
7. CORPORATE BONDS (From pg. 8)	\$100,626,597.00
8. STOCKS (From pg. 9)	\$672,427,479.00
9. OTHER SECURITIES (From pg. 9)	\$46,982,992.00
10. REAL ESTATE (From pg. 9)	\$114,314,384.00
11. INVESTMENTS HELD BY INSURANCE COMPANY (From pg. 9)	\$0.00
12. <u>FIXED ASSETS</u> (From pg. 10)	\$586,735.00
13. <u>ACCUMULATED DEPRECIATION</u> (From pg. 10)	(\$507,726.00)
14. ACCOUNTS RECEIVABLE (From pg. 10)	\$3,000,000.00
15. ACCRUED INTEREST	\$3,546,346.00
16. TOTAL ASSETS (sum of lines 1-15)	\$1,098,372,601.00

LIABILITIES

17. REFUNDS PAYABLE	\$13,116.00
18. PENSIONS PAYABLE	\$5,621.00
19. UNPAID EXPENSES	\$12,468.00
20. DROP PLAN PAYABLE	\$145,529,387.00
21. <u>ACCOUNTS PAYABLE AND RLA</u>	\$2,462,172.00
22. TOTAL LIABILITIES (sum of lines 17-21)	\$148,022,764.00
23. FUND BALANCE (subtract line 22 from line 16) <MUST agree with page 5, line 25>	\$950,349,837.00

Jacksonville
CITY NAME

Police and Fire Pension Fund
NAME OF PENSION FUND

STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCE

FOR THE PERIOD ENDING 9/30/2007
Month/Day/Year

REVENUES

1. CONTRIBUTIONS FROM EMPLOYEES (From pg. 14)	\$10,356,596.00
2. CONTRIBUTIONS FROM STATE OF FLORIDA (From pg. 6)	\$8,878,324.00
3. CONTRIBUTIONS FROM CITY (From pg. 6)	\$45,507,990.00
4. CONTRIBUTIONS FROM CITY - FOR EMPLOYEES	\$0.00
5. BUYBACKS/REPAYMENT OF CONTRIBUTIONS	\$903,697.00
6. COURT FINES AND OTHER MISCELLANEOUS	\$3,258,905.00
7. UNREALIZED GAINS/LOSSES	\$74,143,169.00
8. INTEREST AND DIVIDENDS	\$31,429,526.00
9. GAIN FROM SALE OF INVESTMENTS	\$39,484,089.00
10. TOTAL REVENUE (sum of lines 1-9)	\$213,962,296.00

EXPENDITURES

11. RETIREMENT PENSION PAYMENTS (From pg. 12)	\$63,252,214.00
12. DISABILITY PENSION PAYMENTS (From pg. 12)	\$1,692,742.00
13. BENEFICIARY PENSION PAYMENTS (From pg. 12)	\$6,777,471.00
14. TOTAL PENSION PAYMENTS (sum of lines 11-13)	\$71,722,427.00
15. TERMINATION PAYMENTS (From pg. 13)	\$124,292.00
16. DROP PLAN PAYMENTS / EXPENSE	\$23,882,257.00
17. INSURANCE PREMIUM PAYMENTS	\$0.00
18. EXPENSES (From pg. 6)	\$8,471,346.00
19. RLA	\$105,060.00
20. LAURA TRIO, AOL COMPLEX, HAVERTY'S	(\$1,177,572.00)
21. LOSS FROM SALE OF INVESTMENTS	\$0.00
22. TOTAL EXPENDITURES (sum of lines 14-21)	\$103,127,810.00
23. NET INCREASE / (DECREASE) (subtract line 22 from line 10)	\$110,834,486.00
24. FUND BALANCE - BEGINNING OF YEAR: October 1, 2006 <MUST agree with prior year report page 5, line 25>	\$839,515,351.00
25. FUND BALANCE - END OF YEAR: September 30, 2007 (line 23 plus line 24) <MUST agree with page 4, line 23>	\$950,349,837.00

1. TOTAL CALENDAR YEAR 2007 POLICE DEPARTMENT PAYROLL: \$ 176,595,760.00

TOTAL CALENDAR YEAR 2007 FIRE DEPARTMENT PAYROLL: \$ 81,017,713.00

**** IMPORTANT ****

This figure must be on a calendar year basis. Police Department Payroll includes all employees of the Police Department (secretaries, dispatchers, police officers, etc.). Fire Department Payroll includes all employees of the Fire Department EXCEPT for members included in the Florida Retirement System. If lower than last year, or significantly higher, please explain!

2. STATE OF FLORIDA PREMIUM TAX MONEY

FIRE		POLICE	
<u>Date of Deposit</u>	<u>Amount</u>	<u>Date of Deposit</u>	<u>Amount</u>
08/28/07	4,067,814.00	08/28/07	4,810,510.00
Total Fire	\$4,067,814.00	Total Police	\$4,810,510.00
TOTAL (page 5, line 2)		\$8,878,324.00	

3. CITY CONTRIBUTION: Please identify any deposits that applied to a prior year's contribution requirements.

<u>Date of Deposit</u>	<u>Amount</u>	<u>Date of Deposit</u>	<u>Amount</u>
	\$42,866,015.00		\$2,641,975.00
TOTAL CITY CONTRIBUTION (Page 5, Line 3)		\$45,507,990.00	

4. DETAIL OF EXPENSES:

ADMINISTRATIVE EXPENSES:

<u>Item</u>	<u>Amount</u>	<u>Item</u>	<u>Amount</u>
Personal Services	\$1,134,267.00	Central Services	\$473,666.00
Supplies	\$14,673.00	Depreciation	\$49,516.00
Other Srvcs/Charges	\$1,877,549.00		
Sub-Total Admin. Expenses		\$3,549,671.00	

INVESTMENT EXPENSES:

<u>Item</u>	<u>Amount</u>	<u>Item</u>	<u>Amount</u>
Professional Service	\$4,708,635.00	Rental	\$213,040.00
Sub Total -- Investment Expenses		\$4,921,675.00	
Total Expenses (Page 5, Line 18)		\$8,471,346.00	



DEPARTMENT OF MANAGEMENT
SERVICES

Governor Charlie Crist
Secretary Linda H. South

Division of Retirement
Municipal Police Officers' & Firefighters'
Retirement Trust Funds' Office
Post Office Box 3010
Tallahassee, Florida 32315-3010

850.922.0667: TEL
877.738.6737: TOLL FREE
<http://dms.myflorida.com>

APPROVED

MEMORANDUM

April 14, 2008

To: Mr. Bobby Deal, Chairman
Jacksonville Police Officers' & Firefighters' Pension Fund

From: Office of Municipal Police Officers' and Firefighters'
Retirement Trust Funds, Division of Retirement

Subject: **2007 ANNUAL REPORTS**

This is to advise that we have **reviewed** and **approved** the **2007** Annual Report (s) for the Jacksonville Police Officers' & Firefighters' Pension Fund.

If you have any questions, please contact our office at (850) 922-0667.

mm

cc: ✓ John Keane, Plan Administrator

APPROVED



**JACKSONVILLE POLICE AND FIRE PENSION FUND
ONE WEST ADAMS STREET, SUITE 100
JACKSONVILLE, FL 32202-3616**