

February 21, 2014

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 City of Jacksonville Police and Fire Pension Fund (Fund), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net position of the Fund, as of September 30, 2013, and the respective changes in the plan net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-6 and pages 22-25, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Handwritten signature in cursive script, appearing to read "KBLD LLC".

KBLD, LLC

**City Of Jacksonville, Florida
Police and Fire Pension Fund
Statement of Changes in Plan Net Position
For the Year Ended September 30, 2013**

Additions:

Contributions:

Plan member	\$ 10,753,501
Employer	121,822,333
Total contributions	132,575,834

Other additions:

Court fines and other penalties	757,984
State insurance contributions	9,667,185
Settlements - Jake Godbold building sale	554,512
Grant revenue	60,125
Other	632,777
Total other additions	11,672,583

Investment income (loss):

Net appreciation in fair value of investments	147,797,426
Interest and dividends	26,416,362
Rental revenue	1,705,948
Other investment revenue	123,115 ✓
Investment expenses	(6,519,120)
Rental expenses	(321,292)
Net investment income (loss)	169,202,439

Total additions to plan net position 313,450,856

Deductions from net position:

Pension benefits remitted	103,305,804
DROP benefits remitted	46,949,151
Refunds of contributions	336,311
Grant - expenses	60,125

Administrative expenses:

Personnel services	1,255,911
Professional services - non investment	722,679
Building rent - office space	246,024
Central services	44,647
Supplies	9,284
Depreciation	12,033
Other services and charges	215,407

Total administrative expenses 2,505,985

Total deductions 153,157,376

Net increase 160,293,480

Net position available for benefits - beginning of year 885,238,008

Net position available for benefits - end of year \$ 1,045,531,488 ✓

The accompanying notes are an integral part of these statements.

BALANCE (Y,M,Q,A) : Y TITLE NOTFOUND : CURRENCY CODE :
 FISCAL MO/YEAR : 14 2013 YREND2013
 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 -		1,835,913		1,835,913
	36104	REALIZED GAI		121,556		121,556
	36105	EARNINGS OTH		4,885,989		4,885,989
	36112	REBATE OF CO		123,115		123,115
	36113	DIVIDENDS ON		15,529,526		15,529,526
	36118	2300 FUND -		2,669,001		2,669,001
	36120	INVESTMENT P		-610,034		-610,034
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F7-PRIOR PG		F8-NEXT PG	F9-LINK			

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 PROJECT :
 GRANT :

S	SUBOBJ	DESCRIPTION	BUDGET	ACTUAL	ENCUMBERED	BALANCE
	36121	2100 FUND -		1,984,410		1,984,410
		REVENUE TOT		26,539,476		26,539,476

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FISCAL MO/YEAR : 14 2013 CURRENCY CODE :
 FUND TYPE : 60 TRUST AND AGENCY FUNDS
 FUND : 620 POLICE & FIREMENS PENSION TRUST
 SUBFUND : 621 POLICE & FIREMENS PENSION TRUST

S ACCT	DESCRIPTION	YREND2013	BALANCE
21093	OPEB- LONGTERM	0.00	-34,109.70
21600	ACCRUED WAGES PAYABLE	0.00	-1,193,221.70
22900	OTHER CURRENT LIABILITIES	0.00	-1,597,847.42
24100	APPROPRIATIONS	8,724,167.00	0.00
24110	ALLOTMENTS	8,724,167.00	0.00
24190	ALLOTMENTS - CONTRA (NON-CON	-8,724,167.00	0.00
24200	EXPENDITURES	-159,997,788.63	0.00
27105	FUND BALANCE - UNRESERVED	-160,293,480.02	-1,045,531,488.23 ✓
27300	BUDGETARY FUND BALANCE	0.00	0.00
80000	PAYROLL CLEARING	0.00	-85.74
	SUBFUND TOTAL	0.00	0.00

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