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May 8, 2002

Board of Trustees
Jacksonville Police and Fire Pension Fund
One West Adams Street, Suite 100
Jacksonville, Florida 32202-3616

Actuarial Valuation as of October 1, 2001

Ladies and Gentlemen:

We are pleased to forward our report on the 2001 Actuarial Valuation of the Jacksonville Police and Fire Pension Fund. The recommended contribution level covers the Plan Year beginning October 1, 2001.

The report is divided into five sections as follows:

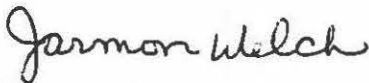
- I. Summary and Cost Analysis
- II. Statement of Actuarial Position as of October 1, 2001
- III. Valuation of Assets
- IV. Funded Position and Key Statistics
- V. State of Florida Chapter 60T Information

This report should be considered as a single document, and figures extracted from it should not be used out of context.

It should be understood that the costs and actuarial present values presented in this report depend upon forecasts of future events, and that they, therefore, depend upon elements of subjective judgment. Due regard should thus be given to the reasonableness of alternative values and conclusions.

Very truly yours,

PENSION BOARD CONSULTANTS, INC.



Jarmon Welch, A.S.A.
President



Kelly Shelton
Associate Actuary

Enclosure

JACKSONVILLE POLICE AND FIRE PENSION FUND

Actuarial Report for the Plan Year Beginning October 1, 2001

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Actuarial Report for the Plan Year Beginning October 1, 2001

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JACKSONVILLE POLICE AND FIRE PENSION FUND

Section I: Summary and Cost Analysis

Content of this Report

This report is divided into five sections.

Section I contains an informal commentary. It reconciles these 2001 results with the 2000 results.

Section II contains a formal statement of the actuarial position of the Plan.

Section III presents an analysis of the assets of the Plan and shows in detail how the investment performance was derived.

Section IV presents the Plan's funded position and key statistics.

Section V contains additional information required by the State of Florida.

Background

The State requires that actuarial valuations be performed at least once every three years (GASB requires annual updating of disclosure information). The last actuarial valuation of the Jacksonville Police and Fire Pension Fund (hereafter called the "Plan") was performed as of April 1, 2000. The current review has been performed as of October 1, 2001. The 2000 results were based on participant data as of April 1, 2000 provided by the City and the 2001 results were based on participant data as of July 1, 2001 provided by the City. Fund assets as of September 30, 2001, including \$24,409,050 accumulated in the two reserve accounts were reported by the Plan Administrator. The Plan Administrator reported the ordinance in effect on October 1, 2001 to us.

Minimum Required Contribution

This valuation calls for a 33.28% of payroll contribution from all sources to this Plan. The following table illustrates the expected sources of these contributions based on the current City and Member contribution rates.

<u>Expected Source</u>	<u>Minimum Required Contribution</u>	<u>As a Percentage of Covered Payroll</u>
Active Members	\$6,733,914	7.00%
DROP Members	\$558,545	0.58%
Expected Court Fines and Penalties	\$3,033,021	3.15%
State Chapter Funds Allocation	\$3,847,951	4.00%
City	<u>\$17,845,285</u>	<u>18.55%</u>
TOTAL	\$32,018,716	33.28%

It should be noted State laws make the City responsible for funding any contribution shortfall. The current contribution rate of 8.75% of covered payroll by the City, increasing to 9.25% beginning October 1, 2002, in addition to transfers from the City Budget Stabilization Account should be sufficient to fund the benefits and meet the State's requirements for a least the upcoming year.

Accumulation of Funds in the Reserve Accounts

Pursuant to the Agreement between the City and the Police and Firefighters Pension Board, reserve accounts were set up to accumulate excess contributions as of January 1, 1992 and thereafter. This Agreement has since been amended and the reserve accounts combined. Two account balances have been derived in Table III-E of this report. The amount accumulated in the two accounts as of September 30, 2001 was \$24,409,050.

Minimum Required Contribution for Year Commencing October 1, 2001 Based on October 1, 2001 Covered Payroll

Normal Actuarial Cost	\$19,296,010	20.06%
Amortization Payment	<u>\$12,722,706</u>	<u>13.22%</u>
Total	\$32,018,716	33.28%

It is important to note the minimum required percent of payroll for the next year is fixed but not the dollar amount. This is shown for illustration purposes only based on current valuation payroll. The actual dollar amount to be contributed will likely be larger and will be based on next year's City payroll.

Plan Changes Since April 1, 2000

1. Effective April 1, 2001, the benefit accrual rate was increased to 3.0% of Earnings Base for each of the first 20 years of Credited Service, plus 2% for each of the next 10 years.
2. The pre-retirement death benefit payable to a spouse was changed to 60% of the projected retirement benefit, assuming the participant completed at least 20 years of Credited Service. Previously at least 25 years of Credited Service was assumed.

Reconciliation with 2000 Minimum Required Contribution

The following table compares the key employment and payroll statistics and the minimum required City contributions from the April 1, 2000 and October 1, 2001, actuarial valuations.

Comparison of Key Statistics and Minimum Required City Contributions			
Valuation Date	<u>April 1, 2000</u>	<u>October 1, 2001</u>	<u>Percent Change</u>
Key Statistics			
Number of Active Participants (excluding DROP)	2,089	2,037	(2.5%)
Total Covered Valuation Payroll (no DROP)	\$98,900,825	\$96,198,772	(2.7%)
DROP Payroll	\$23,137,654	\$27,927,247	20.7%
Average Annual Pay	\$47,344	\$47,226	(0.2%)
Average Age	37.6	38.0	0.4 years
Minimum City Contribution			
Dollar Amount	\$10,909,159	\$17,845,285	63.6%
Percent of Payroll Under Maximum Retirement Age	11.03%	18.55%	7.52%
Net Market Value of Assets*	\$809,091,787	\$703,252,537	(13.1%)
Unfunded Actuarial Accrued Liability	\$123,275,439	\$246,163,265	99.7%

* Market Value less two reserve accounts. Reserve accounts balances are derived in TABLE III-E of this report.

Our 2000 actuarial valuation report required a minimum contribution of 25.46% of payroll. This minimum required contribution was increased by 1.32% to 26.78%, for the benefit accrual improvement effective April 1, 2001. In addition, the minimum required contribution has increased 6.5% (i.e., 33.28% - 26.78%) from April 1, 2000 to October 1, 2001 primarily due to the interaction of the following factors:

1. Based on market value, the fund yielded -1.18% for the 6-month period ending September 30, 2000 and -6.72% for the plan year ending September 30, 2001. This is less than the assumed investment return of 8.5% per year. After smoothing, this increased costs approximately 8.1% of covered valuation payroll.
2. An increase in costs of approximately 1.64% of covered payroll was attributable to an array of other experience deviations from expected.
3. A decrease in costs of 3.24% of covered payroll was due to the fresh start of the unfunded actuarial accrued liability.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001

Introduction

1. Relationships:

The Board of Trustees has retained Pension Board Consultants, Inc., represented by Jarmon Welch as the actuary to prepare this report. For purposes of this statement, we deem our client to be the Trustees acting on behalf of participants.

2. Purpose:

The purpose of the Statement of Actuarial Position is

(a) to determine the minimum required contribution level for the 2001 Plan Year recognizing the State's requirement of paying the Normal Actuarial Cost and of funding the Unfunded Actuarial Accrued Liability over an initial period of 30 years; and

(b) to compare the current assets of the Plan to the current benefit obligations.

The purpose of the funding is to ensure that in the long term there are sufficient assets on hand to provide the Plan's benefits and, in the short term, to accumulate the assets in an orderly manner to provide protection of the accrued benefits.

3. Data:

This statement is based on participant data as of July 1, 2001, asset information as of September 30, 2001 and on the terms of the Plan as of October 1, 2001. All of this data has been reviewed for consistency with prior data and for general reasonableness.

4. Effective Dates:

The values and data in this statement have been determined as of October 1, 2001. This statement is applicable to the year beginning October 1, 2001.

5. Liquidity and Benefit Security:

The cash flow from contributions and earnings on fund assets are not sufficient to meet current liquidity needs. This needs to be recognized in the investment strategy. It is also expected that the current funding policy should result in increasing benefit security ratios. However, it should be noted that fluctuations in asset values or surges in pay levels could cause benefit security ratios to fluctuate in the short term.

6. Trends and Assumptions:

The costs in this report anticipate that the actuarial assumptions will reflect Plan experience in future years. Because the assumptions were selected as our best estimate of future experience, these cost projections represent the most likely course of future contributions. However, it should be noted that if Plan experience deviates from the actuarial assumptions, the resulting gains or losses would create decreases or increases in the Normal Actuarial Cost.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001Cost Components and Annual Contributions

	Valuation Dates		
	10/01/98	04/01/00	10/01/01
1. Normal Actuarial Cost	\$16,381,997	\$19,005,460	\$19,296,010
2. Annual Contribution to Amortize Unfunded Actuarial Accrued Liability	\$14,115,781	\$6,170,543	\$12,722,706
3. Required Contribution = (1) + (2)	\$30,497,778	\$25,176,003	\$32,018,716
4. Required Contribution as a percent of Covered Valuation Payroll	27.58%	25.46%	33.28%
5. <u>Notes:</u>			

Item 4 should be applied to payroll during the coming year. Item 3 is based on pay rates reported by the Plan Administrator.

Statement by Actuary:

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends that may require material increases in Plan costs or required contribution rates have been taken into account in the valuation.

Jarmon Welch
Jarmon Welch, A.S.A.

5-8-02
Date

99 - 1108
Enrollment Number

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001Derivation of Minimum Required Contribution Levels

1. Present Value of Future Benefits	
a. Active Participants	
(i) Retirement	\$455,041,463
(ii) Death	\$20,093,953
(iii) Disability	\$39,083,944
(iv) Withdrawal	\$5,260,169
(v) Return of Contributions	<u>\$984,146</u>
(vi) Total	\$520,463,675
b. Inactive Participants	
(i) Retirees and Beneficiaries	\$404,316,761
(ii) Disableds	\$20,273,940
(iii) Terminated Vested	\$1,475,099
(iv) DROP Participants	<u>\$297,991,947</u>
(iv) Total	\$724,057,747
c. Total (a. + b.)	\$1,244,521,422
2. Actuarial Value of Assets	
a. Gross Actuarial Value	\$790,822,613
b. Reserve Accounts	\$24,409,050
c. Net Actuarial Value (a. - b.)	\$766,413,563
3. Unfunded Actuarial Accrued Liability	\$246,163,265
4. Present Value of Future Normal Costs	\$231,944,594
5. Ratio of Present Value of Future Salaries to Current Salaries	
a. 1% of PV of Future Salaries	\$11,998,695
b. Covered Payroll (no DROP)	\$96,198,772
c. Ratio (a. / b.)	12.472815
d. DROP Payroll	\$27,927,247
6. Normal Actuarial Cost	
a. Dollar Amount (4. / 5.c.)	\$18,596,010
b. As % of Covered Payroll	19.33%
c. Normal Cost with Expense Load	\$19,296,010
d. As % of Covered Payroll	20.06%
7. Total Cost for the Year	
a. UAAL Amortization Payment	\$12,722,706
b. Total Cost (6.c. + 7.a.)	\$32,018,716
c. As % of Covered Payroll	33.28%

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001A. Development of Unfunded Actuarial Accrued LiabilityFresh Start

1. Entry Age Normal Actuarial Accrued Liability on 10/01/01	\$1,012,576,828
2. Net Actuarial Value of Assets	\$766,413,563
3. Unfunded Actuarial Accrued Liability on 10/01/01 (1. - 2.)	\$246,163,265

B. Minimum Required Amortization of Unfunded Actuarial Accrued Liability

<u>UAAL as of</u>	<u>Remaining Period</u>	<u>Minimum Required Amortization Amount</u>
10/1/2001	28.5 years	\$12,722,706

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001Actuarial MethodsActuarial Cost Method

Entry Age Actuarial Cost Method: Under this method, the excess of the Actuarial Present Value of Projected Benefits of the group included in the Actuarial Valuation, over the sum of the Actuarial Value of Assets plus the Unfunded Actuarial Accrued Liability, is allocated as a level amount over the earnings of the group as a whole, not as a sum of individual allocations. The portion of the excess Actuarial Present Value allocated to a valuation year is called the Normal Actuarial Cost. All ancillary benefits are funded under the same method as retirement benefits.

Asset Valuation Method

An actuarial value has been placed on all Fund assets. The purpose of setting an actuarial value on assets is to recognize market values, which are the only true measure of the value of these securities, without giving total credence to the current market value and without causing costs to fluctuate substantially in response to short-term market swings.

The actuarial adjustment factor applied to the market value of assets is determined as the amount by which current market prices as of the end of a period are deflated in relation to a longer range trend. The actuarial factor was developed as follows:

- (1) develop performance indices as of September 30, 2000 and 2001 using actual Fund performance during those periods;
- (2) multiply these indices by a growth factor of 8.50% (the assumed rate of return on investments) for each period up to September 30, 2001;
- (3) weight the indices by 1/12, 5/12 and 6/12 respectively; and
- (4) divide the total of the weighted indices by the non-weighted index for September 30, 2001.

Future adjustments will be determined in a similar fashion until five complete plan years of data have been accumulated

Changes Since the April 1, 2000 Valuation:

The smoothing method used to determine the actuarial value of assets was revised to reflect only investment experience from April 1, 2000 forward.

The actuarial cost method was changed from the Frozen Entry Age Actuarial Cost Method to the Entry Age Normal Cost Method by fresh starting the Unfunded Actuarial Accrued Liability.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001Actuarial Assumptions

Mortality: Pre and Postretirement: 1983 Group Annuity Mortality Table; Post-Disablement - same table set forward 10 years.

Net Investment Yield: 8.50% compounded annually.

Withdrawal: Annual rates consistent with the following representative figures.

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.040	28	.040	36	.010
24	.040	32	.020	40	.000

Disability: Rates consistent with the following representative figures:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
25	.00054	35	.00072	45	.00180
30	.00054	40	.00090	50	.00396

Salary Scale: 5.0% compounded annually applied to pay to allow for future salary increases reflecting inflation, productivity, and seniority.

COLA: 3.0% compounded annually.

Percent Married: Assume 75% of active employees married. Use actual status for inactives.

Retirement Ages: Rates consistent with the following representative figures

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
40	.060	50	.060	60	.200
45	.060	55	.085	65	1.000

Expense Load: Expenses net of money manager fees are estimated to be \$700,000.

Amortization of Unfunded Actuarial Accrued Liability: Assumes payroll increases at 5.25% per annum throughout the entire amortization period.

Age Differences for Spouses with Unknown Ages: Females are assumed to be 3 years younger than males.

Changes Since the April 1, 2000 Valuation:

None.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section II: Statement of Actuarial Position as of October 1, 2001Plan Outline

<u>Covered Group:</u>	All members of the Fire and Police Departments of the City not covered under another retirement system, and in the following categories: Plan 05, Plan 06, Plan 19 and Plan 41. Inactive members of the old 1915 Fire Pension Fund and the old 1917 Police Pension Fund.
<u>Credited Service:</u>	All employment in the Fire/Police Department. Military Service may be included. Service as a General Employee may be included.
<u>Earnings Base:</u>	Average salary of last fifty-two pay periods, as defined by Ordinance 91-1017-0605.
<u>Retirement Date:</u>	Completion of a minimum of 20 years of Credited Service.
<u>Retirement Benefits:</u>	3% of Earnings Base for each of the first 20 years of Credited Service, plus 2% for each of the next 10 years. All categories have a minimum monthly benefit of \$400.
<u>Health Subsidy:</u>	\$3 per month for each year of Credited Service with a minimum of \$30 per month and a maximum of \$90 per month.
<u>Form of Benefit:</u>	Payment is 75% continuation to spouse, plus \$200 per month to child until earlier of attainment of age 18 (22 if in college) or marriage. Overall maximum of 100%. Orphaned children receive 75% continuation until earlier of attainment of age 18 (22 if in college) or marriage.
<u>Disability Benefits:</u>	60% of Earnings Base or Retirement Benefit, if greater; minimum of \$400 per month. Form of benefit same as for active or retired employees.
<u>Pre-Retirement Death Benefits:</u>	Spouse's benefit of 60% of projected retirement benefit, assuming participant completed at least 20 years of Credited Service, plus \$200 monthly to each child until earlier attainment of age 18 (22 if in college) or marriage. Overall maximum of 100% of projected normal retirement benefit. Minimum monthly benefit of \$300 per month. Orphans receive benefit applicable to spouse without children until earlier of marriage or attainment of age 18 (22 if in college). Dependent father or mother may be eligible if no spouse or children. Otherwise, refund of 100% employee's contributions.

TABLE II-F
(Continued)

For future deaths among active members and retirees, including DROPS, if there is no surviving spouse, a disabled child 18 years or older receives half of the spouse's benefit for life. The Board will establish earnings and means criteria to qualify.

Termination
of Service:

If terminated before 5 years of Credited Service, refund of employee contributions.

If terminated after 5 years of Credited Service, refund of employee contributions and no further benefit; or a benefit payable at normal retirement date, equal to Credited Service multiplied by 2.5% of earnings base.

No death or disability benefits during deferred period. Form of benefit same as for active employees. No minimum benefits.

Employee
Contribution:

7% of earnings.

Non-Employee
Contributions:

The City contributes 8.75% of budgeted earnings. The Fund also receives proceeds from the Chapter monies, County Court fines and penalties, with the City covering any shortfall.

Cost of Living
Increases:

A two part formula provides annual increases in the Retirement Benefit (no increases in health subsidy) of 3% per year. The accumulated increases are offset by the amount of the Health Subsidy.

Note:

Members of the 1915 Fire Pension Fund and the 1917 Police Pension Fund receive benefit payments from the Fund. These benefits are partially subsidized by the City. The Fund provides 36.603% of the total benefit for 1915 Fire members and 100% for 1917 Police members.

Deferred Retirement
Option Plan (DROP):

Effective 1/9/99 with the current following main provisions:

Minimum service at entry: 20 years. 5 year maximum DROP

Maximum service at entry: 31 years. 2 year maximum DROP

DROP investment yield: 8.4% annually.

Withdrawal from DROP and immediate retirement at member's sole option.

Members will contribute 2% of Earnings Base during the DROP period to cover the cost of administering the DROP provision.

TABLE II-F
(Continued)

Cost neutral to City of Jacksonville as Plan Sponsor.

Percentage cost of living increases granted during DROP period. Bi-annual lump sum COLA not provided to DROP participants. DROP participants are not paid Health Insurance Subsidy until termination of employment.

Retirement Leave Account frozen upon DROP. It is deposited into the Fund by the City in equal annual installments during the DROP period, and credited with 8.4% annual interest.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of Assets

Introduction

This section summarizes the Pension Fund cash flow for the period 04/01/00 to 09/30/01, the distribution of the assets of the Fund as of September 30, 2001, the investment performance for the period 04/01/00 to 09/30/01, the derivation of the combined account as of September 30, 2001, and the contribution history.

TABLE III-A	Summary of Cash Flow
TABLE III-B	Calculation of Investment Performance
TABLE III-C	Asset Distribution and Alternative Values as of September 30, 2001
TABLE III-D	Determination of Actuarial Value of Assets as of September 30, 2001
TABLE III-E	Reconciliation of Accounts
TABLE III-F	Contribution History

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of AssetsSummary of Cash Flow 04/01/00 to 09/30/00

Market Value of Fund, as of 4/1/00	\$838,929,510
<u>Receipts During Year</u>	
Contributions:	
Employee	\$3,844,468
City	<u>\$5,130,726</u>
	\$8,975,194
Other Additions:	
Chapter 175/185	\$2,148,677
Court Fines and Penalties	\$1,479,109
City of Atlantic Beach	\$720
Miscellaneous	<u>\$17,055</u>
	\$3,645,561
Investment Income, Realized and Unrealized Gains	<u>(\$7,648,885)</u>
Total Receipts	\$4,971,870
<u>Disbursements During Year</u>	
Benefit Payments	\$16,375,213
Refunds	\$216,298
DROP Payments	\$9,592,866
Retirement Leave Expenses	\$127,857
Money Manager Fees	\$2,187,840
Other Administrative Expenses	<u>\$512,267</u>
Total Disbursements	\$29,012,341
Market Value of Fund, as of 9/30/00	\$814,889,039

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of Assets

Summary of Cash Flow 10/01/00 to 09/30/01

Market Value of Fund, BOY	\$814,889,039
<u>Receipts During Year</u>	
Contributions:	
Employee	\$7,765,784
City	<u>\$9,058,080</u>
	\$16,823,864
Other Additions:	
Chapter 175/185	\$4,513,150
Court Fines and Penalties	\$3,033,021
City of Atlantic Beach	\$0
Miscellaneous	<u>\$55,560</u>
	\$7,601,731
Investment Income, Realized and Unrealized Gains	<u>(\$50,356,196)</u>
Total Receipts	(\$25,930,601)
<u>Disbursements During Year</u>	
Benefit Payments	\$33,841,382
Refunds	\$389,015
DROP Payments	\$22,339,387
Retirement Leave Expenses	\$399,953
Money Manager Fees	\$3,308,451
Other Administrative Expenses	<u>\$1,018,663</u>
Total Disbursements	\$61,296,851
Market Value of Fund, EOY	\$727,661,587

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of Assets
Calculation of Investment Performance

The average dollar weighted investment performance of the Fund was calculated for the period 04/01/00 to 09/30/00 and from 10/01/01 to 09/30/01 based on Market Value.

	<u>Market Value</u>	
	<u>Plan Year</u> <u>Ending 09/30/01</u>	<u>6 Months</u> <u>Ending 09/30/00</u>
(1) Asset Value, BOY	\$814,889,039	\$838,929,510
(2) Asset Value, EOY	\$727,661,587	\$814,889,039
(3) Contributions from all Sources	\$24,425,595	\$12,620,755
(4) Benefit Payments and Expenses Net of Money Manager Fees	\$57,988,400	\$26,824,501
(5) Income, Including Realized and Unrealized Gains (2) - (1) - (3) + (4)	(\$53,664,647)	(\$9,836,725)
(6) Yield for Period $2 \times (5) / ((1) + (2) - (5))$	-6.72%	-1.18%

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of AssetsAsset Distribution and Alternative Values as of 09/30/01

<u>Type of Security</u>	<u>Market Value</u>	<u>% of Assets</u>	<u>Actuarial Value</u>
Fixed Income	\$311,175,217	42.9%	\$338,185,227
Equities	\$424,702,294	58.4%	\$461,566,453
Cash and Equivalents	\$31,491,661	4.3%	\$34,225,137
Real Estate	\$6,642,293	0.9%	\$7,218,844
Net Accruals	<u>(\$46,792,671)</u>	<u>-6.4%</u>	<u>(\$50,854,275)</u>
Total Cash and Investments	\$727,218,794	100.0%	\$790,341,386
Property, Plant and Equipment	<u>\$442,793</u>	<u><0.1%</u>	<u>\$481,227</u>
Total Assets	\$727,661,587	100.0%	\$790,822,613
Amount Accumulated in Reserve Accounts	<u>\$24,409,050</u>		<u>\$24,409,050</u>
Net Investments	\$703,252,537		\$766,413,563

NOTES:

- (1) The "Market Value" of the assets was reported by the City.
- (2) The method of determining the Actuarial Value of Assets is described in TABLE II-E.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of AssetsDetermination of Actuarial Value of Assets as of September 30, 2001

1. Calculation of Indices for Actuarial Adjustment Factor.

<u>Fiscal Year Beginning</u>	<u>Index as of 10/01</u>	<u>Yield During Next Year</u>	<u>Adjustment to index (1. + Yield)</u>	<u>Index as of 9/30</u>
4/1/00-9/30/00	100.00	-1.18%	0.9882	98.82
2000	98.82	-6.72%	0.9328	92.18

2. Calculation of Actuarial Adjustment Factor (Weighted Value = Growth Factor x Index x Relative Weight).

<u>Year Commencing 10/01</u>	<u>Index as of 10/01</u>	<u>Growth Factor</u>	<u>Relative Weight</u>	<u>Weighted Value</u>
4/1/00-9/30/00	100.00	1.1302	0.0833	9.42
2000	98.82	1.0850	0.4167	44.67
2001	92.18	1.0000	<u>0.5000</u>	<u>46.09</u>
			1.0000	100.18

$$\text{Adjustment Factor} = 100.18 / 92.18 = 1.0868$$

3. Calculation of Actuarial Value of Assets

$$\begin{aligned} \text{Adjustment Factor} \times \text{Market Value} &= \text{Actuarial Value} \\ 1.0868 \times \$727,661,587 &= \$790,822,613 \end{aligned}$$

TABLE III-E

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of AssetsReconciliation of Accounts April 1, 2000 through September 30, 2001A. Enhanced Benefit Account (EBA)

Account Value, 04/01/00	\$1,000,000
Additions	
Chapter Funds Allocation (0.35% * \$97,207,387)	\$340,226
Uncommitted Chapter Funds (residual > 4.35% * \$97,207,387)	\$70,155
Interest (-1.18% per annum) ¹	<u>(\$12,721)</u>
Total Additions	\$397,660
Account Value, 09/30/00	\$1,397,660
Additions	
Chapter Funds Allocation (0.35% * \$96,198,772)	\$336,696
Uncommitted Chapter Funds (residual > 4.35% * \$96,198,772)	\$328,503
Transfer from CBSA ²	\$70,000
Interest (-6.72% per annum) ³	<u>(\$103,717)</u>
Total Additions	\$631,482
Account Value, 09/30/01	\$2,029,142

Notes

- Market rate of return from 04/01/00 to 09/30/00.

$$[(-0.0118)*\$1,000,000]+[(\$4,289,025.23/\$4,298,676.75)-1]*(\$340,226+\$70,155)$$
- Chapter Funds transferred for beach communities as per Restated Agreement.
- Market rate of return from 10/01/00 to 09/30/01.

$$(-0.0672*\$1,397,660)+[(\$4,453,026.23/\$4,513,149.89)-1]*(\$336,696+\$328,503+\$70,000)$$

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of Assets

Reconciliation of Accounts April 1, 2000 through September 30, 2001

B. City Budget Stabilization Account (CBSA)

Account Value, 04/01/00	\$28,837,723
Additions	
Interest (-1.18% per annum) ¹	<u>(\$340,285)</u>
Total Additions	<u>(\$340,285)</u>
Subtractions	
Payment to Base Benefits Fund as of 9/30/00	<u>\$891,609</u>
Total Subtractions	<u>\$891,609</u>
Account Value, 09/30/00	\$27,605,829
Additions	
Interest (-6.72% per annum) ²	<u>(\$1,855,112)</u>
Total Additions	<u>(\$1,855,112)</u>
Subtractions	
Transfer to EBA ³	\$70,000
Interest ⁴	(\$933)
Payment to Base Benefits Fund as of 9/30/01	<u>\$3,301,742</u>
Total Subtractions	<u>\$3,370,809</u>
Account Value, 09/30/01	\$22,379,908

Notes

1. Market rate of return from 04/01/00 to 09/30/00.
[(-0.0118)*\$28,837,723]
2. Market rate of return from 10/01/00 to 09/30/01.
[(-0.0672)*\$27,605,829]
3. Chapter Funds transferred for beach communities as per Restated Agreement.
4. Interest on transfer to EBA
[(\$4,453,026.23/\$4,513,149.89)-1]*\$70,000

TABLE III-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of Assets

Reconciliation of Accounts April 1, 2000 through September 30, 2001

C. Base Benefits Fund (BBF)

Actuarial Value of Assets, 09/30/01	\$790,822,613
Enhanced Benefit Account	\$2,029,142
City Budget Stabilization Account	<u>\$22,379,908</u>
Total Accounts	\$24,409,050
Account Value, 09/30/01	\$766,413,563

TABLE III-F

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section III: Valuation of AssetsContribution History

While contributions to the Pension Fund in dollar amounts have generally risen, contributions as a percent of total payroll were increased in 1984 and subsequently decreased until 1996 when a COLA provision was added to the Plan.

Plan Year Beginning October 1	Estimated Participating Payroll*	Contribution as Percentages of Participating Payroll			
		City**	Employees	Other**	Total
1978	\$25,908,000	19.8%	4.0%	7.6%	31.4%
1979	\$28,710,000	21.9%	4.0%	7.4%	33.3%
1980	\$31,350,000	22.1%	4.0%	7.3%	33.4%
1981	\$34,475,000	20.6%	4.0%	7.0%	31.6%
1982	\$37,019,000	20.4%	4.0%	6.6%	31.0%
1983	\$40,909,000	19.6%	5.3%	6.9%	31.8%
1984	\$44,201,000	20.0%	6.5%	7.9%	34.4%
1985	\$47,804,000	18.0%	6.5%	8.1%	32.6%
1986	\$53,652,000	15.8%	6.6%	9.0%	31.4%
1987	\$58,913,000	11.3%	6.2%	8.7%	26.2%
1988	\$63,461,000	6.7%	6.8%	8.5%	22.0%
1989	\$72,080,000	4.7%	7.0%	7.3%	19.0%
1990	\$79,101,000	3.8%	7.0%	3.6%	14.4%
1991	\$81,601,000	3.6%	7.0%	10.5%	21.1%
1992	\$89,758,514	3.52%	7.00%	6.50%	17.02%
1993	\$94,250,814	3.54%	7.00%	6.60%	17.14%
1994	\$103,611,743	3.48%	7.00%	5.90%	16.38%
1995	\$102,371,057	3.49%	7.00%	6.60%	17.09%
1996	\$108,195,671	7.09%	7.00%	6.49%	20.58%
1997	\$113,912,686	7.25%	7.00%	6.29%	20.54%
1998	\$108,782,243	7.26%	7.00%	6.43%	20.69%
1999	\$97,207,387	8.75%	7.00%	10.37%	26.12%
2000	\$96,198,772	8.75%	7.00%	11.03%	26.78%

* Estimated as actual employee contribution divided by appropriate employee contribution rate. Covered valuation payroll from GASB, excluding DROP payroll, beginning with the 1999 Plan Year.

** Estimated as actual City contribution percentage or contributions divided by Estimated Participating Payroll.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Introduction

A comparison of assets and the actuarial present value of accumulated benefits are shown on the following table. The surplus relationship between assets and liabilities has decreased over the past few years and then disappeared entirely.

A breakdown of the data by participant group, reconciliation of participants by status, and age and service distributions of active participants are also shown in this section.

TABLE IV-A Present Value of Current Benefits Based on Current Plan

TABLE IV-B Actuarial Balance Sheet, Plan Ongoing Basis

TABLE IV-C Key Statistics

TABLE IV-D Reconciliation of Number of Participants by Status

TABLE IV-E Active Age and Service Distribution as of October 1, 2001

TABLE IV-A

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key StatisticsPresent Value of Accumulated Benefits Based on Current Pay (FASB 35)

	10/01/97	10/01/98	04/01/00	10/01/01
1. Actuarial Present Value of Benefits for Inactive Members	\$359,585,785	\$385,533,398	\$646,274,455	\$724,057,747
2. Actuarial Present Value of Accumulated Benefits of Active Members (Based on Current Pay)	\$259,520,170	\$280,837,342	\$184,351,135	\$182,988,203
3. Total Actuarial Present Value of Accumulated Benefits (1.) + (2.)	\$619,105,955	\$666,370,740	\$830,625,590	\$907,045,950
4. Market Value of Assets*	\$636,507,692	\$650,522,656	\$809,091,787	\$703,252,537
5. Funded Position (4.) / (3.)	102.8%	97.6%	97.4%	77.5%
6. Excess of Actuarial Present Value of Accumulated Benefits over Assets (3.) - (4.)	(\$17,401,737)	\$15,848,084	\$21,533,803	\$203,793,413

*Market Value of Assets is reported net of the reserve accounts.

As of September 30, 2001, the amount accumulated in the two accounts was \$24,409,050.

TABLE IV-B

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key StatisticsActuarial Balance Sheet, Plan Ongoing Basis

<u>Current Resources and Expected Future Resources</u>		<u>Actuarial Present Value of Future Plan Payments</u>	
Current Resources		Current Actuarial Present Value - Vested Benefits	
Cash and Equivalents	\$34,225,137	Inactive Participants	\$724,057,747
Fixed Income	\$338,185,227	Active Participants	<u>\$169,517,240</u>
Equity Investments	\$461,566,453	Total Current Vested Actuarial Value	\$893,574,987
Real Estate	\$7,218,844		
Property, Plant & Equip.	\$481,227		
Net Accruals	(\$50,854,275)		
Less Reserve Accounts	<u>\$24,409,050</u>		
Total Current Resources	\$766,413,563		
Expected Future Resources		Actuarial Present Values - Future Benefit Entitlements	
Unfunded Actuarial Accrued Liability	\$246,163,563	Accrued Nonvested Benefits	\$13,470,963
Actuarial Present Value of Future Normal Cost	<u>\$231,944,594</u>	Future Benefit Accruals for Current Active Participants	<u>\$337,475,770</u>
Total Future Resources	\$478,108,157	Total Future Actuarial Present Values	\$350,946,733
Total Current and Future Resources	\$1,244,521,720	Total Current and Future Actuarial Present Values	\$1,244,521,720

- Notes: (a) The actuarial bases for this balance sheet are assumptions stated in Table II-E.
 (b) Total Current Resources are taken at actuarial value.
 (c) Vested amounts include employee contributions of \$53,145,525.

TABLE IV-C

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key StatisticsKey Statistics

Class of Participant	Valuation Date				
	10/01/97	10/01/98	10/01/99	10/01/00	10/01/01
Continuing Actives (excluding DROP)			2,040	1,987	1,930
Pay Increase %			5.3%	5.7%	2.7%
Active					
Number	2,350	2,399	2,120	2,049	2,037
Average Age	38.9	39.2	37.8	37.9	38.0
Average Annual Pay	\$45,319	\$46,259	\$46,069	\$47,441	\$47,226
Average Service	12.6	12.8	10.9	10.9	10.7
Retired					
Number	911	937	932	938	950
Average Age	62.6	63.0	62.6	63.8	64.0
Average Annual Benefit	\$26,168	\$27,046	\$27,814	\$28,825	\$30,175
Disabled					
Number	78	77	77	76	73
Average Age	54.5	54.6	53.9	54.9	55.5
Average Annual Benefit	\$18,895	\$19,410	\$19,780	\$20,481	\$21,385
Surviving Spouses					
Number	332	332	331	340	349
Average Age	72.0	72.5	71.9	73.0	73.1
Average Annual Benefit	\$9,910	\$10,498	\$11,041	\$11,616	\$12,695
Children					
Number	34	30	27	24	35
Average Age	13.7	14.2	13.2	14.5	16.7
Average Annual Benefit	\$5,505	\$5,525	\$4,651	\$4,551	\$3,559
Terminated Vested					
Number	13	17	13	11	11
Average Age	46.5	46.3	43.7	42.6	41.6
Average Annual Benefit	\$10,406	\$10,239	\$10,673	\$9,164	\$12,647
DROP					
Number			317	408	465
Average Age			53.1	53.9	54.2
Average Annual Benefit			\$41,734	\$41,880	\$43,113

TABLE IV-D

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key StatisticsReconciliation of Number of Participants by Status

	<u>Actives</u>	<u>Retirees</u>	<u>Vested Terminations</u>	<u>Disabilities</u>	<u>Surviving Spouses</u>	<u>Children</u>	<u>DROP</u>
Number on 07/01/00 Used as of 10/01/00	2,049	938	11	76	340	24	408
New Entrants	102						
Returned to Work							
Transfers from General Plan	5						
Non-Vested/Refunded Terminations	(17)						
Vested Terminations	(3)		3				
Retirees	(9)	36	(3)				(24)
Disabilities							
Deaths with no Survivors	(1)	(10)		(1)	(13)		
Payments Stopped (Age 18 or Remarried)							
Deaths with Survivors	(5)	(14)		(2)			(2)
New Beneficiaries					20	3	
Former Beneficiaries/ Children Reinstated					2	8	
New DROP Retirees	(83)						83
Data Corrections	(1)						
Number on 07/01/01 Used for the 10/01/01 Valuation	2,037	950	11	73	349	35	465

TABLE IV-E

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key StatisticsActive Age and Service Distribution as of October 1, 2001

ANNUAL EARNINGS BY AGE GROUPS (FIREFIGHTERS ONLY)

AGE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0-19	0	0	0	0	0	0	0	0	0
20-24	10	309046	30905	0	0	0	10	309046	30905
25-29	46	1753536	38120	1	35751	35751	47	1789287	38070
30-34	191	8475544	44375	4	188043	47011	195	8663587	44429
35-39	181	8706486	48102	12	517161	43097	193	9223648	47791
40-44	145	7519946	51862	3	116944	38981	148	7636890	51601
45-49	95	5291954	55705	5	270636	54127	100	5562590	55626
50-54	39	2259999	57949	2	105407	52704	41	2365407	57693
55-59	9	498804	55423	0	0	0	9	498804	55423
60-64	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0
TOTAL	716	34815315	48625	27	1233943	45702	743	36049258	48519

ANNUAL EARNINGS BY SERVICE GROUPS (FIREFIGHTERS ONLY)

SERVICE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0	12	354331	29528	2	58548	29274	14	412879	29491
1	52	1596903	30710	2	60580	30290	54	1657483	30694
2	2	64394	32197	0	0	0	2	64394	32197
3	31	1181775	38122	4	155348	38837	35	1337123	38204
4	81	3427108	42310	1	46682	46682	82	3473790	42363
0-4	178	6624511	37216	9	321158	35684	187	6945669	37143
5-9	127	5886036	46347	3	133241	44414	130	6019277	46302
10-14	263	13584740	51653	10	490749	49075	273	14075489	51559
15-19	68	3812833	56071	3	166593	55531	71	3979426	56048
20-24	53	3207449	60518	2	122202	61101	55	3329652	60539
25-29	27	1699745	62954	0	0	0	27	1699745	62954
30-34	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0
40+	0	0	0	0	0	0	0	0	0
TOTAL	716	34815315	48625	27	1233943	45702	743	36049258	48519

TABLE IV-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Active Age and Service Distribution as of October 1, 2001

SERVICE GROUPS BY AGE GROUPS (FIREFIGHTERS ONLY)											
AGE GROUP	S E R V I C E G R O U P									TOTAL	
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+		
				M	A	L	E				
0-19	0	0	0	0	0	0	0	0	0	0	
20-24	10	0	0	0	0	0	0	0	0	10	
25-29	42	3	1	0	0	0	0	0	0	46	
30-34	76	54	61	0	0	0	0	0	0	191	
35-39	36	45	94	5	1	0	0	0	0	181	
40-44	13	18	76	20	18	0	0	0	0	145	
45-49	1	4	23	35	22	10	0	0	0	95	
50-54	0	2	8	6	10	13	0	0	0	39	
55-59	0	1	0	2	2	4	0	0	0	9	
60-64	0	0	0	0	0	0	0	0	0	0	
65-69	0	0	0	0	0	0	0	0	0	0	
70-74	0	0	0	0	0	0	0	0	0	0	
75-79	0	0	0	0	0	0	0	0	0	0	
80-84	0	0	0	0	0	0	0	0	0	0	
85+	0	0	0	0	0	0	0	0	0	0	
TOTAL	178	127	263	68	53	27	0	0	0	716	
				F	R	M	A	L	E		
0-19	0	0	0	0	0	0	0	0	0	0	
20-24	0	0	0	0	0	0	0	0	0	0	
25-29	1	0	0	0	0	0	0	0	0	1	
30-34	2	0	2	0	0	0	0	0	0	4	
35-39	5	2	4	1	0	0	0	0	0	12	
40-44	1	1	1	0	0	0	0	0	0	3	
45-49	0	0	3	0	2	0	0	0	0	5	
50-54	0	0	0	2	0	0	0	0	0	2	
55-59	0	0	0	0	0	0	0	0	0	0	
60-64	0	0	0	0	0	0	0	0	0	0	
65-69	0	0	0	0	0	0	0	0	0	0	
70-74	0	0	0	0	0	0	0	0	0	0	
75-79	0	0	0	0	0	0	0	0	0	0	
80-84	0	0	0	0	0	0	0	0	0	0	
85+	0	0	0	0	0	0	0	0	0	0	
TOTAL	9	3	10	3	2	0	0	0	0	27	

TABLE IV-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Active Age and Service Distribution as of October 1, 2001

ANNUAL EARNINGS BY AGE GROUPS (POLICE ONLY)

AGE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0-19	0	0	0	0	0	0	0	0	0
20-24	2	67250	33625	1	31771	31771	3	99021	33007
25-29	123	4737949	38520	25	926077	37043	148	5664026	38270
30-34	328	14087155	42949	61	2505712	41077	389	16592867	42655
35-39	274	12926488	47177	53	2411715	45504	327	15338203	46906
40-44	210	10609687	50522	16	802579	50161	226	11412266	50497
45-49	131	7188115	54871	8	454107	56763	139	7642222	54980
50-54	53	2953510	55727	0	0	0	53	2953510	55727
55-59	8	397196	49650	0	0	0	8	397196	49650
60-64	1	50203	50203	0	0	0	1	50203	50203
65-69	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0
TOTAL	1130	53017555	46918	164	7131960	43488	1294	60149515	46483

ANNUAL EARNINGS BY SERVICE GROUPS (POLICE ONLY)

SERVICE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0	29	917399	31634	4	126680	31670	33	1044080	31639
1	37	1324362	35794	14	476446	34032	51	1800808	35310
2	30	1080925	36031	3	104586	34862	33	1185511	35925
3	40	1454767	36369	6	216906	36151	46	1671673	36341
4	85	3301402	38840	30	1156778	38559	115	4458180	38767
0-4	221	8078855	36556	57	2081397	36516	278	10160251	36548
5-9	338	14868623	43990	54	2340402	43341	392	17209025	43901
10-14	321	15737389	49026	40	1921654	48041	361	17659043	48917
15-19	75	3979799	53064	7	442239	63177	82	4422039	53927
20-24	105	6026113	57392	4	238517	59629	109	6264630	57474
25-29	65	4037135	62110	2	107751	53876	67	4144886	61864
30-34	5	289640	57928	0	0	0	5	289640	57928
35-39	0	0	0	0	0	0	0	0	0
40+	0	0	0	0	0	0	0	0	0
TOTAL	1130	53017555	46918	164	7131960	43488	1294	60149515	46483

TABLE IV-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Active Age and Service Distribution as of October 1, 2001

AGE GROUP	SERVICE GROUPS BY AGE GROUPS (POLICE ONLY)									TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
					M	A	L	E		
0-19	0	0	0	0	0	0	0	0	0	0
20-24	2	0	0	0	0	0	0	0	0	2
25-29	74	49	0	0	0	0	0	0	0	123
30-34	88	176	63	1	0	0	0	0	0	328
35-39	37	71	135	27	4	0	0	0	0	274
40-44	15	26	80	31	55	3	0	0	0	210
45-49	4	11	28	10	34	44	0	0	0	131
50-54	0	4	12	5	10	17	5	0	0	53
55-59	1	1	2	1	2	1	0	0	0	8
60-64	0	0	1	0	0	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0
TOTAL	221	338	321	75	105	65	5	0	0	1130
					F	E	M	A	L	E
0-19	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	1
25-29	18	7	0	0	0	0	0	0	0	25
30-34	28	27	6	0	0	0	0	0	0	61
35-39	10	12	27	3	1	0	0	0	0	53
40-44	0	6	5	3	2	0	0	0	0	16
45-49	0	2	2	1	1	2	0	0	0	8
50-54	0	0	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0
TOTAL	57	54	40	7	4	2	0	0	0	164

TABLE IV-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Active Age and Service Distribution as of October 1, 2001

ANNUAL EARNINGS BY AGE GROUPS (ALL)

AGE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0-19	0	0	0	0	0	0	0	0	0
20-24	12	376296	31358	1	31771	31771	13	408067	31390
25-29	169	6491485	38411	26	961828	36993	195	7453313	38222
30-34	519	22562699	43473	65	2693754	41442	584	25256453	43247
35-39	455	21632975	47545	65	2928876	45060	520	24561851	47234
40-44	355	18129633	51069	19	919523	48396	374	19049155	50934
45-49	226	12480069	55222	13	724743	55749	239	13204813	55250
50-54	92	5213510	56669	2	105407	52704	94	5318917	56584
55-59	17	896000	52706	0	0	0	17	896000	52706
60-64	1	50203	50203	0	0	0	1	50203	50203
65-69	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0
TOTAL	1846	87832869	47580	191	8365903	43801	2037	96198772	47226

ANNUAL EARNINGS BY SERVICE GROUPS (ALL)

SERVICE GROUP	M A L E			F E M A L E			A L L		
	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS	NUMBER OF PEOPLE	TOTAL ANNUAL EARNINGS	AVERAGE ANNUAL EARNINGS
0	41	1271730	31018	6	185228	30871	47	1456959	30999
1	89	2921265	32823	16	537025	33564	105	3458290	32936
2	32	1145319	35791	3	104586	34862	35	1249905	35712
3	71	2636542	37134	10	372254	37225	81	3008796	37146
4	166	6728510	40533	31	1203460	38821	197	7931970	40264
0-4	399	14703366	36851	66	2402554	36402	465	17105920	36787
5-9	465	20754659	44634	57	2473643	43397	522	23228302	44499
10-14	584	29322130	50209	50	2412403	48248	634	31734533	50054
15-19	143	7792632	54494	10	608832	60883	153	8401465	54912
20-24	158	9233562	58440	6	360719	60120	164	9594282	58502
25-29	92	5736880	62357	2	107751	53876	94	5844631	62177
30-34	5	289640	57928	0	0	0	5	289640	57928
35-39	0	0	0	0	0	0	0	0	0
40+	0	0	0	0	0	0	0	0	0
TOTAL	1846	87832869	47580	191	8365903	43801	2037	96198772	47226

TABLE IV-E
(Continued)

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section IV: Funded Position and Key Statistics

Active Age and Service Distribution as of October 1, 2001

AGE GROUP	SERVICE GROUPS BY AGE GROUPS (ALL)									TOTAL
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
					M	A	L	E		
0-19	0	0	0	0	0	0	0	0	0	0
20-24	12	0	0	0	0	0	0	0	0	12
25-29	116	52	1	0	0	0	0	0	0	169
30-34	164	230	124	1	0	0	0	0	0	519
35-39	73	116	229	32	5	0	0	0	0	455
40-44	28	44	156	51	73	3	0	0	0	355
45-49	5	15	51	45	56	54	0	0	0	226
50-54	0	6	20	11	20	30	5	0	0	92
55-59	1	2	2	3	4	5	0	0	0	17
60-64	0	0	1	0	0	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0
TOTAL	399	465	584	143	158	92	5	0	0	1846
					F	E	M	A	L	E
0-19	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	1
25-29	19	7	0	0	0	0	0	0	0	26
30-34	30	27	8	0	0	0	0	0	0	65
35-39	15	14	31	4	1	0	0	0	0	65
40-44	1	7	6	3	2	0	0	0	0	19
45-49	0	2	5	1	3	2	0	0	0	13
50-54	0	0	0	2	0	0	0	0	0	2
55-59	0	0	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0
70-74	0	0	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0	0	0
85+	0	0	0	0	0	0	0	0	0	0
TOTAL	66	57	50	10	6	2	0	0	0	191

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: Accounting for Pension Costs and Liabilities

Commencing after June 15, 1996, the reporting of pension plan information in the Plan's financial statements is governed by Governmental Accounting Standards Board Statement No. 25. Historical information required by this standard through September 30, 2001 is provided in this report.

The primary disclosures of actuarial information under GASB No. 25 are the Schedule of Funding Progress and the Schedule of Contributions. Asset information is displayed in the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets.

Commencing after June 15, 1997, the City's pension reporting in its financial statements is governed by GASB Statement No. 27.

Annual required contributions are determined in accordance with the parameters specified in GASB Statements No. 25 and No. 27.

GASB Statement No. 27 also requires measurement recognition, and displays standards for pension expenditures/expenses and related liabilities, assets, note disclosures, and if applicable, required supplementary information.

Information collected for this review and update consists of participant data as of July 1, 2001 (used for this September 30, 2001 reporting) and asset information as of September 30, 2001. The Plan Administrator provided the information.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Changes in Plan Net Assets
as of September 30, 2000 and 2001

	<u>2001</u>	<u>2000</u>
<u>Additions</u>		
Contributions		
Employer	\$9,058,080	\$9,186,257
Employee	<u>\$7,765,784</u>	<u>\$7,985,297</u>
	\$16,823,864	\$17,171,554
Other Additions		
Chapter 175/185	\$4,513,150	\$4,298,677
Court fines and penalties	\$3,033,021	\$2,941,761
City of Atlantic Beach	\$0	\$1,185
Miscellaneous	<u>\$55,560</u>	<u>\$31,485</u>
	\$7,601,731	\$7,273,108
Investment income		
Rental revenue	\$161,431	\$170,328
Investment income & realized gains	\$19,378,301	\$55,116,639
Market valuation adjustment	<u>(\$69,882,223)</u>	<u>\$31,107,524</u>
	(\$50,342,491)	\$86,394,491
Less investment expense	\$3,308,451	\$3,760,191
Less rental expense	<u>\$13,705</u>	<u>\$5,910</u>
Net investment income	(\$53,664,647)	\$82,628,390
Total additions	(\$29,239,052)	\$107,073,052
<u>Deductions</u>		
Benefits	\$56,580,722	\$52,141,810
Refund of contributions	\$389,015	\$307,080
Administrative expense	<u>\$1,018,663</u>	<u>\$926,928</u>
Total deductions	\$57,988,400	\$53,375,818
Net increase	(\$87,227,452)	\$53,697,234
Net assets held in trust for pension benefits		
Beginning of year	<u>\$814,889,039</u>	<u>\$761,191,805</u>
End of year	<u><u>\$727,661,587</u></u>	<u><u>\$814,889,039</u></u>

JACKSONVILLE POLICE AND FIRE PENSION FUND

Statement of Plan Net Assets
as of September 30, 2000 and 2001

	<u>2001</u>	<u>2000</u>
<u>Assets</u>		
Cash and short-term investments	\$31,491,661	\$24,906,489
Due from City of Jacksonville	\$433,469	\$245,530
Investments, at fair value		
Fixed Income Securities	\$311,175,217	\$295,057,144
Equities	\$424,702,294	\$515,931,606
Accrued Interest	\$5,007,953	\$5,085,454
Dividends receivable	\$401,920	\$360,977
Real Estate	\$6,642,293	\$2,321,486
Property, Plant and Equipment		
Land	\$23,592	\$23,593
Buildings and improvements	\$251,543	\$251,543
Furniture and equipment	\$444,170	\$193,781
Accumulated depreciation	(\$276,512)	(\$234,720)
Other receivables	<u>\$0</u>	<u>\$72,537</u>
Total assets	\$780,297,600	\$844,215,420
<u>Liabilities</u>		
Vouchers payable	\$97	\$0
Accounts payable	\$730,549	\$880,000
State sales tax payable	\$1,192	\$0
Deposits held in escrow	\$281,000	\$0
Accrued wages payable	\$1,076	\$404
Due to Individual DROP Accounts	\$46,043,690	\$25,014,739
Due to Individual Ret Leave Accounts	\$5,531,994	\$3,392,916
Current portion long term debt	\$5,570	\$4,598
Other long term liabilities	\$40,845	\$33,724
Due to the City of Jacksonville	<u>\$0</u>	<u>\$0</u>
Total liabilities	\$52,636,013	\$29,326,381
Net assets held in trust for pension benefits (A schedule of funding progress is presented on page 39.)	<u>\$727,661,587</u>	<u>\$814,889,039</u>

Notes to Financial Statements, Plan Year Ended September 30, 2001

1. Plan Description: The Jacksonville Police and Fire Pension Fund is a single-employer defined benefit pension plan that covers all employees of the Fire and Police Department of the City in the following categories: Plan 05, Plan 06, Plan 19 and Plan 41.

At September 30, 2001, membership consisted of:

	<u>Number</u>
Retirees currently receiving benefits	1,023
DROP participants	465
Beneficiaries currently receiving benefits	384
Terminated members entitled to but not yet receiving benefits	11
Active plan members	
Vested	1,508
Nonvested	<u>529</u>
Total	3,920

The Plan provides retirement, disability and death benefits to employees and their beneficiaries. A 3.0% annual cost of living increase is granted to pensioners and their beneficiaries.

2. Summary of Significant Accounting Policies: The Plan's financial statements are prepared using the accrual basis of accounting. Benefits payable under all circumstances - retirement, death, disability, termination of employment - are included to the extent that they are deemed to have accrued as of September 30, 2001. Investments are reported at market value.

3. Contributions: The City is currently contributing 8.75% of active members' salaries excluding DROP payroll. The active members are currently contributing 7.00% of salaries and DROP members 2.00%. The remaining contribution is comprised of court fines, most State contributions and transfers from the City Budget Stabilization Account. Investment costs of the Plan are financed through investment earnings. Other administrative costs are included in the annual required contribution amount.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Schedule of Funding Progress

Plan Year Ending <u>Sept. 30</u>	Actuarial Value of Assets <u>(a)</u>	Accumulated Reserve Accounts <u>(b)</u>	Actuarial Accrued Liability (AAL) Frozen Entry Age ¹ <u>(c)</u>	Unfunded AAL (UAAL) <u>(c - a)</u>	Funded Ratio <u>(a / c)</u>	Covered Valuation Payroll <u>(d)</u>	UAAL as a Percentage of Covered Payroll <u>[(c - a) / d]</u>
1992	\$379,220,936	\$30,788,287	\$430,593,190	\$51,372,254	88.07%	\$80,557,852	63.77%
1993	\$420,332,516	\$36,473,685	\$472,342,663	\$52,010,147	88.99%	\$85,015,897	61.18%
1994	\$447,140,437	\$36,763,074	\$499,566,015	\$52,425,578	89.51%	\$91,084,177	57.56%
1995	\$492,016,780	\$44,529,057	\$544,815,658	\$52,798,878	90.31%	\$98,332,464	53.69%
1996	\$541,269,261	\$50,774,538	\$720,653,981	\$179,384,720	75.11%	\$101,020,744	177.57%
1997	\$615,421,074	\$47,977,987	\$842,848,761	\$227,427,687	73.02%	\$106,111,490	214.33%
1998	\$675,414,204	\$36,851,865	\$902,034,674	\$226,620,470	74.88%	\$110,597,695	204.91%
1999	\$738,460,821	\$33,446,826	\$970,418,025	\$231,957,204	76.10%	\$97,666,003	237.50%
2000	\$814,889,039	\$29,003,489	\$939,801,566	\$124,912,527 ²	86.71%	\$97,207,387	128.50%
2001	\$790,822,613	\$24,409,050 ³	\$1,012,576,828	\$246,163,265	78.10%	\$96,198,772	255.89%

¹ The frozen entry age actuarial cost method does not have a defined AAL after the initial year. We created the AAL by adding the UAAL (which is defined under the frozen entry age method) to the actuarial value of assets.

² Rederived as of 4/1/00.

³ These accounts were redefined by the Restated Agreement effective 4/1/00. As of 9/30/01, the value of the City Budget Stabilization Account was \$22,379,908 and the Enhanced Benefit Account was \$2,029,142. These amounts are included in the Actuarial Value of Assets as of 9/30/01 for the above comparisons only but not for the rest of this report.

JACKSONVILLE POLICE AND FIRE PENSION FUND

Schedule of Contributions From All Sources

<u>Plan Year Ending Sept. 30,</u>	<u>Annual Required Contribution</u>	<u>City Cash Contributions</u>	<u>Alloted from CBSA</u>	<u>Court Fines and Premium-Tax Refunds</u>	<u>Total Employer Contributions</u>	<u>Total Member Contributions</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
1992	\$12,639,962						100.00%	\$0
1993	\$13,813,835						100.00%	\$0
1994	\$14,505,200						100.00%	\$0
1995	\$15,552,123						100.00%	\$0
1996	\$15,365,896						100.00%	\$0
1997	\$28,909,883						100.00%	\$0
1998	\$34,618,066						100.00%	\$0
1999	\$30,002,143						100.00%	\$0
2000	\$32,145,813	\$9,186,257	\$8,144,202	\$6,830,057	\$24,160,516	\$7,985,297	100.00%	\$0
2001	\$26,874,610	\$9,058,080	\$3,169,774	\$6,880,972	\$19,108,826	\$7,765,784	100.00%	\$0

Additional Actuarial Information, Plan Year Ended September 30, 2001

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	10/01/01
Actuarial cost method	Entry Age Normal
Amortization method	Level percent open
Remaining amortization period	28.5 years
Asset valuation method	5 year smoothing from 04/01/00
Actuarial assumptions:	
Net investment rate of return*	8.50%
Projected salary increases*	5.00%
*Includes inflation at	3.50%
Cost-of-living adjustments	3.00%

JACKSONVILLE POLICE AND FIRE PENSION FUND

Section V: State of Florida Chapter 60T Information

- A. Participant Data See Section IV, Tables IV-C, IV-D, and IV-E.
 B. Assets See Section III, Table III-C.
 C. Liabilities

	<u>04/01/00</u> <u>Report</u>	<u>04/01/00</u> <u>Plan Improvement</u>	<u>10/01/01</u> <u>Current Plan</u>
1. Present Value of Future Benefits			
Actives			
Retirement Benefits	\$447,411,636	\$465,102,706	\$455,041,463
Withdrawal Benefits	5,695,815	5,695,815	5,260,169
Death Benefits	20,990,469	21,339,364	20,093,953
Disability Benefits	38,965,596	39,931,048	39,083,944
Return of Contributions	<u>1,063,551</u>	<u>1,063,551</u>	<u>984,146</u>
Total	\$514,127,067	\$533,132,484	\$520,463,675
Terminated Vested			
Retirees and Beneficiaries	920,503	994,143	1,475,099
Disableds	381,435,843	381,435,843	404,316,761
DROP Participants	<u>20,563,596</u>	<u>20,563,596</u>	<u>20,273,940</u>
	<u>243,354,513</u>	<u>243,354,513</u>	<u>297,991,947</u>
Total Present Value of Future Benefits	\$1,160,401,522	\$1,179,480,579	\$1,244,521,422

a. Development of Unfunded Actuarial Accrued Liability (UAAL)
See Section II, Table II-C.

b. Development of Minimum Required Amortization Payment.
See Section II, Table II-C.

- D. Actuarial Present Value of Accumulated Plan Benefits

See Section IV, Tables IV-A and Section V.

E. <u>Pension Cost</u>	04/01/00 <u>Report</u>	04/01/00 <u>Plan Improvement</u>	10/01/01 <u>Current Plan</u>
Normal Actuarial Cost	\$19,005,460	\$19,956,867	\$19,296,010
Minimum Payment to Amortize UAAL	\$6,170,543	\$6,532,302	\$12,722,706
Expected Contributions From City			
Dollar Amount	\$10,909,159	\$8,653,822	\$8,417,393
% of Covered Payroll	11.03%	10.01%	8.75%
Expected Contributions From Active Employees			
Dollar Amount	\$6,923,058	\$6,923,058	\$6,733,914
% of Covered Payroll	7.00%	7.00%	7.00%
Expected Contributions From DROP Employees			
Dollar Amount	\$462,753	\$462,753	\$558,545
% of Covered Payroll	0.47%	0.47%	0.58%
Expected Contributions from Other Sources*			
Dollar Amount	\$6,881,033	\$10,449,536	\$16,308,864
% of Covered Payroll	6.96%	9.30%	16.95%

* These sources include most Chapter 175/185 monies, court fines and penalties, and transfers from the CBSA. This dollar allocation is for approximately one year. After the CBSA is used up, then more cost will shift to the City budget.

F. Past Contributions

Expected contributions for the Plan Year ending September 30, 2002 - See Section VI-E.

Actual contributions for the Plan Year ending September 30, 2001 - See Section III, Table III-A.

G. Net Actuarial Gain (Loss)

For period ending 09/30/01 N/A

H. <u>Present Value of</u>	04/01/00 <u>Report</u>	04/01/00 <u>Plan Improvement</u>	10/01/01 <u>Current Plan</u>
Future Salaries	\$1,232,024,800	\$1,232,024,800	\$1,199,869,500
Future City Contributions	\$135,892,335	\$123,325,683	\$200,138,233
Future Active Employee Contributions	\$86,241,736	\$86,241,736	\$83,990,865
Future DROP Employee Contributions	\$5,790,517	\$5,790,517	\$6,959,243
Future Contributions from Other Sources	\$85,748,926	\$114,586,649	\$108,170,577

I. (i) Three Year Comparison of Actual and Assumed Salary Increases (Annualized)

<u>Plan Year Ending</u>	<u>Actual</u>	<u>Assumed</u>
09/30/99	5.3%	5.5%
10/01/99-03/31/00	4.7%	5.5%
04/01/00-09/30/00	0.4%	5.0%
09/30/01	2.7%	5.0%

(ii) Three Year Comparison of Investment Return (Market and Actuarial Values, Total Return Basis)

<u>Plan Year Ending</u>	<u>Actuarial Value</u>	<u>Market Value</u>	<u>Assumed</u>
09/30/99	11.94%	13.08%	8.40%
10/01/99-03/31/00	12.27%	12.27%	8.40%
04/01/00-09/30/00	-1.18%	-1.18%	8.50%
09/30/01	1.19%	-6.72%	8.50%

(iii) Average Annual Growth in Valuation Payroll, last 4 Years (if applicable)

<u>Plan Year</u>	<u>Total Payroll</u>
1994/95	\$98,915,724
1995/96	\$101,644,294
1996/97	\$106,499,758
1997/98	\$110,876,073
1998/99	\$116,321,642
1999/00	\$121,621,473
2000/01	\$124,126,019
Total % Increase	16.55%
Annual % Increase (four year average)	3.90%

Note: The average annual growth in valuation payroll for the 10 year period October 1, 1992 to September 30, 2001 is 4.30%.

J. Benefits and Expenses of Plans not Explicitly or Implicitly Provided for in Valuation

None.

K. Trends Not Taken Into Account But Which Are Likely to Result in Future Cost Increases

None.

L. Statement by Enrolled Actuary

See Section II, Table II-A.

M. Age/Service Distribution of Active Employees

See Section IV, Table IV-E.

N. Derivation of Costs on Current Plan and Current Assumptions

See Section II, Table II-B.