

Comprehensive Annual Financial Report

For the
year ended
Dec. 31, 2003



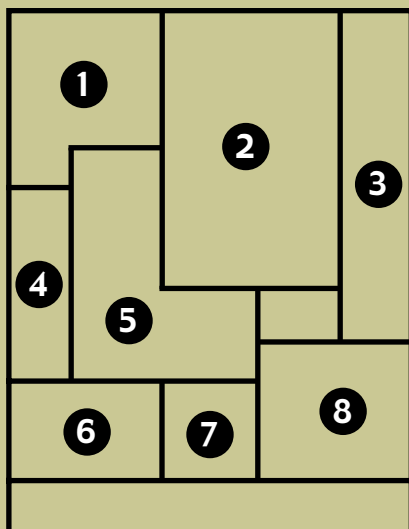
Public art

on county courthouse grounds gives us a sense of community and history. While county courthouses are some of the most precious architectural resources in the state, the monuments, statues and shrines on their lawns are the flourishes that speak to who we are.

Not all of the 254 counties in Texas have adorned their courthouse lawns with art. Those that have capture the American experience with monuments to fallen heroes, statues of local icons and even displays of the citizens' sense of humor. By far, memorials to the Confederacy are the most numerous of the public statuary. But the list of ornaments runs the gamut from cowboy cut-out art on the courthouse lawn in Sterling City to veterans memorials with photographs in Fairfield. Conspicuously missing from the list of Texas heroes statues on courthouse lawns are Sam Houston and Stephen F. Austin, although James Bowie, James Bonham, David Crockett and many others are well represented.

In this year's annual report, we have documented 24 public art displays around the state. We make no judgment on the pieces' aesthetic quality: The only criterion is that the art be on public display at the county courthouse.

The courthouse art featured on this report's section divider pages is arranged in broad categories with Texas icons in the Introductory Section, Texas visionaries beginning the Financial Section, monuments to public servants introducing the Investment Section, settlers and cowboys kicking off the Actuarial Section, and veterans' memorials gracing the Statistical Section.



On the cover:

1. The world's largest peanut, Floresville, Wilson County
2. Confederate Sailor Statue, Galveston, Galveston County
3. White Buffalo, Snyder, Scurry County
4. Sheriff H. B. Dickson Memorial, Wharton County, Wharton
5. Cattlemen, Cowboys and Drovers, Mason, Mason County
6. Settlers, Bandera, Bandera County
7. Building accouterment, Sterling City, Sterling County
8. Old Rip the Horned Toad, Eastland, Eastland County

Facing page: Near the geographic center of Texas, Brady, McCulloch County.

Comprehensive Annual Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2003



Prepared by the Texas County & District Retirement System

901 MoPac South
Barton Oaks IV, Suite 500
Austin, Texas 78746

Ray Henry
Director

Gene Glass
Director,
Finance &
Administration

Vincent Prendergast
Comptroller

Alan Adams
Assistant
Investment
Officer

Bob Will
Chief
Investment
Accountant

Publications Department

Gerald McLeod
Leah Nelson
Rob Bishop

TABLE OF CONTENTS

INTRODUCTORY SECTION

Certificate of Achievement for Excellence in Financial Reporting	2
Letter of Transmittal	3
Organization Chart	6
Board of Trustees	7
Staff and Advisors	8
Staff	9
Member Counties and Districts as of Jan. 1, 2004	12

FINANCIAL SECTION

Independent Auditor's Report	18
Management's Discussion and Analysis	19

Basic Financial Statements

Statements of Plan Net Assets	24
Statements of Changes in Plan Net Assets	25
Notes to the Financial Statements	26

Required Supplementary Information

Notes to the Required Supplementary Information	36
Funding Progress	36
Employer Contributions	36
Actuarial Methods and Assumptions	37

Other Supplementary Information

Changes in Plan Net Assets by Fund and Interfund Transfers	38
Changes in Endowment Fund	40
Changes in Interest Fund	41
Administrative Revenues and Expenses	42
Investment Expenses	43
Professional/Consultant Fees and Services	44
Changes in Employees Saving Fund	45
Changes in Subdivision Accumulation Fund	59

INVESTMENT SECTION

Investment Consultant's Report	76
The TCDRS Act and Investment Policy	77
Investment Philosophy and Strategy	77
Asset Allocation and Funding	77
Asset Classes, Investment Styles and Investment Managers	77
Investment Results	79
Lists of Largest Holdings	81
Results of Securities-Lending Activities	82
Fees and Commissions	82
Asset Growth of the System	83
Investment Summary	84
Glossary of Investment Terms	85

ACTUARIAL SECTION

Actuary's Certification Letter	88
Summary of Actuarial Assumptions and Methods	89
Summary Actuarial Data	92
Summary of Plan Provisions	95
Summary Actuarial Valuation Results	97
Actuarial Valuation Results by Employer	98
Footnotes for Selected Participating Employers	154
Glossary of Actuarial Terms	155

STATISTICAL SECTION

Summary Financial Data	158
Plan Benefit Information	160
Retirement Plans of Participating Employers as of Jan. 1, 2004	162
Retirement Plans of Employers With Reduced Participation as of Jan. 1, 2004	186



In 1878, Pete Snyder operated a trading post on the banks of Deep Creek, selling goods to buffalo hunters and settlers in West Texas. The settlement around his trading post went by various names — such as Robber’s Roost, Hide Town, Scab Town and Deep Creek — until adopting his last name and eventually becoming the seat of Scurry County. Among the buffalo hunters that Snyder supplied was J. Wright Moorar, one of the first white hunters in the Texas Panhandle. On Oct. 7, 1876, Moorar killed a rare white buffalo northwest of Snyder, giving the town its mascot.

For many years Guadalupe County has been one of Texas’ top pecan producers. The nut from the state tree is not only delicious, but it’s also good for you. According to nutritional data, pecan kernels contain monounsaturated fat, which may help lower “bad” LDL cholesterol. Add to that 13 essential vitamins and minerals, and you could consider pecan pie darned near health food. The Guadalupe County seat — Seguin — even has a cement model of the world’s largest pecan on the courthouse lawn. Texas pecan nut production of 30 million to 60 million pounds a year is second only to Georgia.



Modern-day dinosaur hunters have found evidence of at least 16 species of dinosaurs in Texas. Somervell County has some of the best-preserved tracks found in the United States. Glen Rose claims the title of “Dinosaur Capital of Texas,” and displays a sample of the tracks in the wall of a gazebo on the courthouse lawn. Local efforts to protect and preserve tracks imbedded along the Paluxy River resulted in the creation of Dinosaur Valley State Park in 1970.

Introductory Section



TRACKS OF TIME
MESOZOIC ERA, LOWER CRETACEOUS PERIOD
 Some 120 million years ago, 3 types of dinosaurs left their tracks in the Paluxy River bottom near Glen Rose.
SAUROPOD - Herbivorous semi-aquatic lizard hipped quadrupedal four toed reptile some 70' long & 30 tons.
THEROPOD - Carnosaur carnivorous bipedal three-claw toed reptile.
ORNITHOPOD - Camptosaur herbivorous bipedal 3 blunt tipped toed reptile related to the duckbill dinosaur.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Texas County and District
Retirement System

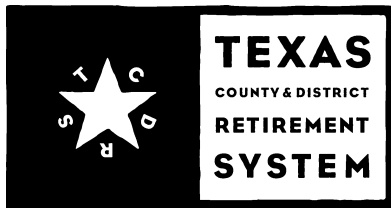
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Edward H. Haggerty
President

Jeffrey L. Esser
Executive Director



Post Office Box 2034
Austin, Texas 78768-2034

Tel 800•823•7782
512•328•8889

901 MoPac South
Barton Oaks IV, Suite 500
Austin, Texas 78746

Fax 512•328•8887
www.tcdrs.org

LETTER OF TRANSMITTAL

June 11, 2004

**To: The Board of Trustees
Texas County & District Retirement System**

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Texas County & District Retirement System (TCDRS or system) for the year ended Dec. 31, 2003 — the 36th full year of operations. TCDRS management is responsible for both the accuracy of the data and the completeness and fairness of the presentation within this report. We hope that this CAFR will help you and the members of the system better understand your public employee retirement system — a system that continues to maintain a strong and positive financial future.

The Texas County & District Retirement System is a statewide, agent multiple-employer, public employee retirement system created in 1967 by the State of Texas. TCDRS is administered by a nine-person board of trustees appointed by the Governor with the consent of the State Senate. The board appoints a director, who is charged with the responsibility for all day-to-day operations other than investment operations, and an investment officer, who is charged with the responsibility for investment operations. The board also appoints a legal counsel, a consulting actuary, an independent auditor, a medical board and investment consultants. Investment activity discussed in this transmittal letter is the responsibility of the investment officer; all other information in this transmittal letter is the director's responsibility.

TCDRS provides retirement, disability and death benefits for the full-time employees of the 553 member counties and districts (employers). A presentation of participating employers is provided in the Introductory Section of the report. TCDRS has experienced significant growth since its inception. In the 10-year period ended Dec. 31, 2003, the number of participating employers has increased from 478 to 553, and the number of employee members has increased from 95,323 to 133,210 — increases of 16% and 40%, respectively. The number of annuitants has increased over the same time period from 13,845 to 26,420, an increase of 91%.

This CAFR is presented in five sections.

- 1. Introductory Section:** Contains the Certificate of Achievement for Excellence in Financial Reporting, this letter of transmittal, organizational information and a listing of participating employers.
- 2. Financial Section:** Contains the report of the independent auditor (KPMG LLP), management's discussion and analysis, financial statements including notes, required supplementary information and other supplementary information.
- 3. Investment Section:** Contains a report on investment activity from Wilshire Associates, followed by a presentation of investment policies, investment results and various investment schedules.
- 4. Actuarial Section:** Contains a certification letter from the system's actuary (Milliman), the results of the annual actuarial valuation and related information.
- 5. Statistical Section:** Contains general statistical information pertaining to TCDRS participants and finances.

This CAFR was prepared to conform to the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board (GASB). Transactions of the system are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements and supporting schedules. The TCDRS Act requires an annual audit of the system's accounts by a certified public accountant and the firm, KPMG LLP, was retained by the board for 2003 for this purpose.

MAJOR INITIATIVES

- There were several amendments to the TCDRS Act passed by the 78th Texas Legislature at its biennial session held in 2003. All amendments are effective on Jan. 1, 2004. The changes include modifying buyback eligibility that eliminates the previous 24-month work requirement before repurchasing and allows buyback as soon as the employer's order is effective; allowing re-establishment of forfeited service or monetary credit or both without an employer's order — the monetary credit would not be subject to employer matching; simplifying the prior service credit process including the elimination of paper certificates; adjusting the maximum actuarial amortization period for fixed-rate plans to comply with Governmental Accounting Standards Board requirements; align-

LETTER OF TRANSMITTAL

ing military service credit eligibility with an employer's vesting requirement; allowing a sitting TCDRS board member who retires to remain on the board; providing that TCDRS retirees are eligible for appointment by the Governor to the TCDRS Board of Trustees; and amending the group-term life insurance program to provide that an insurance benefit is paid to the beneficiary of a retiree from each of the retiree's former employers that had elected to provide coverage.

- The board significantly redefined the character of its traditional fixed-income portfolio by changing it from a passively managed style to an active style, by increasing the exposure to instruments of higher credit risk such as corporate bonds (credit portfolio) within the portfolio, by changing the designation of this asset class to "core fixed income" and by selecting the Citigroup Large Pension Fund index as the performance benchmark for reporting periods after 2003.
- The board selected BlackRock Financial Management, Inc.; Loomis, Sayles & Company, L.P.; and Prudential Investment Management, Inc. to manage the new credit portfolio within the core fixed-income asset class and selected Shenkman Capital Management, Inc., to manage part of the high-yield bond portfolio.
- The Communications Division was created to manage and implement the strategic communications plan that was developed to better serve employers and members. In-depth research was conducted with several employers selected to represent the various types of TCDRS membership including geographical location, number of employees and decision-making structure. Employer representatives and their employees were interviewed to determine overall areas for improvement including communication preferences, level of understanding about their TCDRS plan, as well as needs related to support and decision-making. Implementation of the plan began in 2004.
- Enhancements were made to the customer service telephone system resulting in callers getting desired information more quickly, including an introductory message providing information regarding the timing of payments and other key events, and reference to forms and additional information available on TCDRS' Web site.
- TCDRS redesigned the annual account statement for members. The new statements were expanded from one page to four to include more information on benefits and retirement planning. The new design was first used for statements printed in March 2003. A follow-up survey showed improved results in ease of use and readability.
- The system continued to improve efficiencies in its business operations by upgrades to its accounting, internal check writing and operating system software.

FINANCIAL

The 2003 net increase in plan net assets was \$2.0 billion, which rose 577.5% over the 2002 increase in plan net assets of \$291 million. For a discussion of the system's finances please refer to the Financial Section, which contains the financial statements including notes, along with management's discussion and analysis of the financial information presented.

INVESTMENTS

During 2003, the TCDRS portfolio earned a 20.2% return, exceeding the benchmark of 19.7% by a total of 0.5%. The primary reason for this high return and for the return exceeding the benchmark was the recovery of the domestic and international equity markets and the continued strength of REIT markets. Even though the high-yield market was strong during 2003, a significant portion of this performance was driven by securities whose rating (CCC and lower) is below that authorized by the TCDRS investment policy, which caused the TCDRS performance to lag that of its high-yield benchmark. The core fixed-income market, while showing positive performance for the year, was impaired somewhat by a rising yield curve, which caused TCDRS longer duration holdings to trail the performance of its benchmark.

In 1996, the TCDRS Board of Trustees concluded that a diversified portfolio would offer the best opportunity to produce the desired investment return of 8%. Accordingly, the TCDRS portfolio now includes core fixed-income bonds, domestic and international equity securities, high-yield bonds and REITs.

The TCDRS Act provides the board authority to act on behalf of the system and its members. The TCDRS Act stipulates that the investment decisions of the board are subject to the "prudent person" standard of care as outlined in Section 67, Article XVI of the Texas Constitution. To assure that the investment process is restricted by appropriate safeguards, the board has adopted and periodically reviews an investment policy that defines and restricts investment authority and emphasizes the importance of a long-term investment philosophy with minimization of risk.

FUNDING

The funding objective for each participating employer is to meet all expected future obligations to its employees through its plan's assets and future contributions. TCDRS continues to experience a positive cash flow due primarily to the fact that benefit plans are required to be advance funded. At present, there is an excess of contributions over benefit payments and administrative expenses. This excess, along with the earnings on investments, continues to result in a growing investment portfolio.

The net assets held in trust for pension benefits at year end 2003 and 2002 are \$10.9 billion and \$8.9 billion, respectively, an increase of \$2.0 billion (22.1%) in 2003 over the 2002 amount. As the system matures, the annual rate of net increase in assets held in trust for pension benefits is expected to gradually trend downward. However, investment results and changes in employers' benefit plans also impact the annual cash flows. No significant shift from current trends in revenues, benefit payments or administrative expenses, as shown in the Statistical Section, is expected.

A total of \$1.1 billion of reserves is available as a buffer against the potential volatility of future investment earnings, and for general contingencies and expenses. The board approves annual budgets for investment and administrative expenditures, and authorizes their funding from investment earnings.

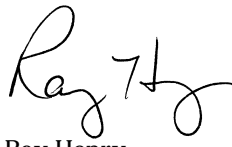
In the aggregate at year end 2003, the actuarial value of assets and actuarial liabilities totaled \$9.79 billion and \$10.81 billion, respectively, resulting in a funded ratio of 90.5%. The annual actuarial valuation of each plan reviews the progress made in achieving funding objectives and results in adjustments, if necessary, so that the employer contribution rates are adequate to meet those objectives. Historical information relating to funding progress for all employers as a group is presented in the Financial Section of the report. Additional information about the financial condition of each of the TCDRS plans is provided in the Actuarial Section of this report.

PROFESSIONAL SERVICES

Professional consultants are appointed by the board to perform services essential to the efficient operation of TCDRS. An audit opinion from the independent auditor, the actuary's certification letter, and a report by the investment consultant are included in this CAFR. The professional consultants appointed by the board and used by the system are reported in the Staff and Advisors listing in the Introductory Section and in the schedule of Professional/Consultant Fees and Services in the Financial Section.



John G. Willy
Chair



Ray Henry
Director



Paul J. Williams
Investment Officer

Investment professionals other than money managers providing services to the system can be found in the Staff and Advisors listing in the Introductory Section and the Professional/Consultant Fees and Services schedule in the Financial Section. Money manager fees are reported on the Investment Expenses Schedule in the Financial Section and in the Fees and Commissions note in the Investments Section.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Texas County & District Retirement System for its comprehensive annual financial report for the fiscal year ended Dec. 31, 2002. This was the 11th consecutive year that the system achieved this prestigious award. In order to be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

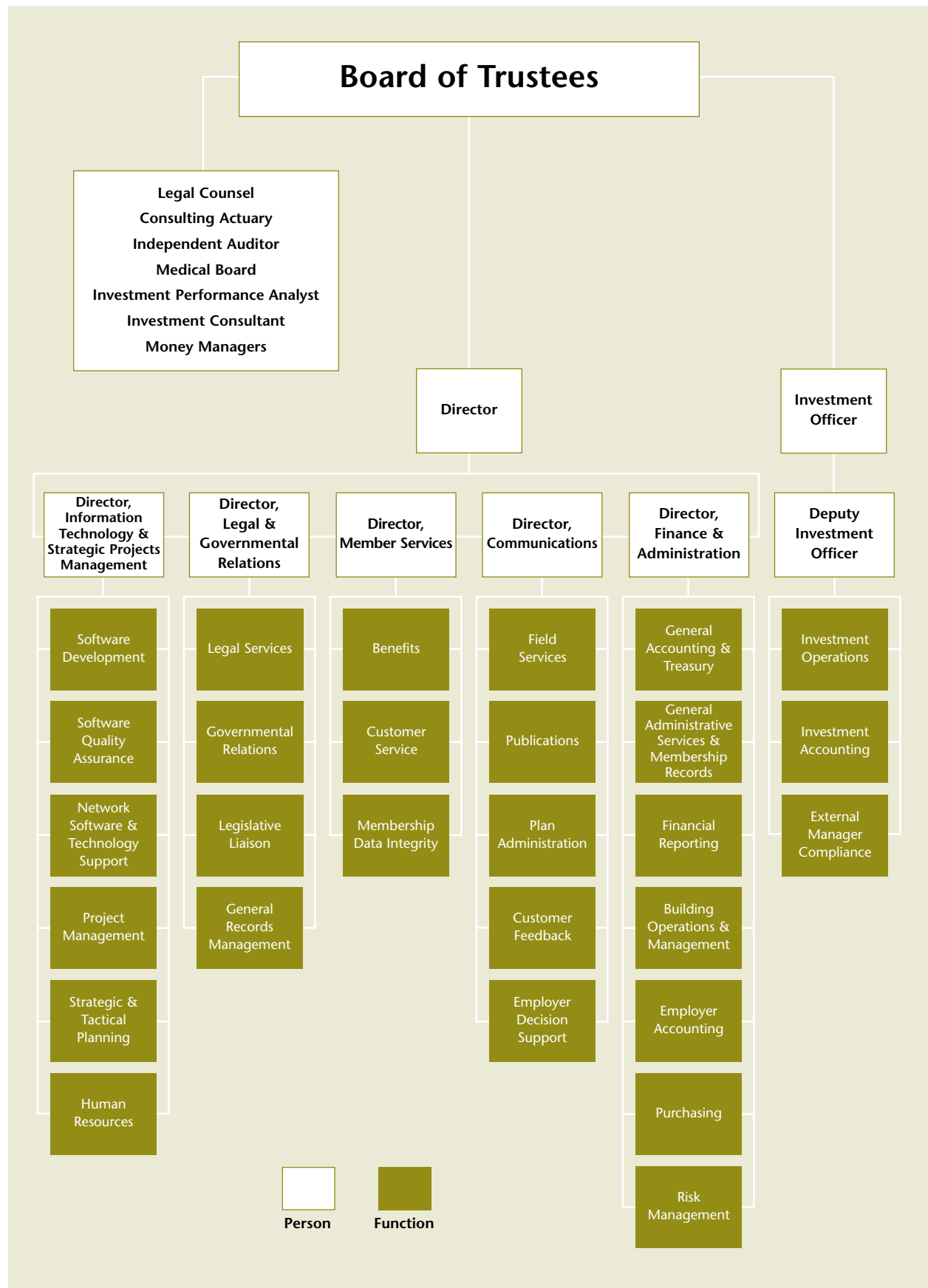
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

This report reflects the combined effort of the TCDRS staff under the leadership of the TCDRS Board of Trustees. We would like to express our gratitude to the staff, advisors and members of the board who have contributed to the preparation of this report and to the continued successful operation of the Texas County & District Retirement System.

Sincerely,

ORGANIZATION CHART





STANDING (LEFT TO RIGHT) Amador E. Reyna, John Marshall, John G. Willy, Robert A. Eckels, Mitch Liles
SEATED (LEFT TO RIGHT) Bridget McDowell, Kathy Reeves, Martha Gustavsen, Charlotte A. Carey

CHAIRMAN

John G. Willy

COUNTY JUDGE
BRAZORIA COUNTY

VICE-CHAIRMAN

Amador E. Reyna

CHIEF APPRAISER
HARDIN COUNTY APPRAISAL DISTRICT

Charlotte A. Carey

COUNTY AUDITOR
PECOS COUNTY

Robert A. Eckels

COUNTY JUDGE
HARRIS COUNTY

Martha Gustavsen

COUNTY TREASURER
MONTGOMERY COUNTY

Mitch Liles

DIRECTOR OF ADULT PROBATION
DENTON COUNTY

John Marshall

CHIEF APPRAISER
TARRANT APPRAISAL DISTRICT

Bridget McDowell

COUNTY AUDITOR
TAYLOR COUNTY

Kathy Reeves

TAX ASSESSOR-COLLECTOR
MIDLAND COUNTY

STAFF AND ADVISORS

INVESTMENT STAFF



Paul J. Williams
Investment Officer



Dianna Amescua
Deputy Investment
Officer

ADMINISTRATIVE STAFF



Ray Henry
Director



David Forfia
Director, Information
Technology & Strategic
Projects Management



Tom Harrison
Director, Legal &
Governmental Relations



Gene Glass
Director, Finance &
Administration



Jennifer Hymel
Director, Member
Services



Amy Fagelman
Director,
Communications



David Redd
Senior Manager,
Human Resources

PROFESSIONAL ADVISORS

Legal Counsel
Vinson & Elkins, L.L.P.

Consulting Actuary
Milliman, Inc.

Investment Performance Analyst
Holbein Associates, Inc.

Investment Consultant
Wilshire Associates, Inc.

Independent Auditor
KPMG LLP

Medical Board
R. A. Dennison, M.D., Chairman
Ace Alsup, M.D.
John P. Vineyard Jr., M.D.



INVESTMENTS

Jeneva Perrone, Dianna Amescua, Paul J. Williams, Alan Adams, Sandra Bragg, Bob Will

**HUMAN RESOURCES,
MANAGEMENT ANALYSTS,
EXECUTIVE ASSISTANTS**

Nancy Stallcup, David Redd, Lisa Orr
[NOT PICTURED] Kimberly Cook, Angela Vogel



CUSTOMER SERVICE

[BACK ROW] Tony Gartner, Hal Caldcleugh, Bill Wendlandt, Brad Eddins

[SEATED] Laura Leija, Lilly Williams, Vangie Phillips, Glenna Bullock

STAFF



COMMUNICATIONS

[BACK ROW] Rob Bishop, Melody Smith, Amy Fagelman, José de Leon, Gerald McLeod, Kim Beverly, Howard Miller, Chris Bucknall

[FRONT ROW] Roxanne Bita, Doris Richardson, Karen Garner, Leah Nelson, Harriett Lloyd

[NOT PICTURED] Kelle Broussard

LEGAL & GOVERNMENTAL RELATIONS

Tom Krueger, Jason McElvaney, Julie Dwiggin, Tom Harrison, Patrick Redman



BENEFITS

[BACK ROW] Carmen Gloria, Gina Pax, Jo Anne Norton

[MIDDLE ROW] Cynthia Turner, Myrlene Bridwell, Debbie Smith

[FRONT ROW] Sabra Mick, Kosima Pryzgoda, Cathy Duggar

[NOT PICTURED] Gloria Zavala

FINANCE & ADMINISTRATION

[TOP ROW] Vince Prendergast, Charlene Davis, Aurora Beranek, David Luttrell, Mary Wilkes

[3RD ROW] Kasaundra Walenta, Tina Alvarez, Suheill Vargas, Melissa Watt

[2ND ROW] Jennifer Brown, Allison Coffey, Sonia Amaro, Pam Swanson

[FRONT ROW] Greg Montague, Jeri May, Mary Samuels, Gene Glass

[NOT PICTURED] Fay Wright



INFORMATION TECHNOLOGY & STRATEGIC PROJECTS MANAGEMENT

[TOP ROW] Dan Perkins, Fred Peterson, Mitzi Pirkey

[4TH ROW] Mark Moseley, Alfredo Gutierrez, David Forfia

[3RD ROW] Wanda Gilliard, Rick Braun, Sherry Bethke

[2ND ROW] Nicole Bossard, Brad Bowers, Staci Kilpatrick

[FRONT ROW] Sharon Payne, Sivaram Manda, Jocelyn Brown

[NOT PICTURED] Jeff Hemphill

MEMBER COUNTIES AND DISTRICTS As of Jan. 1, 2004



Counties are indicated with a bullet point. Districts are listed immediately below the counties in which they are headquartered.

A

- Anderson County
Anderson County Central Appraisal District
- Andrews County
Permian Regional Medical Center
- Angelina County
Angelina & Nacogdoches Counties Water Control & Improvement District #1
Angelina County Appraisal District
Central Water Control & Improvement District
Pineywoods Groundwater Conservation District
- Aransas County
Aransas County Appraisal District
Aransas County Navigation District #1
- Archer County
Archer County Appraisal District
- Armstrong County
- Atascosa County
Atascosa County Appraisal District
- Austin County
Austin County Appraisal District

B

- Bailey County
- Bandera County
Bandera County Water Control & Improvement District #1
- Bastrop County
- Baylor County
Baylor County Appraisal District
- Bee County
- Bell County
Bell County Appraisal District
Bell County Water Control & Improvement District #1
- Bexar County
Alamo Area Council of Governments
Bexar Appraisal District
Bexar County Water Control & Improvement District #10
Edwards Aquifer Authority
- Blanco County
- Borden County
Borden County Appraisal District
- Bosque County
Bosque County Central Appraisal District
- Bowie County
Macedonia-Eylau Municipal Utility District
- Brazoria County
Angleton Drainage District
Brazoria County Appraisal District
Brazoria County Conservation & Reclamation District #3
Brazoria County Drainage District #4
Brazoria County Drainage District #5
Velasco Drainage District
- Brazos County
Brazos County Appraisal District
Brazos County Emergency Communications District
Wickson Creek Special Utility District
- Brewster County
Brewster County Appraisal District
- Briscoe County
Mackenzie Municipal Water Authority
- Brooks County
- Brown County

- Burleson County
- Burnet County
Burnet Central Appraisal District
Meadowlakes Municipal Utility District

C

- Caldwell County
- Calhoun County
Calhoun County Appraisal District
Memorial Medical Center
- Callahan County
Callahan County Appraisal District
- Cameron County
Bayview Irrigation District #11
Brownsville Irrigation District
Cameron County Appraisal District
Cameron County Drainage District #1
Cameron County Drainage District #3
Cameron County Drainage District #5
Cameron County Irrigation District #2
Cameron County Irrigation District #6
Harlingen Irrigation District Cameron County #1
Valley Municipal Utility District #2
Laguna Madre Water District
- Camp County
Camp Central Appraisal District
- Carson County
- Cass County
Cass County Appraisal District
Northeast Texas Municipal Water District
- Castro County
- Chambers County
Chambers County Appraisal District
Chambers County Public Hospital District
Trinity Bay Conservation District
- Cherokee County
- Childress County
Childress County Appraisal District
Childress County Hospital District
- Clay County
Clay County Appraisal District
- Cochran County
Cochran County Appraisal District
- Coke County
- Coleman County
- Collin County
Collin County Central Appraisal District
North Texas Tollway Authority
- Collingsworth County
- Colorado County
- Comal County
Comal Appraisal District
- Comanche County
- Concho County
Concho County Hospital District
- Cooke County
Cooke County Appraisal District
- Coryell County
Cottle County
Tax Appraisal District of Cottle County
- Crane County
- Crockett County
Crockett County Water Control & Improvement District #1
- Crosby County
Crosby County Appraisal District
- Culberson County
Culberson County Hospital
Culberson Hospital District

D

- Dallam County
- Dallas County
Dallas Central Appraisal District
Dallas County Park Cities Municipal Utility District
Dallas County Water Control & Improvement District #6
Valwood Improvement Authority
- Dawson County
Dawson County Central Appraisal District
Medical Arts Hospital
- Deaf Smith County
Deaf Smith County Hospital District
- Delta County
- Denton County
Denco Area 911 District
Denton Central Appraisal District
- DeWitt County
DeWitt County Appraisal District
- Dickens County
White River Municipal Water District
- Dimmit County
Middle Rio Grande Development Council
- Donley County
Greenbelt Municipal & Industrial Water Authority
- Duval County

E

- Eastland County
Cisco Hospital District
Eastland County Appraisal District
- Ector County
Ector County Hospital District
Emergency Communication District of Ector County
- Edwards County
Edwards Central Appraisal District
- Ellis County
- El Paso County
El Paso County 911 District
El Paso County Hospital District
El Paso County Water Authority
El Paso Water Control & Improvement District—Westway
Homestead Municipal Utility District
- Erath County

F

- Falls County
Falls County Appraisal District
Tri-County Special Utility District
- Fannin County
Fannin County Appraisal District
- Fayette County
- Fisher County
Fisher County Hospital District
- Floyd County
- Fort Bend County
Fort Bend Central Appraisal District
- Franklin County
- Freestone County
Freestone County Appraisal District
- Frio County
Frio County Appraisal District

G

- Gaines County
- Galveston County
Bacliff Municipal Utility District

MEMBER COUNTIES AND DISTRICTS As of Jan. 1, 2004

- Bayview Municipal Utility District
- Galveston Central Appraisal District
- Galveston County Consolidated Drainage District
- Galveston County Drainage District #1
- Galveston County Drainage District #2
- Galveston County Emergency Communication District
- Galveston County Water Control & Improvement District #1
- Gulf Coast Water Authority
- Garza County
- Garza Central Appraisal District
- Gillespie County
- Glasscock County
- Goliad County
- Gonzales County
- Gonzales County Appraisal District
- Gray County
- Gray County Appraisal District
- Grayson County
- Grayson County Appraisal District
- Gregg County
- Grimes County
- Grimes County Appraisal District
- Guadalupe County
- Guadalupe County Appraisal District

H

- Hale County
- Hall County
- Hamilton County
- Hansford County
- Hansford County Hospital District
- Hardeman County
- Hardin County
- Hardin County Appraisal District
- Lumberton Municipal Utility District
- Harris County
- Crosby Municipal Utility District
- Greater Harris County 911 Emergency Network
- Harris County Appraisal District
- Harris County Water Control & Improvement District #1
- Harris County Water Control & Improvement District #50
- Harrison County
- Marshall-Harrison County Health District
- Hartley County
- Hartley County Appraisal District
- Haskell County
- Haskell Memorial Hospital District
- Hays County
- Hemphill County
- Hemphill County Appraisal District
- Hemphill County Hospital District
- Henderson County
- Henderson County Appraisal District
- Hidalgo County
- Hidalgo and Cameron Counties Irrigation District #9
- Hidalgo County Appraisal District
- Hidalgo County Drainage District #1
- Hidalgo County Irrigation District #2
- Hidalgo County Irrigation District #6
- United Irrigation District
- Hill County
- Aquilla Water Supply District
- Hockley County
- Hood County
- Acton Municipal Utility District
- Hopkins County
- Hopkins County Appraisal District
- Houston County
- Houston County Appraisal District

- Howard County
- Hudspeth County
- Hunt County
- Hutchinson County
- North Plains Hospital District

I

- Irion County

J

- Jack County
- Jack County Appraisal District
- Jackson County
- Jackson County County-Wide Drainage District
- Lavaca-Navidad River Authority
- Jasper County
- Jasper County Water Control & Improvement District #1
- Jeff Davis County
- Jefferson County
- Jefferson County Drainage District #3
- Jefferson County Drainage District #6
- Jefferson County Drainage District #7
- Jefferson County Water Control & Improvement District #10
- Jefferson County Waterway & Navigation District
- Port of Beaumont Navigation District
- Port of Port Arthur Navigation District
- Sabine Pass Port Authority
- West Jefferson County Municipal Water District
- Jim Hogg County
- Jim Hogg County Appraisal District
- Jim Hogg County Fire District #2
- Jim Hogg County Water Control & Improvement District #2
- Jim Wells County
- Johnson County
- Central Appraisal District of Johnson County
- Johnson County Fresh Water Supply District #1
- Jones County
- Jones County Appraisal District

K

- Karnes County
- Karnes County Appraisal District
- Karnes County Hospital District
- Kaufman County
- Kaufman County Appraisal District
- Kendall County
- Kendall Appraisal District
- Kendall County Water Control & Improvement District #1
- Kenedy County
- Kent County
- Kent County Tax Appraisal District
- Kerr County
- Kerr Emergency 911 Network
- Kimble County
- King County
- Kinney County
- Kinney County Appraisal District
- West Nueces-Las Moras Soil & Water Conservation District #236
- Kleberg County
- Knox County
- Knox County Appraisal District
- North Central Texas Municipal Water Authority

L

- La Salle County
- Lamar County

- Lamb County
- Lampasas County
- Lampasas County Appraisal District
- Lavaca County
- Lee County
- Leon County
- Leon County Central Appraisal District
- Liberty County
- Liberty County Central Appraisal District
- Limestone County
- Bistone Municipal Water Supply District
- Limestone County Appraisal District
- Lipscomb County
- Live Oak County
- Live Oak County Appraisal District
- Llano County
- Llano County Hospital Authority
- Llano Memorial Hospital
- Loving County
- Loving County Appraisal District
- Lubbock County
- High Plains Underground Water Conservation District #1
- Lubbock Central Appraisal District
- Lubbock County Water Control & Improvement District #1
- Lubbock Emergency Communication District
- Lubbock Reese Redevelopment Authority
- Lynn County
- Lynn County Appraisal District
- Lynn County Hospital District

M

- Madison County
- Madison County Appraisal District
- Marion County
- Marion County Appraisal District
- Martin County
- Martin County Appraisal District
- Mason County
- Matagorda County
- Matagorda County Drainage District
- Matagorda County Hospital District
- Matagorda County Navigation District #1
- Port of Bay City Authority
- Maverick County
- Maverick County Water Control & Improvement District #1
- McCulloch County
- McCulloch County Appraisal District
- McLennan County
- McLennan County Appraisal District
- McLennan County Water Control & Improvement District #2
- McMullen County
- Medina County
- Medina County Appraisal District
- Medina County 911 District
- Menard County
- Midland County
- Midland Central Appraisal District
- Midland Emergency Communication District
- Milam County
- Mills County
- Mills County Appraisal District
- Mitchell County
- Mitchell County Appraisal District
- Montague County
- Montague County Tax Appraisal District
- Montgomery County

Montgomery Central Appraisal District
 Montgomery County Emergency
 Communication District
 Montgomery County Emergency
 Service District #1
 Montgomery County Emergency
 Service District #3

- Moore County
- Moore County Hospital District
- Morris County

N

- Nacogdoches County
- Navarro County
- Navarro Central Appraisal District
- Newton County
- Newton Central Appraisal District
- Newton County Memorial Hospital
- Nolan County
- Nueces County
- Nueces County Appraisal District
- Nueces County Drainage District #2
- Nueces County Water Control &
 Improvement District #3
- Nueces County Water Control &
 Improvement District #4
- Port of Corpus Christi Authority

O

- Ochiltree County
- Oldham County
- Oldham County Appraisal District
- Orange County
- Orange County Appraisal District
- Orange County Drainage District
- Orange County Emergency Services
 District #1
- Orange County Navigation &
 Port District
- Orange County Water Control &
 Improvement District #1

P

- Palo Pinto County
- Panola County
- Parker County
- Parmer County
- Pecos County
- Pecos County Appraisal District
- Polk County
- Livingston Hospital District
- Polk Central Appraisal District
- Potter County
- Potter County Appraisal District
- Potter-Randall County Emergency
 Communication District
- Presidio County
- Presidio Appraisal District

R

- Rains County
- Rains County Appraisal District
- Randall County
- Randall County Appraisal District
- Reagan County
- Reagan Hospital District
- Real County
- Red River County
- Reeves County
- Red Bluff Water Power Control District
- Reeves County Hospital District
- Refugio County
- Refugio County Drainage District #1
- Roberts County
- Roberts County Appraisal District
- Robertson County
- Rockwall County

Rockwall Central Appraisal District
 • Runnels County
 • Rusk County
 • Cross Roads Special Utility District
 • Rusk County Appraisal District
 • Texas Eastern 911 Network

S

- Sabine County
- San Augustine County
- San Jacinto County
- San Jacinto County Central Appraisal
 District
- San Patricio County
- San Patricio County Appraisal District
- San Patricio County Drainage District
- San Patricio Municipal Water District
- San Saba County
- Schleicher County
- Scurry County
- Shackelford County
- Shackelford County Appraisal District
- Shelby County
- Shelby County Appraisal District
- Shelby County General Hospital
- Sherman County
- Sherman County Appraisal District
- Stratford Hospital District
- Smith County
- Smith County 911 Communications
 District
- Smith County Appraisal District
- Smith County Public Health District
- Somervell County
- Somervell County Central Appraisal
 District
- Somervell County Water District
- Starr County
- Starr County Appraisal District
- Stephens County
- Sterling County
- Stonewall County
- Stonewall Memorial Hospital District
- Sutton County
- Sutton County Hospital District
- Swisher County
- Swisher County Appraisal District
- Swisher Memorial Hospital District

T

- Tarrant County
- Benbrook Water & Sewer Authority
- Tarrant Appraisal District
- Tarrant County 911 Emergency
 Assistance District
- Taylor County
- Central Appraisal District of
 Taylor County
- West Central Texas Municipal
 Water District
- West Central Texas Council
 of Governments
- Terrell County
- Terry County
- Terry Memorial Hospital District
- Throckmorton County
- Titus County
- Titus County Fresh Water
 Supply District
- Tom Green County
- Travis County
- Lakeway Municipal Utility District
- Texas Association of Counties
 Texas County & District
 Retirement System
- Travis Central Appraisal District
- Travis County Water Control &

Improvement District—Point Venture
 Travis County Water Control &
 Improvement District #18
 • Trinity County
 • Tyler County
 • Tyler County Appraisal District

U

- Upshur County
- Upton County
- McCamey County Hospital District
- Upton County Appraisal District
- Rankin County Hospital District
- Uvalde County
- Nueces River Authority

V

- Val Verde County
- Van Zandt County
- Van Zandt County Appraisal District
- Victoria County
- Victoria County Drainage District #3
- Victoria County Water Control &
 Improvement District #1

W

- Walker County
- Waller County
- Brookshire-Katy Drainage District
- Brookshire Municipal Water District
- Ward County
- Ward County Central Appraisal District
- Ward Memorial Hospital
- Washington County
- Webb County
- South Texas Development Council
- Webb County Appraisal District
- Wharton County
- Coastal Bend Groundwater
 Conservation District
- Wharton County Water Control &
 Improvement District #1
- Wheeler County
- Wheeler County Appraisal District
- Wichita County
- Red River Authority
- Wichita County Water Improvement
 District #2
- Wichita-Wilbarger 911 District
- Wilbarger County
- Wilbarger County Hospital District
- Willacy County
- Willacy County Appraisal District
- Willacy County Housing Authority
- Williamson County
- Brushy Creek Municipal Utility District
- Williamson County Appraisal District
- Wilson County
- Wilson County Appraisal District
- Winkler County
- Winkler County Appraisal District
- Wise County
- Wise County Appraisal District
- Wood County
- Wood County Appraisal District

Y

- Yoakum County
- Young County

Z

- Zapata County
- Zapata County Appraisal District
- Zavala County
- Zavala County Appraisal District

On Feb. 19, 1846, as the last president of the Republic, Dr. Anson Jones (1798–1858) declared, “The Republic of Texas is no more.” Jones came to Texas from Massachusetts by way of Philadelphia to practice medicine in Brazoria before joining the war for independence and serving in the Legislature of the Republic. The state preserved his plantation home at Washington-on-the-Brazos State Historical Park. When Jones County was organized in 1881, Jones City was declared the county seat. A year later, the name of the county seat was changed to Anson. The Texas Centennial Committee installed the bronze statue of Jones at the courthouse in 1936.



Financial Section

James Webb Throckmorton (1825–1894) practiced medicine and law in the McKinney area of North Texas before and after serving 10 years in the Legislature, where he worked for better public schools and a statewide railroad system. An ally of Sam Houston, he was one of seven delegates to the Secession Convention to vote against Texas leaving the Union. Following the war he presided over the state constitutional convention and served as governor until he was removed from office by the U.S. Military. In 1911, Collin County erected this statue by Pompeo Coppini in his honor with the inscription, “A Tennessean by birth, a Texan by adoption.”

Navarro County honors the memory of José Antonio Navarro (1795–1871) with a bronze statue of the Tejano statesman at the entrance to the courthouse in Corsicana. Born in San Antonio under Spanish rule, Navarro served in the state legislatures of three countries. One of only three Hispanics to sign the Texas Declaration of Independence in 1836, he went on to help write the Republic’s first Constitution and was the only native Mexican to sign the state constitution of 1845. Navarro was a vigilant defender of native-born Texan rights throughout his public career. His home in San Antonio is preserved as a state historical site.





KPMG LLP
Suite 1100
111 Congress Avenue
Austin, TX 78701

Independent Auditors' Report

The Board of Trustees
Texas County and District Retirement System:

We have audited the accompanying financial statements of the Texas County and District Retirement System's ("System") Pension Trust and Supplemental Death Benefits Funds as of and for the years ended December 31, 2003 and 2002, which collectively comprise the System's basic financial statements as listed in the table of contents under "Basic Financial Statements". These financial statements are the responsibility of the System's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System's Pension Trust and Supplemental Death Benefits Funds as of December 31, 2003 and 2002, and the respective changes in financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the System has implemented Governmental Accounting Standards Board Statement No. 40, "Deposit and Investment Risk Disclosures", effective January 1, 2002.

The Management's Discussion and Analysis on pages 19 through 23 and the Schedules of Funding Progress and Employer Contributions on page 36 and 37 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The Other Supplementary Information included on pages 38 - 73 and the Investment, Actuarial and Statistical Sections on pages 76 - 187 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedules and information contained in the Investment Section, Actuarial Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

KPMG LLP

April 2, 2004



KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG network, a Swiss entity.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

The purpose of this discussion and analysis is to provide the reader an introduction, overview and analysis of the financial reports of the Texas County & District Retirement System (TCDRS or system) for the years ending Dec. 31, 2003 and 2002. The information presented here should be considered in conjunction with information provided in other areas of the Financial Section, as well as information presented in the letter of transmittal in the Introductory Section. The Financial Section includes the financial statements and the notes to the financial statements (basic financial statements), required supplementary information, and other supplementary information.

Overview of the Financial Statements

TCDRS operates two trusts, both of which are accounted for as fiduciary funds. One, referred to as the Pension Trust Fund, accounts for and provides retirement, disability and death benefits to the employees of participating employer members — our primary reason for existence. The second trust, titled the Supplemental Death Benefits Fund (SDBF), provides an optional program of group-term life insurance for the employees and retirees of electing employers. No assets of the Pension Trust Fund may be used to pay any insurance benefit due from the SDBF nor may assets of the SDBF be used to pay any benefit due from the Pension Trust Fund. Discussion and analysis is provided separately for each of the two trusts.

Pension Trust Fund

TCDRS is a statewide, agent multiple-employer, public-employee retirement system consisting of 553 nontraditional defined-benefit pension plans at year end 2003. Each participating employer chooses the rate of employee deposits and the level and type of employee benefits it desires from options available under the TCDRS Act. Each employer is solely responsible for funding the benefits it selects.

The assets of the individual employer retirement plans are accounted for separately, but are pooled for investment purposes. Each plan's assets may be used only for the payment of benefits to the members of that plan. Adequacy of funding is determined annually by an actuarial valuation for each participating employer plan. The TCDRS Act requires that

each employer maintain an adequate level of actuarial funding to meet its obligations and has in place corrective actions for plans that become inadequately funded.

Each plan is responsible for its own funding. While the system overall will have an aggregate amount of investments and other assets — and a certain percentage of actuarial funding — this data is not representative of the funding status of the individual plans. To understand the financial health of an individual plan the reader should first review the actuarial value of assets and liabilities of the individual plan as a separate unit, which is provided in the Actuarial Section. In addition, it may be helpful to consider the current balances for employee members (see the schedule of Changes in Employees Saving Fund, shown by employer, starting on page 45) and for individual employers (see the schedule of Changes in Subdivision Accumulation Fund, starting on page 59). Viewed collectively, this information is an indication of the employer's funding position relative to current and future benefit payment obligations to its members and retirees.

TCDRS reports investments at fair value as required by the Governmental Accounting Standards Board Statement No. 25 (GASB 25). Fair value reporting requires that changes in the fair value of investments be included as income or loss in net investment income. The basic financial statements contained in the Financial Section of this CAFR, as well as other information considered necessary to a complete understanding of the financial statements, are described below.

The Pension Trust Fund is comprised of six individual funds, each with a specific operational purpose. Note E in the Notes to the Financial Statements has additional information about each of these funds.

- The Statements of Plan Net Assets report the assets, liabilities and the resulting net assets for which assets minus liabilities equal the net assets available for pension benefits at the end of a fiscal year. They can be viewed as snapshots of the financial position of the trust, in the aggregate, at specific points in time.
- The Statements of Changes in Plan Net Assets report the transactions that occurred during a year for which additions less deductions equal the net increase in plan net assets. They can be thought of as videos of the action that

MANAGEMENT'S DISCUSSION AND ANALYSIS

SUMMARY INFORMATION ABOUT PLAN NET ASSETS

Pension Trust Fund

(\$ Millions)

	Dec. 31,			2003-2002		2002-2001		
	2003	2002	2001	\$ Change	% Change	\$ Change	% Change	
Assets								
Investments, at Fair Value	\$ 10,753	\$ 8,792	\$ 8,511	\$ 1,961	22.3%	\$ 281	3.3%	
Invested Securities-Lending Collateral	1,873	2,828	2,607	(955)	(33.8)	221	8.5	
Receivables, Cash and Cash Equivalents, Other	124	115	126	9	7.8	(11)	(8.7)	
Property and Equipment, net	11	11	11	0	0.0	0	0.0	
Total Assets	12,761	11,746	11,255	1,015	8.6	491	4.4	
Liabilities								
Securities-Lending Collateral	1,872	2,825	2,608	(953)	(33.7)	217	8.3	
Other Liabilities	17	19	36	(2)	(10.5)	(17)	(47.2)	
Total Liabilities	1,889	2,844	2,644	(955)	(33.6)	200	7.6	
Net Assets Held in Trust for Pension Benefits	\$10,872	\$ 8,902	\$ 8,611	\$1,970	22.1%	\$ 291	3.4%	

Due to rounding, totals and detail may not equal. Percentages shown are based on rounded amounts and may differ slightly from actual.

occurred over the fiscal year and are the basis for the changes to the prior years' net assets value on the statements.

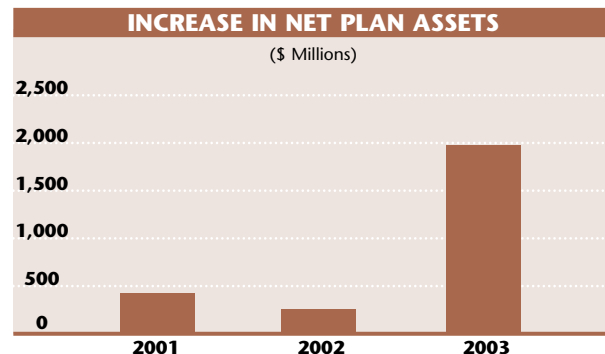
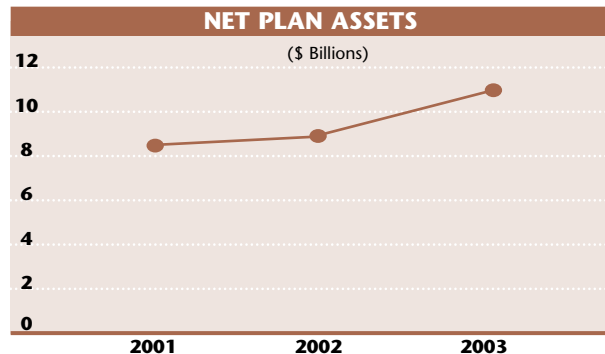
Notes to the Financial Statements are an integral part of the financial statements and include additional information not readily evident in the statements themselves. The notes are considered essential to a full understanding of the information provided in the financial statements and, together with the statements, comprise the basic financial statements of TCDRS.

Required Supplementary Information, located following the Notes to the Financial Statements, provides added historical and detailed information to assist the reader in evaluating the condition of the plans administered by TCDRS.

Also included is Other Supplementary Information, which provides specific detailed information to support summary data that is presented in the basic financial statements, including transactions by employer for the Employees Saving Fund and Subdivision Accumulation Fund.

Financial Analysis: Pension Trust Fund

Net assets held in trust for pension benefits at year end 2003 totaled \$10.9 billion. Amounts for 2002 and 2001 were \$8.9 billion and \$8.6 billion, respectively. Increases in plan net assets for the last three years were \$2.0 billion in 2003, \$291 million in 2002, and \$402 million in 2001.



The overall financial condition of the system improved during 2003 primarily due to net investment income during the year of \$1.8 billion — a 20.2% overall return. Net investment income for 2003 is comprised of appreciation in fair value of investments of \$1.5 billion, \$336 million in interest and dividends, and net income from securities lending transactions of

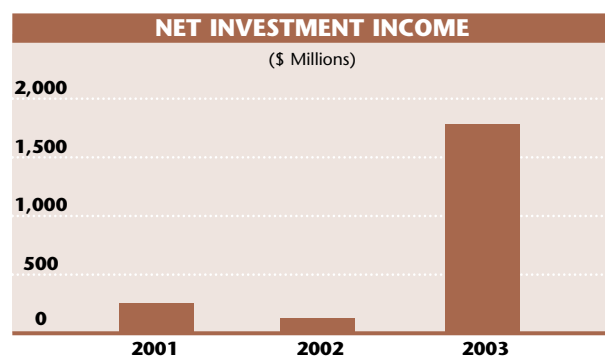
SUMMARY INFORMATION ABOUT CHANGES IN PLAN NET ASSETS

Pension Trust Fund

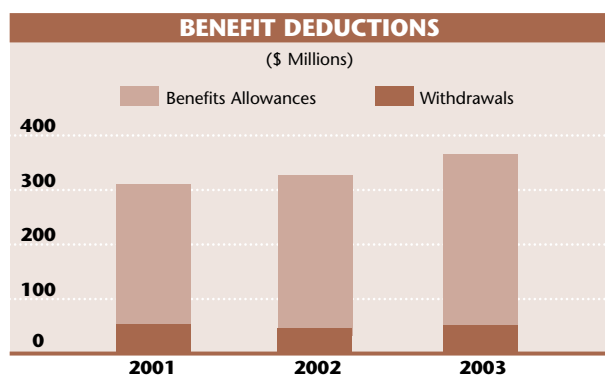
(\$ Millions)

	Year ending Dec. 31,			2003-2002		2002-2001	
	2003	2002	2001	\$	%	\$	%
	Change	Change	Change	Change	Change	Change	Change
Additions							
Employee Deposits	\$ 236	\$ 224	\$ 209	\$ 12	5.4%	\$ 15	7.2%
Employer Contributions	315	291	271	24	8.2	20	7.4
Net Investment Income	1,793	111	238	1,682	1,515.3	(127)	(53.4)
Other Income	2	2	2	0	0.0	0	0.0
Total Additions	2,346	628	719	1,718	273.6	(91)	(12.7)
Deductions							
Benefit Allowances	309	274	247	35	12.8	27	10.9
Withdrawals	57	55	62	2	3.6	(7)	(11.3)
Administrative Expenses	8	7	7	1	14.3	—	0.0
Other Expenses	2	1	1	1	100.0	—	0.0
Total Deductions	376	337	317	39	11.6	20	6.3
Net Increase in Plan Net Assets	1,970	291	402	1,679	577.0	(111)	(27.6)
Net Assets Held in Trust for Pension Benefits	\$10,872	\$ 8,902	\$ 8,611	\$1,970	22.1%	\$ 291	3.4%

Due to rounding, totals and detail may not equal. Percentages shown are based on rounded amounts and may differ slightly from actual.



Also contributing to the increase in net plan assets in 2003 were employee deposits and employer contributions, which were \$236 million and \$315 million, respectively. This represents increases of \$12 million and \$24 million over 2002 amounts. In 2002, employee deposits increased by \$15 million and employer contributions increased by \$20 million over 2001 amounts. Together employee deposits and employer contributions increased during 2003 by 6.9% and in 2002 by 7.6% over the previous year's amounts.



Deductions for benefit allowances and withdrawals for 2003 were \$366 million, an 11.6% increase over the previous year. These deductions for 2002 were \$329 million, a 6.3% increase over 2001. Higher deductions for 2003 and 2002 were primarily due to increases in benefit allowances, which rose 12.8% and 10.9%, respectively.

\$7 million, reduced by investment activity expenses of \$9 million. Net investment income for 2002 and 2001 was \$111 million and \$238 million, respectively.

Other Currently Known Information: Pension Trust Fund

TCDRS' investment return for 2003 is 20.2%, which is above its 8% long-term investment return target. Net investment return for 2002 and 2001 was 1.6% and 3.0%, respectively. For 2002 and 2001, the statutorily required 7%

MANAGEMENT'S DISCUSSION AND ANALYSIS

income allocation was made to employee accounts and the reserve account for payment of retirement annuities. However, for both of those years investment earnings were below the amount needed to pay the required amounts and also provide the actuarially expected allocation of 9% to the employers' accounts in the Subdivision Accumulation Fund (SAF). Accordingly, the employers' accounts were allocated a negative 11% distribution in 2002 and a 5% distribution in 2001. The ultimate impact of allocations to employers that vary from the actuarially assumed rate of 9% is on future contribution rates employers will pay to fund benefits.

Investment return for 2003 was sufficient to allow the TCDRS Board of Trustees to fund the statutory 7% allocation to employee accounts and annuity reserves and also allocate 38% to the employers' accounts in the SAF. For the SAF as a whole, this 38% earnings allocation provides the assumed actuarial allocation of 9% in 2003 and additional funding to offset the effect of the lower than 9% allocations in 2002 and 2001.

Investment return in 2003 is primarily the result of the performance of the domestic and international equity markets. This marked a contrast to the previous three-year period, beginning in 2000, during which the U.S. equity markets experienced consecutive negative returns. The last time this happened was during the years of 1939–1941.

The TCDRS Board of Trustees in 1996 adopted a diversified investment allocation strategy to be implemented over a multi-year period. Prior to this time, TCDRS investments were passively managed, domestic fixed-income investments. The TCDRS Act provides that all fair value changes to passively managed, domestic fixed-income investments are not available for allocation and are to be maintained in a nondistributable income account. This treatment was to lessen the probable volatility of investment earnings on benefit funding that may have resulted from having a high percentage of fixed-income investments relative to other asset classes in the early years of the investment diversification process. During 2003 and in conjunction with reaching investment asset allocation targets, the board changed from a passive to an active strategy in the manage-

ment of all fixed-income investments. This change resulted in a reallocation to the General Reserves account in the Endowment Fund of \$715 million held in a nondistributable income account at Dec. 31, 2002.

Supplemental Death Benefits Fund

The second TCDRS trust is the Supplemental Death Benefits Fund (SDBF) that provides a program of group-term life insurance for the employees and retirees of electing participating employers. An actuarial valuation is performed annually to determine employers' premium rates and to maintain adequate funding over the long term. Based on actuarial analysis, the amount of plan net assets is expected to be sufficient to cover any adverse experience.

- The Statements of Plan Net Assets report the assets, liabilities and the resulting net assets for which assets minus liabilities equal the net assets available for benefits at the end of a fiscal year.
- The Statements of Changes in Plan Net Assets report the transactions that occurred during a year for which additions less deductions equal the net increase (decrease) in plan net assets.

Notes to the Financial Statements are an integral part of the financial statements and include additional information not readily evident in the statements themselves. The notes are considered essential to a full understanding of the information provided in the financial statements and, together with the statements, comprise the basic financial statements of TCDRS. Note N provides additional specific information about the SDBF program.

Financial Analysis: Supplemental Death Benefits Fund (presented in \$ thousands except where noted)

Total assets of the SDBF at yearend 2003 are \$4.4 million, an increase of 13.5% over the 2002 amount, which is due primarily to 2003 operations that provided an increase of \$512 of funds available for investment. The net assets available for insurance benefits at year end 2003 are \$4.1 million, which increased \$817 from 2002, while net assets at Dec. 31, 2002 decreased \$384 from 2001. Premiums increased by \$415 in 2003 and by \$682 in 2002 over previous year amounts. Premiums received were higher for both years due to increases in the amounts of

MANAGEMENT'S DISCUSSION AND ANALYSIS

covered payroll which are the basis for premiums due. In addition, premiums were increased beginning in 2002 due to a change in the retiree benefit to \$5 from \$2.5. Insurance benefits paid

out compared to previous year's amounts decreased in 2003 by \$768 and increased in 2002 by \$1.3 million.

SUMMARY INFORMATION ABOUT PLAN NET ASSETS

Supplemental Death Benefits Fund

	Dec. 31,		2003-2002		2002-2001		
	2003	2002	2001	\$ Change	% Change	\$ Change	% Change
Total Assets	\$ 4,449,095	\$ 3,921,257	\$ 3,962,728	\$ 527,838	13.5%	\$ (41,471)	(1.0)%
Total Liabilities	378,899	668,175	326,041	(289,276)	(43.3)	342,134	104.9
Net Assets Held in Trust for Benefits	\$ 4,070,196	\$ 3,253,082	\$ 3,636,687	\$817,114	25.1%	\$(383,605)	(10.5)%

SUMMARY INFORMATION ABOUT CHANGES IN PLAN NET ASSETS

Supplemental Death Benefits Fund

	Dec. 31,		2003-2002		2002-2001		
	2003	2002	2001	\$ Change	% Change	\$ Change	% Change
Additions							
Employer Premiums	\$ 4,118,605	\$ 3,703,200	\$ 3,020,877	\$ 415,405	11.2%	\$ 682,323	22.6%
Income Allocation from Pension Trust Fund	250,456	233,155	243,342	17,301	7.4	(10,187)	(4.2)
Total Additions	4,369,061	3,936,355	3,264,219	432,706	11.0	672,136	20.6
Deductions							
Insurance Benefits	3,551,947	4,319,960	3,018,957	(768,013)	(17.8)	1,301,003	43.1
Total Deductions	3,551,947	4,319,960	3,018,957	(768,013)	(17.8)	1,301,003	43.1
Net Increase (Decrease) in Plan Net Assets	817,114	(383,605)	245,262	1,200,719	NM	(628,867)	(256.4)
Net Assets Held in Trust for Benefits	\$ 4,070,196	\$ 3,253,082	\$ 3,636,687	\$ 817,114	25.1%	\$(383,605)	(10.5)%

NM — percentage is not meaningful.

FINANCIAL STATEMENTS

STATEMENTS OF PLAN NET ASSETS

As of Dec. 31,

	2003			2002		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 8,576,695	\$ —	\$ 8,576,695	\$ 10,057,638	\$ —	\$ 10,057,638
Receivables:						
Contributions	44,261,999	—	44,261,999	40,279,136	—	40,279,136
Investment Interest and Dividends	68,234,197	—	68,234,197	61,066,488	—	61,066,488
Securities-Lending Interest	2,137,040	—	2,137,040	3,435,807	—	3,435,807
Employer Premiums	—	287,698	287,698	—	271,847	271,847
Other	860,546	—	860,546	311,941	—	311,941
Total Receivables	115,493,782	287,698	115,781,480	105,093,372	271,847	105,365,219
Prepaid Expenses and Other Assets	237,563	—	237,563	165,264	—	165,264
Investments, at Fair Value:						
Core Fixed Income	3,677,765,620	—	3,677,765,620	4,549,759,862	—	4,549,759,862
Domestic Equities	3,920,949,791	—	3,920,949,791	2,445,625,945	—	2,445,625,945
International Equities	1,436,598,459	—	1,436,598,459	741,916,870	—	741,916,870
High-Yield Bonds	1,040,217,301	—	1,040,217,301	561,311,545	—	561,311,545
REITs	609,346,938	—	609,346,938	467,493,542	—	467,493,542
Short-Term Investment Fund	67,608,710	—	67,608,710	25,293,483	—	25,293,483
Total Investments	10,752,486,819	—	10,752,486,819	8,791,401,247	—	8,791,401,247
Invested Securities-Lending Collateral	1,873,049,390	—	1,873,049,390	2,827,943,009	—	2,827,943,009
Funds Held by Pension Trust Fund	—	4,161,397	4,161,397	—	3,649,410	3,649,410
Capital Assets, net	10,804,901	—	10,804,901	11,080,518	—	11,080,518
Total Assets	12,760,649,150	4,449,095	12,765,098,245	11,745,741,048	3,921,257	11,749,662,305
LIABILITIES						
Accounts Payable	10,215,433	—	10,215,433	9,546,271	—	9,546,271
Insurance Benefits Payable	—	378,899	378,899	—	668,175	668,175
Securities-Lending Fees Payable	3,016,533	—	3,016,533	5,499,030	—	5,499,030
Funds Held for Supplemental Death Benefits Fund	4,161,397	—	4,161,397	3,649,410	—	3,649,410
Securities-Lending Collateral	1,871,585,952	—	1,871,585,952	2,825,146,846	—	2,825,146,846
Total Liabilities	1,888,979,315	378,899	1,889,358,214	2,843,841,557	668,175	2,844,509,732
Net Assets Held in Trust for Benefits	\$ 10,871,669,835	\$ 4,070,196	\$ 10,875,740,031	\$ 8,901,899,491	\$ 3,253,082	\$ 8,905,152,573

A schedule of funding progress for the Pension Trust Fund plans is presented on page 36.
See accompanying Notes to the Financial Statements.

STATEMENTS OF CHANGES IN PLAN NET ASSETS

Years Ended Dec. 31,

	2003			2002		
	Pension Trust Fund	Supplemental Death Benefits Fund	Total	Pension Trust Fund	Supplemental Death Benefits Fund	Total
ADDITIONS						
Contributions and Deposits						
Employee Deposits	\$ 235,662,740	\$ —	\$ 235,662,740	\$ 224,387,814	\$ —	\$ 224,387,814
Employer Contributions	315,637,689	—	315,637,689	291,313,309	—	291,313,309
Employer Premiums	—	4,118,605	4,118,605	—	3,703,200	3,703,200
Total	551,300,429	4,118,605	555,419,034	515,701,123	3,703,200	519,404,323
Investment Income						
<i>From Investment Activities</i>						
Net Appreciation (Depreciation) in Fair Value of Investments	1,458,278,629	—	1,458,278,629	(288,549,293)	—	(288,549,293)
Interest and Dividends	336,444,829	—	336,444,829	397,826,048	—	397,826,048
Total Investment Activity Income	1,794,723,458	—	1,794,723,458	109,276,755	—	109,276,755
Less Investment Activity Expenses	8,877,463	—	8,877,463	6,744,653	—	6,744,653
Net Income From Investment Activities	1,785,845,995	—	1,785,845,995	102,532,102	—	102,532,102
<i>From Securities-Lending Activities</i>						
Securities-Lending Income	42,293,872	—	42,293,872	61,105,463	—	61,105,463
Less Securities-Lending Expenses:						
Borrower Rebates and Management Fees	34,974,608	—	34,974,608	53,058,573	—	53,058,573
Net Income From Securities Lending Activities	7,319,264	—	7,319,264	8,046,890	—	8,046,890
Total Net Investment Income	1,793,165,259	—	1,793,165,259	110,578,992	—	110,578,992
Building Operations and Miscellaneous Income	1,827,396	—	1,827,396	1,765,891	—	1,765,891
Income Allocation From Pension Trust Fund	—	250,456	250,456	—	233,155	233,155
Total Additions	2,346,293,084	4,369,061	2,350,662,145	628,046,006	3,936,355	631,982,361
DEDUCTIONS						
Benefit Allowances	309,355,897	—	309,355,897	273,660,986	—	273,660,986
Withdrawals	56,998,095	—	56,998,095	54,517,833	—	54,517,833
Write-off of Uncollectible Unearned Annuities	86,691	—	86,691	—	—	—
Insurance Benefits	—	3,551,947	3,551,947	—	4,319,960	4,319,960
Interest Allocation to Supplemental Death Benefits Fund	250,456	—	250,456	233,155	—	233,155
Administrative and Building Operations Expenses	9,831,601	—	9,831,601	8,379,382	—	8,379,382
Total Deductions	376,522,740	3,551,947	380,074,687	336,791,356	4,319,960	341,111,316
Net Increase (Decrease) in Net Assets	1,969,770,344	817,114	1,970,587,458	291,254,650	(383,605)	290,871,045
Net Assets Held in Trust for Benefits:						
Beginning of Year	8,901,899,491	3,253,082	8,905,152,573	8,610,644,841	3,636,687	8,614,281,528
End of Year	\$ 10,871,669,835	\$ 4,070,196	\$ 10,875,740,031	\$ 8,901,899,491	\$ 3,253,082	\$ 8,905,152,573

See accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

A: PLAN DESCRIPTION

The Board of Trustees of the Texas County & District Retirement System (TCDRS or system) is responsible for the administration of a statewide, agent multiple-employer, public-employee retirement system consisting of more than 500 nontraditional defined-benefit pension plans. The assets of the plans are commingled for investment purposes, but each plan's assets may be used only for the payment of benefits to the members of that plan. The plans in the system cover substantially all of the full-time employees of participating counties and districts. Membership in TCDRS as of Dec. 31, 2003 and 2002, is summarized in Table 1.

TABLE 1: MEMBERSHIP

	2003	2002
Annuitants	26,420	24,862
Terminated Employees' Accounts:		
Vested	7,979	7,675
Nonvested	22,219	21,519
Total	30,198	29,194
Current Employees' Accounts:		
Vested	39,352	38,320
Nonvested	63,660	63,095
Total	103,012	101,415
Number of Plans:		
Counties	252	252
Districts	283	265
Nonenrolling Plans	4	4
Nondepositing Plans	14	14
Total	553	535

Plan provisions are adopted by the governing body of each county or district (employers), within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Each plan provides retirement, death, disability and withdrawal benefits. There are no automatic postretirement benefit increases available in the TCDRS Act; however, employers may adopt ad hoc postretirement benefit increases. As of Dec. 31, 2003, members in most counties and districts can retire as early as age 60 with at least 8 years of service; with 30 years of service regardless of age; or when the sum of their age and years of service equals 75 or more. A 20-years-of-service retirement option at any age is available to electing employers. Most members are vested after 8

years of service but their deposits must remain in TCDRS to be eligible for retirement benefits. Generally, members who withdraw their deposits upon termination of employment forfeit contributions made by their employer. The service retirees of any employer electing the lump-sum payment option may choose to receive at retirement a lump-sum payment up to the amount of the employee's accumulated deposits with interest (personal account balance), with a corresponding reduction in his or her monthly retirement benefit.

Benefit amounts are determined by the sum of the employee's personal account balance and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the expected benefits can be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's personal account balance and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of TCDRS are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. Investment purchases and sales are recorded as of their trade dates. Investments are reported at fair value. Revenues are recorded when earned and expenses are recorded when liabilities are incurred. Employee deposits and employer contributions are recognized for the period the employer reports compensation for their employees. Benefit allowances and withdrawals are recognized when due and payable in accordance with the plans' terms.

In accordance with the TCDRS Act and in order to help ensure observance of limitations and restrictions on the use of resources available to TCDRS, separate funds and accounts are maintained, which are focused on the required use of the resources.

The Pension Trust Fund is used to provide retirement, death, disability and withdrawal benefits and to pay the operating expenses of the system. The Supplemental Death Benefits Fund (SDBF) is used to operate a voluntary program of group-term life insurance benefits. Both

funds are accounted for as fiduciary funds. TCDRS has no component units and is not a component unit of any other entity.

New Accounting Pronouncements

In March 2003, the Governmental Accounting Standards Board (GASB) issued Statement No. 40: *Deposit and Investment Risk Disclosures*, which revised the necessary disclosures that address risks related to deposits and investments and amended Statement No. 3: *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*. Statement No. 40 adds additional required disclosures about credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Additional disclosures are required regarding deposit and investment policies related to disclosed risks, and for investments with fair values that are highly sensitive to interest rate changes. The requirements of Statement No. 40 are effective for financial statements for periods beginning after June 15, 2004. Early adoption is encouraged by the GASB. TCDRS has elected to retroactively adopt Statement No. 40 effective as of Jan. 1, 2002.

Reclassifications

Certain amounts from the 2002 financial statements have been reclassified to conform to the 2003 presentation.

C: FUNDING POLICY

The deposit rate for all employees of an employer is 4%, 5%, 6% or 7% as adopted by its governing body. The employee deposit rate and the employer contribution rate may be changed by the employer's governing body within the options available in the TCDRS Act. Since Jan. 1, 1992, employers have had the option to adopt a variable-rate plan, for which the employer contribution rate is actuarially determined as a part of an annual actuarial valuation. The rate consists of a normal-cost contribution rate plus the rate required, as a level percent of payroll, to amortize the unfunded actuarial accrued liability over the plan's 20-year amortization period or to amortize the overfunded actuarial accrued liability over the plan's 30-year amortization period. An employer with a variable-rate plan may adopt a contribution rate that exceeds the actuarially determined rate. All employers with participation dates of Jan. 1, 1992, or later have a variable-rate plan.

If the employer began participation before Jan. 1, 1992, and has not adopted a variable-rate plan, the plan is a fixed-rate plan. Employee deposit rates are determined by the employer as 4%, 5%, 6% or 7%, with an equal employer contribution rate. This rate is not actuarially determined; however, the plan benefits adopted by the employer at the time of plan inception and when benefit increases are adopted are limited by the TCDRS Act to the level of benefits, determined by the actuary, which can be adequately financed by the employer's funding commitment. In addition, if a fixed-rate plan has adverse actuarial experience, the TCDRS Act has provisions that allow the employer to make contributions above the regular contributions at a fixed supplemental rate or to reduce benefits earned in the future, determined actuarially, so the plan will be adequately financed. If the employer takes no corrective action, the TCDRS Act requires that benefits earned in the future be reduced so the plan will be adequately financed.

Deposits by the employee members and contributions by the employers are made monthly based on the covered payroll of employee members. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

D: CONTRIBUTIONS AND DEPOSITS

Contributions and deposits shown in the financial statements were made in accordance with the provisions adopted by the governing body of each employer. The costs of administering TCDRS are paid from investment earnings of the commingled assets of all plans.

E: DESCRIPTION OF FUNDS AND ACCOUNTS

The TCDRS Act requires that all assets of the retirement system be credited to one of the following funds and accounts, according to the purpose for which they are held:

Employees Saving Fund

The Employees Saving Fund (ESF) contains an account for each member employee. Each account is increased as a member makes deposits and as interest is allocated. The total becomes the personal account balance. The account is reduced for payments due to withdrawal, death or ineligibility, and by transfer of a personal account balance to the Current Service

NOTES TO THE FINANCIAL STATEMENTS

Annuity Reserve Fund due to retirement. See the schedule of Changes in Employees Saving Fund beginning on page 45.

Subdivision Accumulation Fund

The Subdivision Accumulation Fund (SAF) contains an account for each participating employer to fund retirement benefits. An account is increased as an employer makes contributions and as interest is allocated. Whenever an employee retires, an amount equal to the employee's personal account balance is transferred to the Current Service Annuity Reserve Fund for the purpose of funding the employee's basic annuity. If the employer provides retirement benefits in excess of the basic annuity, then the account is also reduced monthly by the amount of the additional benefit payments. See the schedule of Changes in Subdivision Accumulation Fund starting on page 59.

Current Service Annuity Reserve Fund

The Current Service Annuity Reserve Fund (CSARF) maintains all funds reserved for basic annuities granted and in force, and is charged with all payments on such annuities.

Endowment Fund

The Endowment Fund contains accounts that hold the general reserves of the system, inactive accounts from the ESF, reserves to transfer to the Expense Fund for subsequent year operating expenses, and for annuities suspended in accordance with the TCDRS Act. Refer to the schedule of Changes in Endowment Fund on page 40.

Interest Fund

The Interest Fund accounts for investment income and expenses, plus annual allocations to other funds. All investment income is credited to the fund. The fund is reduced by investment expenses and by the statutory allocation of interest to the ESF, CSARF and SDBF. In addition, the TCDRS Board of Trustees makes an allocation to the SAF. If any excess exists after all allocations are made, the remainder is transferred to the Endowment Fund. If the SAF allocation cannot be funded entirely from net investment income, the board may authorize additional funds, if available, to be transferred from the Endowment Fund to the Interest Fund. Refer to the Changes in Interest Fund schedule on page 41 for additional information.

In accordance with the TCDRS Act, changes in fair value of passively-managed, domestic fixed-income portfolios are not available for allocation and are retained within the Interest Fund. During 2003, in conjunction with the system reaching its investment asset allocation targets, the board approved a change from a passive to an active strategy in the management of all fixed-income investments. Accordingly, this balance was transferred to the Endowment Fund.

Expense Fund

TCDRS pays administrative and investment operating expenses from this fund.

F: CAPITAL ASSETS

Capital assets are reported at historical cost and are depreciated on a straight-line basis over the estimated useful lives as follows:

Building and Improvements . . .	20–40 years
Furniture and Components	10 years
Tenant Improvements	2–12 years
Office Equipment	5 years
Computer Software	3 years

G: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds on deposit with a financial institution in interest-bearing demand deposit accounts and funds invested on an overnight basis in the JPMorgan U.S. Government Money Market Fund, an open-end institutional money market fund. Cash held in demand deposit accounts and the money market fund are monies available for operational expenses and funds awaiting transfer to investment management.

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. A discussion of custodial credit risk pertaining to cash and cash equivalents can be found in Note K on page 33.

H: INVESTMENT INTEREST AND DIVIDENDS RECEIVABLE

At Dec. 31, 2003, investment interest and dividends receivable are \$68,234,197, which includes \$64,913,776 representing interest receivable and \$3,320,421 representing dividends receivable from the system's investments. The system also has interest receivable from invested securities-lending collateral of \$2,137,040.

At Dec. 31, 2002, investment interest and dividends receivable were \$61,066,488, which included \$57,761,508 representing interest receivable and \$3,304,980 representing dividends receivable from the system's investments. The system also had interest receivable from invested securities-lending collateral of \$3,435,807.

I: INVESTMENTS

Investment decisions of the TCDRS Board of Trustees are subject to the "prudent person" standard of care, as outlined in Section 67, Article XVI of the Texas Constitution. Investment authorization is restricted by the investment policy adopted by the board that emphasizes the importance of a long-term investment philosophy with minimization of risk while targeting a long-term investment return of 8%. With the long-term philosophy in mind, in late 1996 the TCDRS Board of Trustees determined that a diversified portfolio would offer the best opportunity to produce the desired 8% investment return. Accordingly, TCDRS investments now include core fixed-income securities, domestic equity securities, international equity securities, domestic high-yield, fixed-income securities (high-yield bonds) and real estate investment trust equity securities (REITs).

Core Fixed Income

The board has divided the core fixed-income securities into two portfolios, one managed by the investment officer that contains government and mortgage-related securities, the other managed externally that contains instruments of higher credit risk, such as corporate bonds (credit portfolio). The target allocations for each type of investment within the core fixed-income asset class are 40% for governments and 30% each for mortgage and credit portfolio instruments.

- Government instruments include those issued by the U.S. Treasury as well as fixed-income instruments, other than mortgage-backed securities, of an agency or instrumentality of the United States government.
- Mortgage-related instruments include collateralized mortgage obligations (CMOs) and real estate mortgage investment conduits (REMICs), whose payment of principal and interest is insured by the full faith and credit of the United States government, or an agency or instrumentality thereof. Also included in this category are GNMA/FHA

project loans, pools and participation certificates.

- The credit portfolio consists of debt securities issued by domestic corporations or U.S. dollar-denominated debt issued by foreign sovereigns, supranationals or corporations. This investment-grade portfolio exhibits a dollar weighted average quality rating of BBB-/Baa3 or better from Moody's Investors Service (Moody's), the Standard & Poor's Corporation (S&P), or Fitch Investor's Services (Fitch). Additionally, the portfolio may contain minimal investments in short-term instruments, non-rated securities, private placement securities, convertible bonds and preferred stock. At Dec. 31, 2003, according to Moody's Investors Service evaluations, this portfolio exhibited an overall quality rating of A. Based upon the market value of the portfolio, 13% are categorized as governments, 6% as Aaa, 13% as Aa, 27% as A, 39% as Baa and 2% as Ba. Management of the credit portfolio is divided among BlackRock Financial Management, Inc. (BlackRock); Loomis, Sayles & Company, L.P. (Loomis); and Prudential Investment Management, Inc. (Prudential), all of whom were retained in the third quarter of 2003.

For periods prior to 2004, the benchmark for performance of the core fixed-income portfolio is the Lehman Brothers Aggregate Index (Lehman Aggregate). The investment policy explicitly states that the core fixed-income portfolio be structured with a duration longer than the benchmark. The duration of the Lehman Aggregate was 4.50 and 3.79 at Dec. 31, 2003 and Dec. 31, 2002, respectively. For periods after 2003, the board has adopted the Citigroup Large Pension Fund Index (Citigroup LPF) as the benchmark for performance measurement of the core fixed-income asset class. Government bonds comprise approximately 40% of this index with the remainder being divided equally between credit portfolio and mortgage-related instruments. For periods after 2003, the investment policy does not explicitly outline an acceptable level of market risk for the core fixed-income portfolio, but the board's adoption of the Citigroup LPF is an implicit adoption of the market risk inherent in this index. At Dec. 31, 2003, the Citigroup LPF Index had an effective duration of 7.36 for all bonds, 9.42 for governments, 3.42 for mortgage-related securities and 8.61 for corporate instruments.

NOTES TO THE FINANCIAL STATEMENTS

TABLE 2: CORE FIXED INCOME — EFFECTIVE DURATION

As of Dec. 31,

Asset Subclass	2003		2002	
	Fair Value	Effective Duration in Years (Unaudited)	Fair Value	Effective Duration in Years (Unaudited)
Governments	\$ 1,432,320,925	8.5	\$ 1,894,258,203	8.9
Mortgage-Related	1,348,771,590	3.2	2,655,501,659	4.0
Credit Portfolio	896,673,105	8.0	—	—
Total/Weighted Average of Effective Duration	\$ 3,677,765,620	6.5	\$ 4,549,759,862	6.1

Source: Wilshire Associates

Table 2 indicates the level of interest rate risk inherent in the core fixed-income portfolio by reporting the effective duration of that portfolio. Portfolios of longer duration are more affected by interest rate changes than are those of shorter duration. Whenever yields within the bond market change, the market value of bonds held in existing portfolios are affected. Increases in bond market yields result in market value losses; decreases result in market value gains. Multiplying the change in market yield by the duration of the portfolio can approximate the size of the gain or loss in market value. For example, if one owned a portfolio of core fixed-income securities that had a duration of 6.5 and if the yields within the bond market were to immediately fall 1%, the market value gain of the portfolio would approximate 6.5%. This change in market value indicates the level of interest rate risk inherent in the portfolio.

In general, mortgage-related securities entitle their holders, as a group, to receive principal and interest payments from the monthly mortgage payments made by borrowers of the underlying mortgages over the lives of those loans. The life of a mortgage that underlies a mortgage-related security can be shortened by several economic events, including borrower refinancing. As interest rates have continued to fall and remain very low by historical standards, growing numbers of borrowers have refinanced their existing loans causing mortgage-related security holders, as a group, to be repaid more quickly than they might have otherwise anticipated. This early repayment is a form of market risk assumed by TCDRS and other owners of mortgage-related securities.

Interest rates have historically been cyclical in

nature. When interest rates begin to rise, the refinancing of existing mortgages begins to fall. If the rates remain high for longer periods of time, fewer homes are refinanced causing mortgage-related security holders, as a group, to be repaid over longer periods of time. This prolonged repayment, known as extension risk, is another form of market risk assumed by TCDRS and other owners of mortgage-related securities.

The core fixed-income category on the Statements of Plan Net Assets (page 24) may, from time to time, contain instruments with variable-rate coupons whose rates may vary directly or inversely with changes in a related interest rate, such as the London Interbank Offered Rate (LIBOR). TCDRS held three mortgage-related instruments, shown in Table 3 on page 31, at Dec. 31, 2002. The variable-rate coupons on each of these instruments are subject to stated ceiling and floor rates and are recalculated monthly. Principal repayments during the first half of 2003 fully retired each of these securities. During 2003, the indices for each of these bonds continued to remain at levels below their 2002 highs; therefore, the lowest coupon shown in 2002 is lower than the lowest coupon for 2003.

At Dec. 31, 2003 and 2002, TCDRS did not have investments in any one organization, other than those investments issued by the U.S. government, which represented greater than 5% of net investments.

High-Yield Bonds

The high-yield bond asset class encompasses the portion of the U.S. corporate bond market that is rated below BBB- by S&P or below Baa3 by Moody's. Accordingly, credit risks associat-

TABLE 3: INVERSE VARIABLE-RATE SECURITIES

As of Dec. 31, 2002

Security	Fair Value	Index ¹	2002 Highest Index Value	2002 Lowest Coupon
FHLMC 1421T	\$ 6,122,186	COFI	3.628	8.79% ²
FHLMC 2349 SG	2,880,483	COFI	3.628	9.022 ³
FNMA 2001-64 SJ	7,760,070	LIBOR	1.87875	8.74666 ⁴

¹ The monthly average cost-of-funds index published by the Federal Home Loan Bank for its 11th district (COFI) or LIBOR.

² Calculated: 10.6% - (COFI x 0.5), with a maximum coupon of 10.6% and a minimum of 6.25%.

³ Calculated: 12.65% - COFI, with a maximum coupon of 12.65% and a minimum of 5.00%.

⁴ Calculated: 10.03333% - (0.666667 x LIBOR), with a maximum coupon of 10.033333% and a minimum of 8.34666%.

ed with these bonds are greater than with core fixed-income bonds, which partially explains why this class has historically traded at yields of 3.5% to 4.5% above comparable U.S. Treasury instruments. At Dec. 31, 2003, according to Moody's Investors Service evaluations, this portfolio exhibited an overall quality rating of B. Based upon the market value of the portfolio, 6% are categorized as Aaa, 4% as Baa, 27% as Ba, 56% as B, 6% rated less than B and 1% not rated. Management of the system's high-yield bonds is divided among three investment managers: W. R. Huff Asset Management Co., LLC (Huff); Oaktree Capital Management, LLC (Oaktree); and Shenkman Capital Management, Inc. (Shenkman), who was retained during the third quarter of 2003.

Equity Holdings

The system's domestic equities and a portion of its international equities are passively managed by State Street Global Advisors (SSgA) in a commingled Wilshire 5000 Index fund and in a commingled Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE) fund. Capital Guardian Trust Company (Cap Guardian) actively manages a second international equity portfolio in a commingled fund. The Cap Guardian portfolio was transferred to a separately managed account in January 2004.

REITs

Management of the system's REITs is divided between two investment managers: Cohen & Steers Capital Management, Inc. (Cohen & Steers), and Wellington Management Company, LLP (Wellington).

Short-Term Investments

The TCDRS Board of Trustees, in the exercise of its discretion to manage the assets of TCDRS, may select one or more commercial banks,

depository trust companies or other entities to serve as custodian or custodians of the system's cash, cash equivalents and short-term investments, and may authorize the custodian to invest the cash so held in such short-term securities as the board determines. TCDRS has authorized its custodian to invest, on an overnight basis, any cash so held in the custodian's Short Term Investment Fund (STIF). The investment objective of the STIF is to provide safety of principal, daily liquidity and competitive returns. The STIF owns high-quality debt instruments (which include commercial paper, repurchase agreements, floating-rate notes, etc.) with average maturities ranging from 15-90 days. No fixed-rate instrument held has a maturity in excess of 13 months and, as a liquidity buffer, a minimum of 10% of all STIF holdings mature overnight. At Dec. 31, 2003, according to Moody's Investors Service evaluations, the STIF exhibited an overall quality rating of Aaa. Based upon the market value of the fund, 80% of instruments are rated P-1 and 20% of the instruments are rated between Aaa and A which produces an average rating of Aa for that portion of the portfolio.

The investment officer manages cash generated from the internally managed core fixed-income portfolio together with new contributions until they are allocated to a portfolio. These funds are invested, on an overnight basis, in the custodian's STIF.

Valuation

As required by GASB Statement No. 25, investments are reported at fair value which is the amount that financial instruments could be exchanged in a current transaction between willing parties. All fair values are determined by external consultants. The domestic equity, international equity, and REIT portfolios, as

NOTES TO THE FINANCIAL STATEMENTS

TABLE 4: INVESTED SECURITIES-LENDING COLLATERAL

As of Dec. 31,

	2003	2002
Investment Type		
Cash and Cash Equivalents	\$ 5,644,496	\$ 6,249,136
Asset-Backed Securities	885,613,409	1,396,737,992
Commercial Paper	72,347,222	300,614,963
Repurchase Agreements	149,496,750	174,200,000
Certificates of Deposit	99,935,984	—
Domestic Corporate Fixed-Income Securities	660,011,529	950,140,918
Total Invested Securities-Lending Collateral	\$ 1,873,049,390	\$ 2,827,943,009

well as the STIF, are valued based on the underlying assets in the funds. Equity securities and high-yield bonds are valued based on the last reported sales price. Core fixed-income bonds are valued either by comparing them to prices of similar investments or by computing the net present value of their future cash flows discounted at a rate commensurate with the risk involved. Security transactions and any resulting gains or losses are accounted for by the specific identification method on a trade-date basis.

Foreign Currency Risk

The asset allocation plan adopted in the investment policy includes a 12% allocation to international equities. The MSCI EAFE index, which contains foreign currency risk, is identified as the benchmark for performance measurement for this asset class within the portfolio. Accordingly, the foreign currency risk inherent within that index has been implicitly adopted as an acceptable financial risk for that asset class.

The investment policy also permits ownership of non-U.S. dollar-denominated instruments if approved prior to purchase by the investment officer. At Dec. 31, 2003, a REIT portfolio contained a single Canadian-dollar denominated equity security whose fair value was \$2,446,275, which included \$545,785 of unrealized appreciation (\$47,882 of which was attributable to currency valuation).

J: SECURITIES LENDING

State statutes and the board's policies permit TCDRS to use its investments to enter into securities-lending transactions — which are loans of securities to broker-dealers and other

entities in exchange for collateral with a simultaneous agreement to return the collateral for the same securities in the future. TCDRS engages Metropolitan West Securities, Inc., a third-party securities-lending agent, to lend the system's core fixed-income bonds for cash collateral of 102% of the market value of the securities loaned. At year's end 2003 and 2002, TCDRS had no credit risk exposure to borrowers because the amounts the system owed to borrowers exceeded the amounts the borrowers owed to TCDRS. Contracts with the lending agent require it to indemnify TCDRS if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities on loan) or fail to pay TCDRS for income distributions by the security issuers while the securities are on loan. Cash collateral is invested in securities in accordance with the system's securities-lending contract. Table 4 lists the categories of cash collateral investments at Dec. 31, 2003 and 2002. Generally, cash collateral investments are made in instruments whose maturity dates or periodic interest rate reset dates coincide with the maturity date of the particular securities loan providing the cash. This matching of investment and loan maturity/reset dates allows the agent to maintain the spread between the loan rate and the cash collateral investment rate over the term of the loan and eliminates any material interest rate exposure to TCDRS over the term of the loan. A portion of cash collateral investments is made from overnight loans in instruments whose interest rates reset daily, which also eliminates any material interest rate exposure to TCDRS. At Dec. 31, 2003 and 2002, the amounts of such overnight loans were \$583,288,026 and \$518,289,284, respectively, with dollar-weighted average days to maturity of 223 and 228, respectively.

Securities may also be accepted as collateral for loans. TCDRS does not have the ability to pledge or sell collateral securities unless the borrower defaults. Collateral, either cash or securities, is initially pledged at 102% of the market value of the securities on loan, and additional collateral is required to be provided by the next business day if its value falls to less than 100% of the market value of the securities on loan.

Additionally, State Street Global Advisors manages domestic and international equity portfolios of TCDRS in commingled funds that participate in securities-lending programs managed by State Street. TCDRS receives a proportionate share of the securities-lending income generated from these activities.

K: CUSTODIAL CREDIT RISK

TCDRS requires that demand deposit accounts be fully collateralized. Funds received by its master custodian are invested on an overnight basis or, if the funds are received late during a business day, they are maintained in a fully collateralized cash trust account.

TCDRS investments, evidenced by securities in physical or book entry form and not on loan, are registered and held in safekeeping for TCDRS by its custodian bank.

L: DEFERRED COMPENSATION

The employees of TCDRS may participate in a deferred-compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all employees of TCDRS, permits the deferral of a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death or certain unforeseeable emergencies. All compensation deferred under the plan is held by a custodian for the exclusive benefit of participants and beneficiaries.

M: RISK MANAGEMENT

TCDRS is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. To mitigate potential losses, TCDRS purchases commercial insurance in the areas of property damage, general and umbrella liability, fiduciary liability, public official and employee benefits errors and omissions, automobile, crime and workers' compensa-

tion. There were no changes in the types of insurance coverage TCDRS maintained in 2003 or 2002. In 2003, the board reduced umbrella liability coverage limits to a level comparable with pension industry norms. In 2002, TCDRS reduced its commercial policy coverage amount due to a decline in the appraised insurable replacement cost of the Barton Oaks IV office building owned and occupied by the system.

N: SUPPLEMENTAL DEATH BENEFITS PROGRAM

This is a voluntary program through which participating employers provide their current eligible employees with group-term life insurance coverage. These employers may also provide limited coverage to their retired employees. Eligible employees are insured for an amount equal to the total compensation received during their most recent 12 consecutive months of employment. Retired employees are insured for \$5,000. In 2003, legislation was enacted to be effective in January 2004, to pay a retiree's beneficiaries \$5,000 from each of the retiree's former employers that offer retiree coverage. Life insurance proceeds are payable only as a lump sum. The premium rate is individually determined for each participating employer annually, and is based on the mortality and service experience of all employees covered by the fund and the demographics specific to the workforce of the employer. The rate is expressed as a percentage of the compensation of members employed by the participating employer.

The SDBF receives all premiums paid by participating employers and pays all benefits due under the program. The SDBF is a separate trust that is accounted for as a fiduciary fund on the accrual basis. The fund's assets are pooled with those of the pension trust fund under provisions of the TCDRS Act and annually receive an allocation of income based on the assets held. This group-term life insurance program is administered by the TCDRS Board of Trustees; the obligations of the program are payable only from the SDBF, and are not an obligation of, or a claim against the TCDRS pension trust fund.

O: RETIREMENT PLAN FOR THE EMPLOYEES OF TCDRS

TCDRS as an employer provides retirement, disability and death benefits for all of its full-time employees through a nontraditional defined-ben-

NOTES TO THE FINANCIAL STATEMENTS

efit pension plan in the statewide Texas County & District Retirement System. The TCDRS Board of Trustees is responsible for the administration of a statewide, agent multiple-employer, public employee retirement system consisting of more than 500 nontraditional defined-benefit pension plans. The financial statements and required supplementary information for TCDRS in the aggregate are presented elsewhere in this report. Subsequent information in this note relates only to TCDRS as an employer.

The plan provisions for TCDRS as an employer (employer) are adopted by its board, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service; with 20 years of service regardless of age; or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but their accumulated deposits and allocated interest must remain in the plan to receive any employer-financed benefit. Members who withdraw their personal account balance in a lump sum prior to retirement are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the employee's personal account balance and employer-financed monetary credits. The level of these monetary credits has been adopted by the TCDRS Board of Trustees within the actuarial constraints imposed by the TCDRS Act so that the expected benefits can be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's personal account balance, and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy

The TCDRS Board of Trustees has elected the variable-rate plan provisions of the TCDRS Act for TCDRS as an employer. The plan is funded monthly from employee deposits and from employer contributions based on the covered payroll of employee members. Under variable-rate plan provisions, the contribution rate of the employer is actuarially determined annually. As allowed by the provisions of the TCDRS Act, the board elected to pay the rate of 9.5% for 2003 and 9.0% for 2002, which was in excess of the calculated rates for those years. The deposit rate payable by employee members is the rate of 7% as adopted by the board. The employee deposit rate and the employer contribution rate may be changed by the board within the options available in the TCDRS Act.

Annual Pension Cost

Table 5 on page 35 presents an overview of actuarial methods and assumptions employed during the last three years to develop costs of benefits for TCDRS employees. Table 6 on page 35 presents annual pension costs for the past three years, while Table 7 on page 35 reflects the funding progress made by TCDRS, as an employer, over the last three years. For the employer's fiscal year ending Dec. 31, 2003, the annual pension cost for the TCDRS plan for its employees was \$434,377 and the actual contributions were \$434,377. The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with GASB Statement No. 27 parameters based on the actuarial valuation as of Dec. 31, 2001, the basis for the contribution rate for calendar year 2003. The Dec. 31, 2003 actuarial valuation is the most recent valuation.

TABLE 5: ACTUARIAL METHODS AND ASSUMPTIONS FOR THE RETIREMENT PLAN FOR THE EMPLOYEES OF TCDRS

Actuarial Valuation Date	12/31/01	12/31/02	12/31/03
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization Period	20.0 years	20.0 years	20.0 years
Asset Valuation Method	Long-term appreciation with adjustment	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions:			
Investment Return ¹	8.0%	8.0%	8.0%
Projected Salary Increases ¹	5.5	5.5	5.5
Inflation	3.5	3.5	3.5
Cost-of-Living Adjustments	0.0	0.0	0.0

¹ Includes inflation at the stated rate.

TABLE 6: TREND INFORMATION FOR THE RETIREMENT PLAN FOR THE EMPLOYEES OF TCDRS

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/01	\$ 331,487	100%	\$ 0
12/31/02	357,641	100	0
12/31/03	434,377	100	0

TABLE 7: FUNDING PROGRESS FOR THE RETIREMENT PLAN FOR THE EMPLOYEES OF TCDRS (UNAUDITED)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/01	\$ 5,598,032	\$ 6,454,601	\$ 856,569	86.7%	\$ 3,683,184	23.3%
12/31/02	6,146,865	7,330,205	1,183,340	83.9	4,122,644	28.7
12/31/03	7,296,349	8,534,553	1,238,204	85.5	4,572,387	27.1

¹ The annual covered payroll is based on employee deposits received by TCDRS for the year ending with the valuation date.

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

The information presented in the required supplementary schedules — Table 8: Funding Progress and Table 9: Employer Contributions — was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation is in Table 10 on page 37.

TABLE 8: FUNDING PROGRESS (UNAUDITED)

(\$ Millions)

Actuarial Valuation Date ¹	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) ² (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ³ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/98	\$ 5,973.5	\$ 6,729.3	\$ 755.8	88.8%	\$ 2,512.8	30.1%
12/31/99	6,620.9	7,386.1	765.2	89.6	2,708.6	28.3
12/31/00	7,314.5	8,089.4	774.9	90.4	2,867.4	27.0
12/31/01 ⁴	8,054.2	9,023.6	969.4	89.3	3,060.8	31.7
12/31/02	8,779.3	9,898.4	1,119.1	88.7	3,284.9	34.1
12/31/03	9,788.9	10,813.5	1,024.6	90.5	3,440.9	29.8

¹ Each county and district participating in TCDRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TCDRS and are not indicative of the status of any one plan. The valuations above reflect the adoption of variable-rate plans and changes in benefits by some employers.

² The entry-age actuarial cost method is used for all plans beginning with the Dec. 31, 2001 valuation and was used for variable-rate plans for all valuations shown. For the 1998 to 2000 valuations, fixed-rate plans that had adverse experience were valued using the entry-age method; all other fixed-rate plans were valued under the unit-credit method. Each valuation above reflects changes in the actuarial cost method for employers that adopted a variable-rate plan for the first time or that had adverse experience.

³ The covered payroll is based on the employee deposits received by TCDRS for the year ending with the valuation date.

⁴ Revised economic and demographic assumptions due to an experience review were first used in this valuation.

See accompanying independent auditor's report.

TABLE 9: EMPLOYER CONTRIBUTIONS (UNAUDITED)

(\$ Millions)

Plan Year Ended Dec. 31	Annual Required Contributions		
	Average Rate	Dollar Amount	Percentage Contributed
1998	7.60%	\$ 190.9	103%
1999	8.77	237.2	105
2000	8.80	252.3	101
2001	8.74	267.5	101
2002	8.81	289.3	101
2003	9.10	313.1	101

See accompanying independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

TABLE 10: ACTUARIAL METHODS AND ASSUMPTIONS (UNAUDITED)

	Variable-Rate Plans	Fixed-Rate Plans
Actuarial Valuation Date	Dec. 31, 2003	Dec. 31, 2003
Actuarial Cost Method	Entry age	Entry age
Amortization Method	Level percent, open	Level percent, open
Amortization Period		
Unfunded Actuarial Accrued Liability	20 years ²	Calculated for each plan
Overfunded Actuarial Accrued Liability	30 years ²	Shown as zero
Nonenrolling plans	Expected future service	Calculated for each plan, not greater than Expected Service
Asset Valuation Method	Long-term appreciation with adjustment	Long-term appreciation with adjustment
Actuarial Assumptions:		
Investment Return ¹	8.0%	8.0%
Projected Salary Increases ¹	5.5 average	5.5 average
Inflation	3.5	3.5
Cost-of-Living Adjustments	0.0	0.0

¹ Includes inflation at the indicated rate.

² The TCDRS Act requires a 30-year amortization period for an overfunded actuarial accrued liability in a variable-rate plan but allows the TCDRS Board of Trustees to establish policy for the amortization period for an unfunded actuarial accrued liability in a variable-rate plan as long as it does not exceed 30 years. The board has adopted a current policy of a 20-year open amortization period for those plans.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CHANGES IN PLAN NET ASSETS BY FUND AND INTERFUND TRANSFERS

Pension Trust Fund

Year Ended Dec. 31, 2003

	Employees Saving Fund	Subdivision Accumulation Fund
ADDITIONS		
Employee Deposits and Employer Contributions	\$ 235,662,740	\$ 315,637,689
Investment Income		
<i>From Investment Activities</i>		
Net Appreciation (Depreciation) in Fair Value of Investments	—	—
Interest and Dividends	—	—
Total Investment Activity Income	—	—
Less Investment Activity Expenses	—	—
Net Income From Investment Activities	—	—
<i>From Securities-Lending Activities</i>		
Securities-Lending Income	—	—
Less Securities-Lending Expenses:		
Borrower Rebates and Management Fees	—	—
Net Income From Securities-Lending Activities	—	—
Total Net Investment Income	—	—
Building Operations and Miscellaneous Income	—	—
Total Additions	235,662,740	315,637,689
DEDUCTIONS		
Benefit Allowances	—	119,326,829
Withdrawals	56,725,688	—
Write-off of Uncollectible Unearned Annuities	—	—
Interest Allocation to Supplemental Death Benefits Fund	—	—
Administrative and Building Operations Expenses	—	—
Total Deductions	56,725,688	119,326,829
TRANSFER OF FUNDS		
Retirement Allowances	(134,485,577)	(135,391,522)
Investment Income and Other	175,735,316	1,337,470,987
Nondistributable Income	—	—
Escheated Accounts	(1,281,730)	—
Net Transfers	39,968,009	1,202,079,465
Net Increase (Decrease) in Plan Net Assets	218,905,061	1,398,390,325
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of Year	2,606,223,707	3,510,897,676
End of Year	\$ 2,825,128,768	\$ 4,909,288,001

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CHANGES IN PLAN NET ASSETS BY FUND AND INTERFUND TRANSFERS, continued

Pension Trust Fund

Year Ended Dec. 31, 2003

Current Service Annuity Reserve Fund	Endowment Fund	Interest Fund	Expense Fund	Totals
\$ —	\$ —	\$ —	\$ —	\$ 551,300,429
—	—	1,458,278,629	—	1,458,278,629
—	—	336,444,829	—	336,444,829
—	—	1,794,723,458	—	1,794,723,458
—	—	8,877,463	—	8,877,463
—	—	1,785,845,995	—	1,785,845,995
—	—	42,293,872	—	42,293,872
—	—	34,974,608	—	34,974,608
—	—	7,319,264	—	7,319,264
—	—	1,793,165,259	—	1,793,165,259
—	—	—	1,827,396	1,827,396
—	—	1,793,165,259	1,827,396	2,346,293,084
190,029,068	—	—	—	309,355,897
—	272,407	—	—	56,998,095
—	86,691	—	—	86,691
—	—	250,456	—	250,456
—	—	—	9,831,601	9,831,601
190,029,068	359,098	250,456	9,831,601	376,522,740
269,877,099	—	—	—	—
131,038,065	140,370,435	(1,792,914,803)	8,300,000	—
—	714,570,353	(714,570,353)	—	—
—	1,281,730	—	—	—
400,915,164	856,222,518	(2,507,485,156)	8,300,000	—
210,886,096	855,863,420	(714,570,353)	295,795	1,969,770,344
1,843,639,134	210,985,882	714,570,353	15,582,739	8,901,899,491
\$ 2,054,525,230	\$ 1,066,849,302	\$ —	\$ 15,878,534	\$ 10,871,669,835

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

CHANGES IN ENDOWMENT FUND

Pension Trust Fund

Year Ended Dec. 31, 2003

	General Reserves Account	Perpetual Endowment Account	Reserve for Expense Fund	Suspended Annuities Account	Total
ADDITIONS					
Nondistributable Income Account Balance —					
Transfer From Interest Fund	\$ 714,570,353	\$ —	\$ —	\$ —	\$ 714,570,353
Excess Over Allocations —					
Transfer From Interest Fund	147,756,548	—	—	—	147,756,548
Expense Allocation —					
Transfer From Interest Fund	—	—	9,000,000	—	9,000,000
Escheated Accounts	—	1,357,076	—	—	1,357,076
Suspended Annuities	—	—	—	518,713	518,713
Total Additions	862,326,901	1,357,076	9,000,000	518,713	873,202,690
DEDUCTIONS					
Transfer to Expense Fund	—	—	8,300,000	—	8,300,000
Partial-Year Interest to ESF	5,083,430	—	—	—	5,083,430
Matching of Retirees Partial-Year Interest to SAF	3,521,396	—	—	—	3,521,396
Refunds of Escheated Accounts	—	272,407	—	—	272,407
Write-off of Uncollectible Unearned Annuities	86,691	—	—	—	86,691
Reinstatements of Escheated Accounts	—	75,346	—	—	75,346
Total Deductions	8,691,517	347,753	8,300,000	—	17,339,270
TRANSFER OF FUNDS					
Transfer Prior Year Write-off	(59,480)	59,480	—	—	—
Total Transfers	(59,480)	59,480	—	—	—
Net Increase in Fund	853,575,904	1,068,803	700,000	518,713	855,863,420
Beginning of Year	198,620,217	3,542,871	8,300,000	522,794	210,985,882
End of Year	\$1,052,196,121	\$ 4,611,674	\$ 9,000,000	\$ 1,041,507	\$1,066,849,302

See accompanying independent auditor's report.

CHANGES IN INTEREST FUND

Pension Trust Fund

Year Ended Dec. 31, 2003

	Distributable Income Account	Nondistributable Income Account	Total
INVESTMENT RESULTS			
Net Appreciation (Depreciation) in Fair Value of Investments	\$ 1,458,278,629	\$ —	\$ 1,458,278,629
Interest and Dividends	336,444,829	—	336,444,829
Net Income From Securities- Lending Activities	7,319,264	—	7,319,264
Investment Activity Expenses	(8,877,463)	—	(8,877,463)
Net Investment Results	1,793,165,259	—	1,793,165,259
STATUTORY ALLOCATIONS			
Allocation of Current Year Interest:			
Employees Saving Fund	170,651,886	—	170,651,886
Current Service Annuity Reserve Fund	131,365,252	—	131,365,252
Supplemental Death Benefits Fund	250,456	—	250,456
Total Statutory Allocations	302,267,594	—	302,267,594
BOARD OF TRUSTEES' ALLOCATIONS			
Allocation to the Subdivision Accumulation Fund	1,334,141,117	—	1,334,141,117
Excess Over Allocations to the Endowment Fund	147,756,548	714,570,353	862,326,901
Expense Allocation to the Endowment Fund	9,000,000	—	9,000,000
Total Board of Trustees' Allocations	1,490,897,665	714,570,353	2,205,468,018
Net (Decrease) in Fund¹	—	(714,570,353)	(714,570,353)
Beginning of Year	—	714,570,353	714,570,353
End of Year	\$ —	\$ —	\$ —

¹ Net (Decrease) in Fund is equal to: Net Investment Results less Total Statutory Allocations and Total Board of Trustees' Allocations. For the year ended Dec. 31, 2003, the total net decrease in fund calculation is: \$1,793,165,259 less (\$302,267,594 + \$2,205,468,018) equals (\$714,570,353).

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

ADMINISTRATIVE REVENUES AND EXPENSES

Year Ended Dec. 31, 2003

	Administrative Operations	Building Operations	Combined Operations
Administrative Revenues:			
Rental Income	\$ —	\$ 1,780,967	\$ 1,780,967 ¹
Other Income	46,429	—	46,429
Total Administrative Revenues	\$ 46,429	\$ 1,780,967	\$ 1,827,396
Administrative Expenses:			
Salaries	\$ 4,077,612	\$ —	\$ 4,077,612
Leave and Associated Payments	278,453	—	278,453
Payroll Taxes	307,115	—	307,115
Pension Contributions	387,431	—	387,431
Employee Insurance and Benefits	422,302	—	422,302
Recruitment and Temporaries	23,762	—	23,762
Professional Fees/Outsourcing Services	994,684	163,053	1,157,737
Banking Fees	45,048	—	45,048
Equipment Service and Repairs	74,440	—	74,440
Office Space	438,673	—	438,673 ¹
Building Operations	—	737,814	737,814
Office Supplies	49,281	—	49,281
Noncapitalized Equipment	14,626	—	14,626
Postage	115,794	—	115,794
Telephone	69,286	—	69,286
Printing	136,283	—	136,283
Records Management	14,037	—	14,037
Reference Materials and Memberships	55,597	—	55,597
Education and Training	94,678	—	94,678
Travel	106,636	—	106,636
Organization and Meeting	127,445	—	127,445
General Insurance	318,148	—	318,148
Depreciation and Amortization	259,870	461,130	721,000
Loss on Disposal of Property and Equipment	15,903	42,500	58,403
Total Administrative Expenses	\$ 8,427,104	\$ 1,404,497	\$ 9,831,601

¹ TCDRS administrative revenues and expenses include \$437,000 in office space rental income and an offsetting amount in rent expense. The net effect of this internal allocation on the net assets held in trust for pension benefits is zero.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

INVESTMENT EXPENSES

Year Ended Dec. 31, 2003

INVESTMENT-ACTIVITY EXPENSES

Department Operating Expenses		
Salaries	\$	582,712
Payroll Taxes		34,791
Pension Contributions		50,832
Employee Insurance and Benefits		33,522
Professional Fees and Services		84,635
Investment Data Systems		89,787
Equipment Service and Repairs		46,318
Office Space		69,000
Office Supplies		15,298
Telephone		14,073
Subscriptions and Memberships		3,020
Education and Training		9,017
Travel		62,832
Depreciation and Amortization		56,317
Total Department Operating Expenses		1,152,154
Nondepartment Managers' Fees:		
Core Fixed Income		
Blackrock Financial Management, Inc.	\$	87,119
Loomis, Sayles & Company, L.P.		80,858
Prudential Investment Management, Inc.		75,826
		243,803
Domestic Equities — Index Funds		
State Street Global Advisors		214,903
		214,903
International Equities — Index Funds		
Capital Guardian Trust Company		514,802
State Street Global Advisors		202,155
		716,957
High-Yield Bonds		
Oaktree Capital Management, LLC		1,777,160
W. R. Huff Asset Management Co., LLC		1,633,067
Shenkman Capital Management, Inc.		246,802
		3,657,029
REITs		
Wellington Management Co.		1,247,129
Cohen & Steers Capital Management, Inc.		1,042,680
		2,289,809
Total Nondepartment Managers' Fees		7,122,501
Total Department Operating Expenses and Managers' Fees		8,274,655
Custodial Fees		
Mellon Trust		417,808
Investment Consultant Fees		
Wilshire Associates, Inc.		185,000
Total Investment-Activity Expenses		\$ 8,877,463
SECURITIES-LENDING EXPENSES		
Borrower Rebates and Management Fees	\$	34,974,608

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

PROFESSIONAL/CONSULTANT FEES AND SERVICES

Year Ended Dec. 31, 2003

Professional/Consultant	Nature of Service	Administrative Operations	Investment Department ¹	Building Operations	Totals
Milliman USA, Inc.	Actuary	\$ 294,543	\$ —	—	\$ 294,543
Vinson & Elkins, L.L.P.	Legal	140,908	39,695	90,953	271,556
RuffCoffinBreedlove	Communications consulting	164,721	—	—	164,721
Holbein Associates, Inc.	Investment performance review	—	42,000	—	42,000
Engineering Diagnostics, Inc.	Building design study	—	—	40,163	40,163
Meta Group	Software consulting	36,206	—	—	36,206
KPMG LLP	Audit	26,975	—	—	26,975
R. A. Dennison, M.D.	Medical board	23,320	—	—	23,320
Catapult Systems Corp.	Software consulting	21,070	—	—	21,070
Ace Alsup, M.D.	Medical board	19,610	—	—	19,610
John P. Vineyard Jr., M.D.	Medical board	19,610	—	—	19,610
Sivart Resources, Inc.	State legislative consultant	18,000	—	—	18,000
Cecil Parker	Human resources consulting	11,063	—	—	11,063
Craig Hudgins	Legislation consulting	10,000	—	—	10,000
Carolyn Oliver Communications	Strategic planning consulting	9,959	—	—	9,959
Gray & Company, LLC	Risk management consulting	6,402	—	—	6,402
The Shaunessy Law Firm	Legal	5,980	—	—	5,980
William M. Mercer, Inc.	Salary survey	2,704	—	—	2,704
Total Professional/Consultant Fees and Services		\$ 811,071	\$ 81,695	\$ 131,116	\$ 1,023,882

¹ Pursuant to GFOA guidelines, investment advisor expenses are shown only on the investment expenses schedule on the preceding page.

The members of the TCDRS Board of Trustees serve without compensation and are reimbursed for actual out-of-pocket travel expenses incurred.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued on subsequent pages

No.	Employer Name	Balances Jan. 1, 2003 \$	Additions			Deductions			Balances Dec. 31, 2003 \$
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
638	Acton MUD	130,023	27,041	595	8,000	9,885	6,923	330	148,520
615	Alamo Area COG	1,035,889	219,530	1,369	67,908	33,791	39,113	1,542	1,250,251
100	Anderson County	4,404,666	440,525	15,154	274,777	439,191	76,820	1,291	4,617,821
691	Anderson Co. CAD	0	24,279						24,279
101	Andrews County	8,122,986	332,166	24,058	508,324	718,242	171,601	7,866	8,089,825
102	Angelina County	6,740,551	652,004	20,631	428,475	370,972	311,897	248	7,158,545
502	Angelina Co. AD	659,315	31,802	46,152					737,269
684	Angelina/Nacogdoches Co. WCID #1	2,338	4,614	164					7,116
576	Angleton DD	298,235	25,900	20,876					345,012
614	Aquilla WSD—Hill Co.	81,640	10,535	5,715					97,890
103	Aranas County	2,253,613	256,270	7,875	142,653	108,549	130,699		2,421,163
459	Aranas Co. AD	347,840	15,699	950	20,049	56,196	7,132		321,210
668	Aranas Co. ND #1	18,706	10,184	157	782		5,249		24,579
104	Archer County	1,079,904	83,200	6,751	64,271	150,536	20,198		1,063,392
503	Archer Co. AD	135,106	4,566	58	9,225		3,378		145,575
105	Armstrong County	267,573	35,855	1,871	15,713	10,258	37,029		273,725
106	Atascosa County	3,725,300	340,205	3,368	252,773	69,857	73,664		4,178,125
551	Atascosa Co. AD	163,395	19,652	313	10,584		14,724		179,221
107	Austin County	4,241,587	254,356	2,074	288,997	33,764	81,205	5,747	4,666,297
461	Austin Co. AD	253,069	27,630	125	17,564			2,276	296,112
597	Bacliff MUD	132,656	13,065		9,286				155,007
108	Bailey County	761,553	70,138	1,970	49,692		57,814		825,539
109	Bandera County	1,524,535	208,147	2,142	101,320	31,557	67,273	2,185	1,735,130
110	Bastrop County	6,147,708	830,636	16,917	396,043	309,461	309,313	(3,037)	6,775,568
111	Baylor County	687,526	57,879	682	46,252	21,687	22,867		747,785
685	Baylor Co. AD	2,414	4,971	169					7,554
613	Bayview ID #11	64,337	6,927	4,504					75,768
690	Bayview MUD	1,057	5,308	74					6,438
112	Bee County	2,856,782	331,875	2,685	194,540	21,736	69,280	3,176	3,291,690
113	Bell County	21,071,172	2,078,138	38,986	1,370,762	1,176,598	416,174	5,194	22,961,092
506	Bell Co. AD	1,588,792	91,622	2,082	95,722	222,279	3,065		1,552,874
418	Bell Co. WCID #1	578,314	61,143	2,868	31,344	128,329	9,064		536,277
708	Benbrook Water and Sewer Auth.	0	27,160						27,160
472	Bexar AD	7,503,669	472,413	7,040	497,346	324,332	94,107	587	8,061,440
114	Bexar County	130,598,193	10,782,302	285,842	8,553,692	7,221,868	2,218,116	33,441	140,746,604
544	Bexar Co. WCID #10	121,367	11,608		8,496				141,471
616	Bistone MWSD—Limestone Co.	147,263	16,796	10,308					174,367
115	Blanco County	765,538	100,865	2,027	48,691	36,748	40,104		840,269
116	Borden County	533,135	31,304	491	31,630	81,092	1,438		514,030
525	Borden Co. AD	739	784	52					1,575

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial-Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheatments	
117	Bosque County	926,648	98,783	1,072	62,883	9,107	24,073	333	1,055,873
521	Bosque Co. CAD	178,562	13,499		12,499				204,560
118	Bowie County	7,336,694	509,779	17,637	469,411	456,676	205,589	1,502	7,669,752
119	Brazoria County	31,579,795	2,718,288	56,298	2,077,010	1,384,366	759,427	19,822	34,267,775
508	Brazoria Co. AD	1,200,942	90,989	9,896	71,469	180,426	12,522		1,180,348
413	Brazoria Co. CRD #3	903,769	63,590		63,264				1,030,624
424	Brazoria Co. DD #4	748,697	93,159	1,395	39,534	199,493	13,612		669,680
681	Brazoria Co. DD #5	4,617	6,575	27	259		1,288		10,190
120	Brazos County	16,047,480	1,489,796	32,348	1,055,396	777,893	481,169	10,694	17,355,263
689	Brazos Co. AD	12,946	64,927		906				78,779
600	Brazos Co. ECD	608,998	69,310	3,181	37,484	68,481	13,361		637,131
121	Brewster County	1,034,910	104,641	5,320	58,051	202,886	12,178		987,859
581	Brewster Co. AD	43,763	6,299		3,063				53,126
122	Briscoe County	247,018	25,289	38	17,139			2,220	287,263
123	Brooks County	1,366,597	162,835	1,016	93,917	15,758	11,117	951	1,596,538
554	Brookshire-Katy DD	110,094	7,118		7,707				124,919
522	Brookshire MWD	238,692	18,624	46	16,572			2,001	271,933
124	Brown County	1,889,107	197,870	2,188	128,095	45,850	21,844		2,149,566
702	Brownville ID	0	15,772						15,772
642	Brushy Creek MUD—Williamson Co.	82,578	37,056	241	4,796		2,843	1,806	120,022
125	Burlison County	1,531,822	158,226	1,158	104,936	14,263	29,391	358	1,752,129
126	Burnet County	3,385,040	395,912	7,472	217,090	277,018	137,644	1,606	3,589,246
609	Burnet Co. AD	368,557	39,698	283	24,949	12,430			421,057
127	Caldwell County	1,756,043	209,206	4,303	116,137	51,666	62,784	193	1,971,046
128	Callahan County	3,891,263	376,531	8,335	259,273	100,253	113,082		4,322,068
129	Callahan County	857,275	71,049	1,476	57,736	25,266	6,753	3,854	951,663
542	Callahan Co. AD	144,304	8,491		10,101				162,896
130	Cameron County	25,463,995	2,842,605	54,219	1,649,922	1,439,370	898,823	6,703	27,665,845
618	Cameron Co. AD	1,556,247	94,916	2,350	105,199	32,279	26,875		1,699,560
692	Cameron Co. DD #1	0	15,229						15,229
664	Cameron Co. DD #3	45,420	22,869		3,179				71,469
686	Cameron Co. DD #5	2,776	5,649		194				8,619
462	Cameron Co. ID #2	722,503	44,339	2,834	40,978	92,394	50,544		667,715
590	Cameron Co. ID #6	102,679	15,752		7,188				125,619
670	Camp CAD	14,647	11,245	25	924		1,794		25,048
131	Camp County	837,011	84,923	656	56,919		26,611	1,007	951,891
132	Carson County	942,825	90,546	329	64,776		20,304		1,078,172
133	Cass County	3,222,707	299,487	8,469	212,187	150,659	59,936	780	3,531,474
610	Cass Co. AD	180,307	20,862		12,622				213,791
134	Castro County	1,227,957	95,658	240	82,306	49,282	13,212		1,343,666

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
635	CAD of Johnson Co.	408,949	77,964	710	27,323			20,449	494,498
602	CAD of Taylor Co.	754,821	75,772		52,838				883,431
648	Cent. WCID—Angelina Co.	22,939	6,247	118	1,134		7,235		23,204
135	Chambers County	8,361,740	721,963	30,204	537,934		716,424	233,251	8,702,166
531	Chambers Co. AD	358,996	32,982	4,500	16,034		138,427		274,085
548	Chambers Co. Public HD	316,106	52,309	451	21,472			12,160	378,150
136	Cherokee County	4,534,392	384,342	9,738	291,543		437,580	57,482	4,724,951
137	Childress County	218,134	52,802	448	11,395			25,670	257,108
511	Childress Co. AD	9,046	2,791		633				12,471
582	Childress Co. HD	2,014,637	346,313	5,663	117,532		244,200	107,305	2,132,640
465	Cisco HD	18,929			1,325				20,254
138	Clay County	1,929,815	117,522	1,655	132,578		26,213	14,690	2,140,667
485	Clay Co. AD	169,059	10,568	118	11,706				191,450
703	Coastal Bend GCD	0	1,764						1,764
139	Cochran County	1,211,676	83,736	2,511	81,240		43,505	11,576	1,324,082
477	Cochran Co. AD	48,438	5,736		3,391				57,565
140	Coke County	828,593	49,699	479	56,802		6,010	11,862	917,701
141	Coleman County	1,096,341	71,448	230	76,437			6,480	1,237,976
142	Collin County	32,007,144	4,156,341	54,124	2,109,801		1,410,052	858,407	36,047,557
457	Collin Co. CAD	2,789,971	197,324	5,405	179,057		205,465	32,489	2,927,927
143	Collingsworth County	184,364	36,198	719	10,955			31,104	201,132
144	Colorado County	1,926,729	226,976	2,816	130,423		104,757	23,861	2,157,934
623	Comal AD	309,522	44,353		21,618			700	374,792
145	Comal County	7,107,465	1,091,253	11,312	472,805		185,667	213,393	8,283,684
146	Comanche County	1,269,691	141,405	1,574	84,460		9,303	63,317	1,424,440
147	Concho County	389,656	53,028	119	26,647			11,469	457,981
636	Concho Co. HD	189,824	29,894	612	12,449		5,245	9,953	217,214
148	Cooke County	3,569,975	343,992	3,859	237,877		114,377	130,405	3,910,408
487	Cooke Co. AD	334,634	29,623	412	22,722		6,635	3,976	376,779
149	Coryell County	3,132,419	309,263	3,959	208,955		84,964	77,729	3,491,806
150	Cottle County	226,929	24,183	12	15,857		25,376	127	241,195
151	Crane County	2,647,164	202,736	21,923	152,846		358,427	152,454	2,513,789
152	Crockett County	3,049,465	260,173	6,449	204,304		53,782	105,222	3,361,386
409	Crockett Co. WCID #1	419,942	19,889	2,805	18,177		163,732		297,080
153	Crosby County	1,028,726	72,660	1,938	66,730		76,739	2,367	1,090,948
532	Crosby Co. AD	13,609	5,167		953				19,729
603	Crosby MUD	94,484	20,743	660	5,056		13,643	15,693	91,606
154	Culberson County	859,800	75,171	130	59,280			13,823	980,558
478	Culberson Co. Hosp.	60,668			4,247				64,915
550	Culberson HD	287,695	26,724	1,669	17,318			42,765	289,318

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Net Escheat- ments	Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals			
155	Dallam County	1,131,016	75,000	2,299	73,685	61,608	22,693	1,197,700		
467	Dallas CAD	11,524,157	798,232	10,909	784,028	179,662	172,061	12,765,556		
156	Dallas County	210,652,323	15,549,586	439,128	13,770,393	11,437,302	3,970,350	224,869,750		
430	Dallas Co. Park Cities MUD	719,215	65,139	147	50,051			834,551		
687	Dallas Co. WCID #6	23,550	51,794	66	1,538		2,806	74,143		
157	Dawson County	2,359,068	187,088	7,326	145,843	224,464	68,281	2,406,580		
463	Dawson Co. CAD	210,960	9,806	54	14,674		1,975	233,519		
158	Deaf Smith County	2,854,245	214,898	8,053	185,927	65,894	164,741	3,036,890		
578	Deaf Smith Co. HD	1,315,485	230,741	4,704	81,097	8,189	172,140	1,451,662		
159	Delta County	386,118	53,370	181	26,210	28,746	15,140	421,993		
583	Denco Area 911 Dist.—Denton Co.	294,220	40,498		20,595			355,314		
482	Denton CAD	1,548,877	165,778	3,056	99,562	124,788	11,246	1,681,239		
160	Denton County	25,591,837	3,837,949	33,419	1,706,760	803,740	828,427	29,513,894		
161	Dewitt County	1,888,401	165,315	8,796	119,694	172,109	25,307	1,984,637		
466	DeWitt Co. AD	259,189	12,340		18,143			289,673		
162	Dickens County	438,190	44,422	44	30,297	5,132	1,455	506,366		
163	Dimmit County	511,805	83,874	1,617	32,265	14,685	45,028	569,794		
164	Donley County	318,469	40,223	432	21,365	7,310	9,190	363,988		
165	Duval County	1,359,336	142,438	2,859	88,366	43,376	67,938	1,481,130		
166	Eastland County	1,445,167	155,962	3,092	94,212	40,425	67,358	1,586,067		
593	Eastland Co. AD	148,114	10,832		10,368			169,314		
167	Ector County	23,610,107	1,166,768	68,354	1,490,811	2,587,776	271,155	23,472,033		
580	Ector Co. HD	32,910,837	3,895,596	57,650	2,150,172	1,363,825	959,812	36,659,695		
448	Edwards Aquifer Auth.—Bexar Co.	1,220,528	82,120	79	85,199		3,478	1,384,448		
628	Edwards CAD	8,822	1,269		618			10,708		
168	Edwards County	185,779	29,756	96	12,773		4,250	224,154		
170	El Paso County	57,094,449	6,845,581	94,999	3,780,066	2,508,823	1,052,650	64,217,148		
567	El Paso Co. 911 Dist.	315,754	21,693		22,103			359,550		
541	El Paso Co. HD	28,294,216	3,109,865	37,851	1,893,663	868,860	518,429	31,901,691		
169	Ellis County	6,452,725	923,261	10,489	427,603	347,239	173,730	7,290,865		
624	ECD of Ector Co.	111,323	10,474		7,793			129,589		
171	Erath County	2,811,614	308,432	2,297	188,849	83,265	34,537	3,190,781		
172	Falls County	1,908,848	170,473	4,654	118,822	79,564	144,413	1,977,914		
563	Falls Co. AD	65,415	8,146	597	3,385		18,344	59,199		
173	Fannin County	2,093,597	230,204	1,416	142,902	64,262	58,431	2,345,181		
644	Fannin Co. AD	35,900	9,881	37	2,451		2,460	45,809		
174	Fayette County	5,442,097	370,611	4,717	370,422	61,820	102,688	6,022,459		
175	Fisher County	589,560	51,753	785	37,419	15,901	42,315	621,302		
432	Fisher Co. HD	625,330	70,640	1,322	40,708	37,683	9,587	690,731		
176	Floyd County	1,133,017	91,077	2,472	73,169	54,295	39,620	1,205,821		

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
474	Fort Bend CAD	1,873,827	118,460	2,128	119,274	155,192	19,377	1,939,119	
178	Fort Bend County	45,969,334	4,325,961	40,037	3,130,807	853,880	777,412	51,822,557	
179	Franklin County	1,006,550	104,355	4,271	57,948	156,521	30,257	986,347	
180	Freestone County	2,502,035	226,512	5,182	159,389	243,568	26,124	2,623,334	
693	Freestone Co. AD	0	16,288					16,288	
181	Frio County	1,398,880	152,718	2,909	89,890	85,022	36,576	1,522,799	
509	Frio Co. AD	280,302	16,670		19,621			316,592	
182	Gaines County	4,001,728	263,739	10,715	256,860	121,497	229,547	4,181,997	
546	Galveston CAD	1,550,461	118,747	86	107,735		11,474	1,765,555	
183	Galveston County	32,810,742	2,610,842	49,164	2,171,434	1,266,083	686,609	35,661,259	
547	Galveston Co. Consol. DD	326,102	35,021		22,827		2,498	381,453	
464	Galveston Co. DD #1	69,209	20,213	153	4,582		5,076	89,081	
433	Galveston Co. DD #2	464,234	21,927		32,496			518,657	
589	Galveston Co. ECD	126,905	20,439		8,883			156,227	
407	Galveston Co. WCID #1	1,128,093	109,173	7,257	67,903	165,351	3,489	1,143,586	
473	Garza CAD	50,698	5,244		3,549			59,490	
184	Garza County	1,119,549	101,917	1,015	76,878		24,411	1,274,947	
185	Gillespie County	2,567,002	201,720	3,314	172,830	107,530	11,049	2,826,286	
186	Glasscock County	840,935	45,732	929	56,108	18,621	23,543	901,539	
187	Goliad County	1,576,270	130,323	1,525	100,900	125,130	51,879	1,631,911	
188	Gonzales County	1,557,067	171,534	1,653	104,093	16,768	76,444	1,740,550	
498	Gonzales Co. AD	160,014	17,527	41	11,119		1,937	186,765	
189	Gray County	2,602,811	247,430	6,422	163,061	227,760	65,021	2,726,943	
518	Gray Co. AD	281,596	20,274		19,712		743	320,838	
190	Grayson County	9,854,678	980,686	21,503	633,710	595,769	259,504	10,631,108	
475	Grayson Co. AD	844,432	63,158	796	58,118	11,088	7,637	947,780	
528	Greater Harris Co. 911 Emerg. Net.	616,416	113,920	476	40,738	31,707	6,003	733,841	
429	Greenbelt MIWA—Donley Co.	372,075	25,115		26,045			423,236	
191	Gregg County	13,947,465	1,065,800	35,472	895,981	1,010,231	295,879	14,622,653	
192	Grimes County	1,982,010	243,357	3,869	126,273	132,738	66,037	2,156,733	
483	Grimes Co. AD	333,179	19,369		23,323			375,870	
193	Guadalupe County	5,577,456	880,132	10,890	364,431	169,626	250,101	6,412,233	
587	Guadalupe Co. AD	218,574	24,990		15,300			258,864	
526	Gulf Coast WA—Galveston Co.	2,244,006	136,981	1,788	151,642		81,954	2,452,463	
194	Hale County	3,909,640	342,108	6,149	256,388	215,619	50,060	4,248,482	
195	Hall County	610,020	56,263	2,822	38,865	36,745	23,649	647,577	
196	Hamilton County	635,983	73,842	2,287	37,442	72,714	36,223	640,386	
197	Hansford County	1,477,655	68,924	1,644	97,992	142,767	8,959	1,494,489	
585	Hansford Co. HD	990,357	155,777	2,084	65,470	23,529	49,791	1,134,747	
198	Hardeman County	949,137	83,026	3,141	60,636	71,361	19,116	1,005,463	

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
199	Hardin County	4,452,581	459,653	7,009	295,500	203,939	118,838	944	4,891,021
527	Hardin Co. AD	270,737	25,547		18,952				315,236
571	Harlingen ID Cameron Co. #1	531,376	50,507	1,735	34,456	42,285			575,789
200	Harris County	539,664,665	39,942,654	980,875	35,306,029	30,282,416	7,407,543	271,253	577,933,012
598	Harris Co. AD	22,308,273	1,440,202	35,514	1,491,067	888,579	167,002	13,383	24,206,092
569	Harris Co. WCID #1	321,149	26,527	380	21,337		18,427		350,966
625	Harris Co. WCID #50	94,825	12,324	203	6,369		5,339		108,382
201	Harrison County	6,516,069	543,140	11,427	431,157	164,163	234,388	1,699	7,101,544
202	Hartley County	513,192	46,214	1,878	28,471	98,495	12,142		479,118
520	Hartley Co. AD	49,188	4,111		3,443				56,742
203	Haskell County	931,048	80,399	691	62,748	35,335	1,214		1,038,337
552	Haskell Mem. HD	605,273	64,258	2,369	37,936	41,465	27,642		640,730
204	Hays County	12,853,671	1,586,348	11,348	872,331	165,778	340,446	(12,088)	14,829,562
205	Hemphill County	1,974,838	106,285	996	134,247	66,422	26,715		2,123,229
640	Hemphill Co. AD	28,079	9,972	267	1,324		10,382		29,259
529	Hemphill Co. HD	1,031,889	100,765	2,696	66,551	67,274	21,625		1,113,003
206	Henderson County	5,680,707	612,761	14,491	374,142	250,257	155,519		6,276,325
704	Henderson Co. AD	0	22,209						22,209
414	Hidalgo & Cameron Counties ID #9	1,209,586	56,328	2,327	77,045	104,820	74,132		1,166,334
207	Hidalgo County	32,750,301	4,349,472	69,674	2,114,827	1,777,460	1,159,052	16,054	36,331,708
516	Hidalgo Co. AD	2,065,756	155,159	5,947	136,894	70,799	48,958		2,243,999
401	Hidalgo Co. DD #1	874,486	142,714	462	60,521	32,798	10,966	1,650	1,032,770
438	Hidalgo Co. ID #2	1,070,538	64,098	35	74,884		1,346		1,208,209
486	Hidalgo Co. ID #6	415,549	36,448	717	27,671		22,082		458,303
674	High Plains Underground WCID #1	33,231	33,552	22	2,238		1,622		67,421
208	Hill County	2,945,181	268,770	20,428	172,238	422,996	96,954	318	2,886,348
209	Hockley County	3,365,951	202,569	2,027	228,655	89,559	18,738		3,690,905
643	Homestead MUD—El Paso Co.	38,521	10,482	30	2,625		302		50,608
210	Hood County	2,857,510	399,947	7,146	183,388	169,610	87,218		3,191,163
211	Hopkins County	2,811,975	344,688	5,287	183,034	144,510	70,993	610	3,128,871
661	Hopkins Co. AD	36,937	14,850	238	2,178		8,266		45,937
212	Houston County	1,263,439	159,843	2,893	79,159	91,023	55,070	122	1,359,119
694	Houston Co. AD	0	14,339						14,339
213	Howard County	3,767,881	305,759	18,166	218,348	552,701	101,325		3,656,128
214	Hudspeth County	713,596	75,075	3,332	41,498	91,173	32,358	4,071	705,900
215	Hunt County	5,671,714	620,651	19,842	359,839	434,716	193,491		6,043,838
216	Hutchinson County	4,632,924	291,701	6,147	294,427	611,904	44,746		4,568,548
217	Irion County	665,127	43,401	1,843	42,701	42,030	16,583		694,459
218	Jack County	1,327,120	121,580	2,643	87,581	36,497	39,585		1,462,843
592	Jack Co. AD	82,138	7,913		5,750				95,800

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
219	Jackson County	2,656,588	192,397	818	184,179	225	29,570	3,004,187	
441	Jackson Co. County-Wide DD	167,198	17,111		11,704	41,898		154,115	
220	Jasper County	3,063,074	302,157	7,115	202,355	152,907	36,687	3,384,978	
657	Jasper Co. WCID #1	32,633	10,754		2,284			45,671	
221	Jeff Davis County	240,803	24,822	123	16,692		4,210	278,230	
222	Jefferson County	47,396,715	3,238,002	100,150	3,078,985	3,362,040	649,032	49,800,066	
404	Jefferson Co. DD #3	308,231	12,742		21,576			342,549	
408	Jefferson Co. DD #6	2,430,361	211,164	2,137	154,655	225,700		2,572,617	
405	Jefferson Co. DD #7	4,863,542	247,744	312	336,707	199,921		5,248,384	
451	Jefferson Co. WCID #10	133,416	19,822	1,094	2,347	56,159	46,067	54,452	
706	Jefferson Co. Waterway ND	0	8,100					8,100	
223	Jim Hogg County	1,087,399	122,661	1,356	72,637	33,780	30,964	1,218,612	
680	Jim Hogg Co. AD	3,172	4,576		222			7,969	
656	Jim Hogg Co. FD #2	6,473	1,754		453			8,680	
641	Jim Hogg Co. WCID #2	67,450	15,382		4,719		41	87,510	
224	Jim Wells County	3,730,693	339,676	7,414	245,163	174,418	104,297	4,050,455	
225	Johnson County	7,297,942	977,132	14,823	473,836	256,963	354,146	8,143,548	
584	Johnson Co. Fresh WSD #1	56,103	20,194	1	3,925		497	79,727	
226	Jones County	1,588,456	132,776	1,459	105,633	34,269	52,250	1,740,776	
496	Jones Co. AD	221,060	12,852		15,474			249,387	
227	Karnes County	1,578,217	146,311	3,070	103,591	63,791	47,718	1,719,681	
524	Karnes Co. AD	74,799	8,030		5,236			88,066	
455	Karnes Co. HD	1,447,902	149,762	1,702	97,075	281	68,795	1,627,246	
228	Kaufman County	5,582,707	590,013	11,978	347,821	536,296	258,367	5,719,543	
662	Kaufman Co. AD	96,513	42,040	32	6,369		5,693	139,260	
671	Kendall AD	34,266	21,082		2,399			57,747	
229	Kendall County	2,063,691	273,137	3,512	138,531	31,531	69,446	2,376,900	
619	Kendall Co. WCID #1	112,604	14,392		7,882			134,878	
230	Kenedy County	1,002,601	76,683	589	57,486	84,337	99,468	953,553	
231	Kent County	1,161,294	102,393	118	78,301	35,948	43,285	1,262,763	
594	Kent Co. Tax AD	51,696	5,667		3,619	34,747		26,234	
232	Kerr County	4,705,709	562,350	8,871	306,335	146,075	219,664	5,215,022	
653	Kerr Emerg. 911 Net.	37,546	9,214		2,628			49,389	
233	Kimble County	441,242	65,765	914	27,600	73,102	19,233	443,187	
234	King County	418,271	26,389		28,510		10,987	462,182	
235	Kinney County	643,129	70,010	1,569	41,159	12,911	46,115	696,841	
579	Kinney Co. AD	39,731	5,328		2,781	24,599		23,241	
236	Kleberg County	4,858,085	465,636	23,433	291,468	637,103	119,403	4,879,589	
237	Knox County	516,144	50,325	2,207	33,381	39,254	4,352	558,452	
519	Knox Co. AD	60,541	3,390		4,238			68,169	

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial-Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheatments	
241	La Salle County	901,864	81,619	1,860	60,863	18,961	40,895	1,005,311	
540	Laguna Madre WD—Cameron Co.	1,235,443	120,223	3,429	80,195	81,364	81,364	1,338,965	
514	Lakeway MUD—Travis Co.	562,082	57,416	5,548	33,293	92,016	92,016	566,323	
238	Lamar County	3,485,120	354,215	8,297	229,390	254,188	69,298	3,753,537	
239	Lamb County	2,068,478	170,955	4,598	134,608	42,106	108,862	2,227,320	
240	Lampasas County	1,575,998	166,565	7,657	95,131	148,408	80,454	1,616,489	
650	Lampasas Co. AD	27,578	10,940	1,930	1,930	40,448	40,448	40,448	
439	Lavaca-Navidad River Auth.—Jackson Co.	1,151,429	119,648	702	79,493	89	22,013	1,329,171	
242	Lavaca County	4,150,961	294,649	4,283	281,084	41,888	104,946	4,582,938	
243	Lee County	2,051,572	108,567	2,764	134,850	126,334	1,737	2,169,682	
244	Leon County	1,351,346	165,360	1,674	88,773	60,102	25,781	1,521,270	
468	Leon Co. CAD	187,498	12,439	13,125	13,125	213,062	213,062	213,062	
245	Liberty County	5,981,432	590,271	6,515	401,317	153,005	108,455	6,712,036	
481	Liberty Co. CAD	398,302	48,881	83	27,724	3,042	3,042	471,948	
246	Limestone County	2,952,135	293,756	7,131	194,376	199,055	63,249	3,184,015	
695	Limestone Co. AD	0	15,767	15,767	15,767	15,767	15,767	15,767	
247	Lipscomb County	1,299,132	79,412	4,784	77,177	157,972	46,672	1,255,861	
248	Live Oak County	1,425,127	133,758	3,565	88,723	124,082	42,504	1,484,588	
591	Live Oak Co. AD	86,014	13,311	5,982	5,982	561	561	104,746	
431	Livingston HD	36,424	2,550	2,550	2,550	38,974	38,974	38,974	
249	Llano County	2,219,375	215,538	3,600	146,641	105,499	29,316	2,450,338	
654	Llano Co. Hosp. Auth.	295,772	392	392	19,383	5,087	19,262	291,199	
436	Llano Mem. Hosp.	823,173	293,756	1,269	54,924	6,965	39,811	832,591	
250	Loving County	572,246	28,754	40,057	40,057	641,057	641,057	641,057	
513	Loving Co. AD	1,599	2,159	112	112	3,869	3,869	3,869	
499	Lubbock CAD	1,899,128	128,765	3,571	128,979	60,644	1,476	2,098,324	
251	Lubbock County	18,024,168	1,891,574	46,623	1,124,380	1,519,533	595,842	18,960,412	
425	Lubbock Co. WCID #1	93,638	15,130	135	5,659	7,749	5,917	100,538	
558	Lubbock ECD	162,960	14,355	11,407	11,407	188,723	188,723	188,723	
647	Lubbock Reese Redevel. Auth.	82,907	20,799	171	5,201	9,552	9,552	99,526	
639	Lumberton MUD	130,460	33,115	222	8,698	7,748	7,748	164,746	
252	Lynn County	433,477	55,046	12	29,693	9,038	9,038	508,852	
497	Lynn Co. AD	29,394	2,871	2,058	2,058	34,323	34,323	34,323	
442	Lynn Co. HD	849,708	115,263	2,766	53,705	72,460	41,085	907,858	
630	Macedonia-Eylau MUD—Bowie Co.	110,401	16,824	7,728	7,728	134,953	134,953	134,953	
500	Mackenzie MWA—Briscoe Co.	356,848	13,644	2,112	20,178	49,595	24,464	318,723	
256	Madison County	521,757	95,341	1,287	33,673	22,759	24,561	604,699	
596	Madison Co. AD	55,791	5,530	10	3,880	151	151	64,924	
434	Mainland Center Hosp.	6,595,811	94,035	24,835	413,056	793,146	33,425	6,207,131	
257	Marion County	1,100,175	94,035	1,504	72,299	50,368	21,976	1,195,670	

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
675	Marion Co. AD	9,548	12,194	79	472		4,177	18,116	
658	Marshall-Harrison Co. Health Dist.	42,497	15,712	400	2,538		8,070	53,077	
258	Martin County	1,250,217	87,174	2,504	81,313	56,329	38,474	1,326,404	
595	Martin Co. AD	39,835	4,362		2,788			46,986	
259	Mason County	577,001	50,971	871	38,479	16,784	12,469	638,069	
260	Matagorda County	6,435,146	422,288	14,128	420,571	337,741	117,078	6,837,315	
678	Matagorda Co. DD	16,512	16,588		1,156			34,256	
440	Matagorda Co. HD	5,428,462	444,529	8,929	346,224	227,915	393,978	5,600,150	
677	Matagorda Co. ND #1	10,662	10,972	5	684		1,448	20,875	
261	Maverick County	2,306,945	259,402	5,634	149,916	82,531	94,728	2,544,192	
453	Maverick Co. WCID #1	692,321	35,520	235	48,149		4,719	771,506	
255	McMullen County	961,412	44,398	4,565	57,606	143,557		924,424	
452	McCamey CHD—Upton Co.	248,956	9,782		17,427			276,165	
253	McCulloch County	618,843	59,414	3,321	37,047	58,466	37,557	622,602	
512	McCulloch Co. AD	127,054	6,672		8,894			142,620	
254	McLennan County	22,276,547	1,963,847	41,424	1,478,467	1,000,393	392,421	24,359,653	
491	McLennan Co. AD	1,585,476	100,316	728	106,658	63,534	989	1,728,656	
679	McLennan Co. WCID #2	2,553	3,409		179			6,141	
701	Meadowlakes MUD	0	10,675					10,675	
599	Med. Arts Hosp.—Dawson Co.	1,079,456	89,908	2,113	70,588	13,387	59,917	1,164,793	
262	Medina County	2,405,999	246,015	5,236	153,062	160,758	103,463	2,543,032	
705	Medina Co. 911 Dist.	0	1,936					1,936	
535	Medina Co. AD	313,730	18,075	210	21,646	199,539	193,042	348,950	
419	Mem. Med. Center—Calhoun Co.	3,564,644	444,858	15,425	224,360		267	3,856,439	
263	Menard County	472,046	41,922	82	32,796		4,632	542,215	
669	Mid. Rio Grande Dev. Council	611,350	267,813	2,049	34,934		129,016	787,129	
492	Midland CAD	1,604,146	65,193		112,290			1,781,629	
264	Midland County	14,211,341	1,152,896	44,699	919,472	731,733	592,108	15,002,912	
570	Midland ECD	124,007	9,498		8,681			142,186	
265	Milam County	2,576,832	236,911	4,805	172,486	100,825	36,015	2,854,194	
266	Mills County	557,010	54,682	1,067	33,600	19,659	56,103	567,502	
617	Mills Co. AD	20,290	3,782		1,420			25,493	
267	Mitchell County	1,481,859	109,027	1,461	99,204	39,314	33,435	1,618,802	
484	Mitchell Co. AD	51,177	6,477		3,582			61,237	
268	Montague County	2,178,101	175,526	8,643	133,495	241,463	47,058	2,203,901	
504	Montague Co. Tax AD	229,314	10,763		16,052			256,128	
605	Montgomery CAD	1,303,243	154,633	1,239	88,726	69,031	21,973	1,456,837	
269	Montgomery County	29,759,633	3,136,963	44,774	1,967,959	1,380,349	614,589	32,894,683	
667	Montgomery Co. ECD	111,239	70,325	122	7,451		8,682	180,454	
651	Montgomery Co. ESD #1	70,176	20,783	407	4,302		10,740	84,927	

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial-Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheatments	
696	Montgomery Co. ESD #3	0	11,280						11,280
270	Moore County	3,455,422	273,782	8,232	225,636	194,966	53,043		3,715,063
412	Moore Co. HD	3,113,931	525,196	7,732	198,999	53,889	241,906	13,097	3,536,967
271	Morris County	1,888,047	124,627	2,309	127,268	67,448	7,307		2,067,496
273	Nacogdoches County	4,970,532	491,602	2,807	340,008	122,391	121,822	628	5,560,108
515	Navarro CAD	375,512	22,893		26,286				424,690
274	Navarro County	6,511,361	561,095	14,712	424,239	295,304	197,996	229	7,017,877
572	Newton CAD	231,451	18,039		16,202				265,691
275	Newton County	1,092,100	120,715	4,992	65,841	69,118	73,798		1,140,731
510	Newton Co. Mem. Hosp.	13,056		425	185	10,833			2,833
276	Nolan County	1,964,175	177,872	5,243	127,605	129,275	21,970		2,123,649
556	North Cent. Tex. MWA	279,128	17,972		19,539				316,640
415	North Plains HD	23,182		279	525	15,806	155		8,025
646	North Tex. Tollway Auth.	3,053,244	1,119,905	8,018	197,017	49,606	229,338	5,863	4,093,377
562	Northeast Tex. MWD	292,547	41,235		20,478				354,260
277	Nueces County	40,587,528	2,783,718	101,156	2,637,180	2,293,460	1,212,462	3	42,603,659
683	Nueces Co. AD	68,047	152,760	71	4,556	4,821	5,635		214,978
400	Nueces Co. DD #2	279,388	18,112	5,856	13,156	98,194	324		217,994
416	Nueces Co. WCID #3	956,365	46,085	405	65,928		15,999		1,052,785
450	Nueces Co. WCID #4	600,169	37,915		42,012				680,095
538	Nueces River Auth.—Uvalde Co.	201,132	7,889		14,079				223,100
278	Ochiltree County	1,725,543	126,687	147	118,717	20,555	11,994		1,938,545
279	Oldham County	785,973	57,019		55,018	69,937			828,073
517	Oldham Co. AD	94,143	3,287	10	6,577		197		103,820
280	Orange County	11,230,574	976,790	16,834	756,234	256,522	190,899	1,675	12,531,337
490	Orange Co. AD	814,439	34,260	389	55,244		21,760	3,945	878,627
421	Orange Co. DD	1,281,941	119,983	3,413	82,905	77,334	26,367	183	1,384,357
665	Orange Co. ESD #1	14,975	10,241		1,048				26,264
660	Orange Co. Nav. & Port Dist.	189,975	19,126	564	11,980		20,360		201,283
631	Orange Co. WCID #1	268,252	50,230	752	16,750		32,837	80	303,068
281	Palo Pinto County	3,251,901	285,895	4,238	215,498	128,527	58,994	1,706	3,568,305
282	Panola County	4,111,276	301,879	8,891	264,138	278,220	83,319		4,324,645
283	Parker County	5,772,106	664,054	10,814	380,410	73,078	314,641	238	6,439,426
284	Parmer County	1,002,265	87,789	2,985	61,885	107,427	17,291		1,030,206
285	Pecos County	7,754,996	820,671	18,570	504,567	669,381	349,551	11,390	8,068,483
494	Pecos Co. AD	122,309	11,119	242	8,297		5,378		136,589
673	Permian Reg. Med Ctr.	425,654	625,093	1,176	27,643	5,272	63,497		1,010,798
707	Pineywoods GCD	0	1,936						1,936
697	Polk CAD	0	26,256				3,278		22,979
286	Polk County	4,426,306	513,350	7,629	286,716	356,395	130,224	8,057	4,739,324

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
676	Port of Bay City Auth.	1,705	2,668		119				4,493
449	Port of Beaumont ND	2,198,656	114,768	8,157	138,437	225,412	5,531		2,229,076
620	Port of Corpus Christi Auth.	3,703,860	457,666	2,595	252,554	86,727	15,979		4,313,969
622	Port of Port Arthur ND	426,109	58,367	454	29,172		13,171		500,931
287	Potter County	16,275,237	1,368,574	28,655	1,053,464	1,006,945	328,647	997	17,389,342
489	Potter Co. AD	712,307		2,517	46,505	50,461			710,868
560	Potter-Randall Co. ECD	99,042	13,279		6,933				119,253
626	Presidio AD	28,404	3,183	39	1,871		1,949		31,549
288	Presidio County	703,104	85,327	1,233	46,875		40,021	483	796,035
289	Rains County	523,432	79,859	251	35,129		24,625	404	613,641
537	Rains Co. AD	98,855	11,453	7	6,892		1,040		116,166
290	Randall County	8,054,010	865,186	13,561	531,070	283,059	242,445	1,641	8,936,680
564	Randall Co. AD	1,645,804	121,527	6,481	107,407	122,525	72,004	217	1,758,477
406	Rankin CHD—Upton Co.	590,321	48,942	3,041	26,965	138,255			459,011
291	Reagan County	1,314,566	103,981	997	87,936	45,884	15,302		1,446,294
445	Reagan HD	621,117	39,810	246	42,808		9,827		694,153
292	Real County	454,610	45,088	74	31,630	15,619	3,811		511,971
505	Red Bluff WPCD—Reeves Co.	39,179	9,262		2,743				51,183
435	Red River Auth.—Wichita Co.	830,735	60,975	11,549	35,342	332,909	12,934		592,757
293	Red River County	1,048,709	104,500	1,025	68,912	104,525	11,307		1,107,314
294	Reeves County	5,745,785	1,155,220	28,833	351,766	349,099	557,865	1,638	6,373,002
588	Reeves Co. HD	1,772,467	223,983	3,336	118,574	37,597	48,032	1,708	2,031,023
295	Refugio County	2,280,140	159,019	2,282	150,324	94,861	50,919		2,445,985
543	Refugio Co. DD #1	73,961	9,744	59	5,098	67,485	2,163		86,700
296	Roberts County	693,307	47,242	407	46,970		2,863		717,578
480	Roberts Co. AD	112,475			7,873				120,348
297	Robertson County	2,122,373	206,164	13,915	120,098	349,352	77,225		2,035,973
698	Rockwall CAD	0	40,505						40,505
298	Rockwall County	3,290,926	527,530	4,966	220,325	111,364	62,559	4,554	3,865,271
299	Runnels County	1,967,233	144,313	4,103	132,653		6,260		2,242,041
300	Rusk County	5,178,840	455,104	19,137	332,357	571,396	96,289	2,605	5,315,147
612	Rusk Co. AD	50,721	24,084		3,550				78,356
301	Sabine County	715,954	95,327	897	45,657	4,321	68,189		785,325
568	Sabine Pass Port Auth.	121,798	10,727		8,526				141,051
302	San Augustine County	599,382	59,237	761	38,579	8,647	42,793	47	646,471
303	San Jacinto County	1,791,923	185,341	4,861	112,589	90,916	149,505	2,590	1,851,703
553	San Jacinto Co. CAD	137,569	18,667	407	8,976	3,889	9,066		152,665
304	San Patricio County	10,620,961	818,702	27,162	686,803	520,545	341,488	2,135	11,289,459
495	San Patricio Co. AD	327,099	17,485		22,897				367,480
426	San Patricio Co. DD	818,841	23,406		57,319				899,566

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003	
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments		
422	San Patricio MWD	799,697	95,529	91	55,485			5,962	1,419	943,420
305	San Saba County	737,938	60,817	10	51,614			1,560		848,819
306	Schleicher County	896,695	62,324	117	62,498			5,635		1,016,000
307	Scurry County	6,186,073	615,441	8,320	411,158		131,215	255,032	10,189	6,824,556
308	Shackelford County	543,543	48,472		38,048			606		629,457
470	Shackelford Co. AD	1,26,932	4,594		8,885			394		140,017
309	Shelby County	1,362,684	184,198	2,465	90,052		89,498	34,670		1,515,230
627	Shelby Co. AD	85,222	8,437		5,966					99,625
523	Shelby Co. Gen. Hosp.	14,213		83			14,296			0
310	Sherman County	1,146,266	72,807	3,987	73,137		70,650	39,436		1,186,112
469	Sherman Co. AD	137,829	7,170		9,648					154,646
311	Smith County	13,342,487	1,442,358	41,596	846,387		926,007	478,444	19,099	14,249,277
555	Smith Co. 911 Comm. Dist.	236,978	37,517	99	15,993		9,361			281,226
606	Smith Co. AD	755,669	92,197	314	52,264			11,820	540	888,084
632	Smith Co. Public Health Dist.	904,370	190,286	3,106	57,239		10,678	97,443		1,046,881
312	Somervell County	2,771,058	279,029	7,278	180,744		165,239	36,748		3,036,123
507	Somervell Co. CAD	26,576	10,377	59	1,694		336	2,590		35,781
699	Somervell Co. Water Dist.	0	5,178							5,178
645	South Tex. Dev. Council	241,983	46,319	252	13,693			26,915		275,332
313	Starr County	2,747,570	398,517	3,993	181,783		80,356	118,912	4,141	3,128,455
536	Starr Co. AD	288,390	21,987		20,187					330,565
314	Stephens County	1,459,471	86,470		102,163			1,051		1,647,053
315	Sterling County	663,722	78,971	1,631	42,888		13,350	53,729	905	719,226
316	Stonewall County	485,755	41,004		34,003			109		560,654
458	Stonewall Mem. HD	380,987	36,404	211	26,071			8,260	917	434,496
539	Stratford HD—Sherman Co.	258,938	44,900	1,696	14,174		23,729	38,978	320	256,680
317	Sutton County	1,690,945	121,151	4,220	109,995		85,252	40,438	1,509	1,799,112
573	Sutton Co. HD	292,809	34,085	338	19,725			10,943	1,852	334,163
318	Swisher County	737,132	71,173	1,583	49,222			38,818		820,293
460	Swisher Co. AD	190,083	7,496		13,306					210,885
534	Swisher Mem. HD	452,372	96,698	758	29,800			17,862	12,492	549,275
607	Tarrant AD	5,872,453	584,712	9,007	389,968		277,964	48,292	181	6,529,703
319	Tarrant County	135,220,484	12,433,152	239,163	8,947,982		6,040,320	2,066,717	73,157	148,660,586
545	Tarrant Co. 911 EAD	675,842	68,562		47,309					791,714
574	Tax AD of Cottle Co.	26,222	1,881		1,836					29,938
320	Taylor County	13,427,430	1,074,390	21,259	888,428		521,009	429,788	6,715	14,453,995
321	Terrell County	507,166	46,712		35,502			788		588,592
322	Terry County	1,998,229	196,649	1,822	136,302		161,130	60,753	2,217	2,270,031
402	Terry Mem. HD	2,200,096	191,158	7,774	137,824			86,231	5,194	2,284,297
437	Tex. Assoc. of Counties	3,524,376	427,692	1,247	244,078			40,054		4,157,340

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
354	TCDRS	2,207,058	320,067	2,390	150,259	18,515	18,013	12,235	2,631,010
634	Tex. Eastern 911 Net.	52,932	9,161		3,705				65,798
323	Throckmorton County	420,344	35,518	1,485	26,574		20,800		463,121
324	Titus County	2,385,447	230,974	2,650	161,160	39,540	43,440	271	2,696,980
501	Titus Co. Fresh WSD	276,461	23,989	108	18,053	18,903			299,708
325	Tom Green County	10,189,405	1,005,587	19,175	663,833	492,779	282,058	2,751	11,100,412
601	Travis CAD	3,030,336	290,551	896	209,299		43,817	805	3,486,460
326	Travis County	121,437,263	11,545,890	232,745	7,979,504	5,870,953	2,323,871	85,668	132,914,910
666	Travis Co. WCID—Point Venture	9,848	6,932		689				17,469
549	Travis Co. WCID #18	40,691			2,848				43,539
659	Tri-Co. SUD	20,591	9,013	102	1,022		6,287		24,441
633	Trinity Bay Cons. Dist.	315,499	48,950	479	21,026		16,698	452	368,803
327	Trinity County	1,284,555	93,018	1,170	87,258	96,446	47,083		1,322,472
328	Tyler County	1,971,560	179,926	2,889	130,354	80,493	41,732	25	2,162,479
471	Tyler Co. AD	198,982	21,286		13,929				234,196
561	United ID—Hidalgo Co.	408,772	55,561	1,401	23,728	6,581	68,306		414,574
329	Upshur County	3,611,776	364,262	13,255	229,319	207,213	156,168	1,075	3,854,157
330	Upton County	2,177,790	148,853	7,527	136,081	235,019	10,399		2,224,833
682	Upton Co. AD	7,457	10,141		522				18,120
331	Uvalde County	3,272,254	330,229	7,836	214,814	155,873	119,983	2,456	3,546,821
332	Val Verde County	4,381,820	396,804	9,136	286,164	273,530	50,540	178	4,749,675
663	Valley MUD #2—Cameron Co.	33,852	13,387	12	2,348	96	373		49,131
586	Valwood Imp. Auth.—Dallas Co.	154,916	14,871		10,844				180,631
333	Van Zandt County	2,846,937	322,441	2,343	191,486	67,721	61,741	517	3,233,227
672	Van Zandt Co. AD	36,557	27,275	169	2,375		4,345		62,031
420	Velasco DD—Brazoria Co.	1,575,131	70,797	9,174	100,252	154,853			1,600,500
334	Victoria County	14,567,230	1,210,823	30,454	950,672	600,244	458,654	10,333	15,689,949
423	Victoria Co. DD #3	279,596	6,432		19,572				305,600
637	Victoria Co. WCID # 1	30,890	3,870	84	1,828		5,125		31,546
335	Walker County	5,661,019	625,563	16,843	356,344	515,811	88,645	1,158	6,054,155
336	Waller County	4,461,552	397,693	16,224	273,657	380,462	163,808	2,215	4,602,640
337	Ward County	2,598,148	249,849	3,051	171,573	193,858	48,378	513	2,779,872
565	Ward Co. CAD	131,219	7,701		9,185				148,105
444	Ward Mem. Hosp.	1,801,636	208,737	6,192	116,081	83,083	78,045	3,593	1,967,925
338	Washington County	3,183,096	377,797	6,628	205,904	188,457	72,481		3,512,487
339	Webb County	18,797,715	2,327,507	35,618	1,215,355	930,196	723,775	21,682	20,700,542
604	Webb Co. AD	583,004	80,363	662	38,492	24,929	9,881		667,710
443	West Cent. Tex. COG	2,111,189	230,339	3,868	133,925	409,140	66,519	8,362	1,995,301
410	West Cent. Tex. MWD	546,611	43,561	3,609	25,996	169,216	10,954		439,608
454	West Jefferson Co. MWD	268,221	16,895		18,775				303,891

¹ Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: EMPLOYEES SAVING FUND

CHANGES IN EMPLOYEES SAVING FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Member Deposits	Partial- Year Interest	Annual Interest	Transfers to CSARF ¹	Withdrawals	Net Escheat- ments	
688	West Nueces-Las Moras Soil & WCD #236	1,097	2,415	6,427	77			3,588	
340	Wharton County	5,502,489	374,565		366,031	137,193	148,117	5,964,203	
621	Wharton Co. WCID #1	16,859	2,021		1,180			20,060	
341	Wheeler County	1,045,984	81,099	530	71,153	74,080	1,806	1,122,881	
476	Wheeler Co. AD	99,406	7,512		6,958			113,876	
427	White River MWD—Dickens Co.	463,647	25,061		32,455			521,163	
342	Wichita County	11,476,277	933,654	31,421	745,926	508,740	455,129	12,216,812	
446	Wichita Co. WID #2	778,145	33,292	965	52,206		35,416	829,191	
559	Wichita-Wilbarger 911 Dist.	176,266	15,758		12,339			204,362	
655	Wickson Creek SUD—Brazos Co.	65,419	19,653		4,579			89,651	
343	Wilbarger County	2,168,129	159,588	10,788	135,411	243,014	4,910	2,225,992	
530	Wilbarger Co. HD	1,965,364	217,191	3,359	126,767	50,254	114,376	2,145,337	
344	Willacy County	2,145,179	162,597	8,693	133,554	292,767	185,542	1,971,713	
575	Willacy Co. AD	96,638	8,744	135	6,361		5,901	105,977	
652	Willacy Co. Housing Auth.	19,410	4,917	140	1,191		3,099	22,558	
345	Williamson County	20,831,103	3,078,601	25,527	1,407,911	305,284	547,691	24,481,723	
608	Williamson Co. AD	1,230,642	169,244	245	85,546	48,054	7,808	1,428,821	
346	Wilson County	2,154,283	240,236	2,598	141,839	148,931	47,374	2,342,407	
479	Wilson Co. AD	276,690	24,461		19,368			320,519	
347	Winkler County	3,004,042	269,659	6,848	188,926	258,963	61,107	3,149,121	
533	Winkler Co. AD	42,016	5,132		2,941			50,089	
348	Wise County	3,887,043	606,731	5,009	256,586	79,010	184,210	4,492,150	
493	Wise Co. AD	260,800	29,243	343	17,650		10,894	297,142	
349	Wood County	3,826,179	354,570	10,750	248,042	197,275	109,883	4,132,383	
700	Wood Co. AD	0	25,160				612	24,548	
350	Yoakum County	5,358,617	473,805	20,959	339,364	457,245	87,463	5,642,814	
351	Young County	2,442,039	184,718	3,305	160,403	125,614	33,889	2,630,961	
352	Zapata County	3,917,835	407,315	13,555	251,487	326,358	180,791	4,080,935	
649	Zapata Co. AD	25,323	6,343		1,773			33,438	
353	Zavala County	903,237	69,264	4,871	54,919	88,299	35,375	908,616	
566	Zavala Co. AD	106,382	13,893		7,447			127,722	
Totals		\$ 2,606,233,707	\$ 235,662,740	\$ 5,083,430	\$ 170,651,886	\$ 134,485,577	\$ 56,725,688	\$ 2,825,128,768	

¹ Current Service Annuity Reserve Fund

Due to rounding, totals and detail may not equal.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued on subsequent pages

No.	Employer Name	Balances Jan. 1, 2003	Additions			Deductions			Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	Retirement Allowances		
638	Acton MUD	\$ 157,303	\$ 24,945	\$ 59,775	\$ 545	\$ 9,885	\$ 771	\$ 231,913	
615	Alamo Area COG	1,863,886	329,296	708,277	568	33,791	80,719	2,787,517	
100	Anderson County	4,327,481	519,190	1,644,443	12,822	434,605	197,770	5,871,562	
691	Anderson Co. CAD		17,441					17,441	
101	Andrews County	13,055,505	593,629	4,961,092	18,674	718,242	869,828	17,040,830	
102	Angelina County	7,722,790	871,477	2,934,660	14,205	370,972	487,404	10,684,758	
502	Angelina Co. AD	1,012,296	31,802	384,673			7,679	1,421,093	
684	Angelina/Nacogdoches Co. WCID #1	3,105	6,128	1,180				10,412	
576	Angleton DD	261,779	28,675	99,476			11,291	378,638	
614	Aquilla WSD—Hill Co.	83,289	15,153	31,650			2,631	127,460	
103	Aranas County	3,350,825	236,867	1,273,313	3,837	103,494	112,306	4,649,042	
459	Aranas Co. AD	475,192	27,854	180,573	950	56,196	3,901	624,471	
668	Aranas Co. ND #1	32,853	17,190	12,484				62,527	
104	Archer County	1,154,829	108,042	438,835	6,420	150,536	85,745	1,471,844	
503	Archer Co. AD	209,604	4,566	79,649			453	293,366	
105	Armstrong County	441,791	35,855	167,881	59	10,258	17,088	618,240	
106	Atascosa County	4,877,380	340,205	1,853,404	1,469	67,294	115,992	6,889,172	
551	Atascosa Co. AD	241,661	22,656	91,831			10,736	345,412	
107	Austin County	3,633,557	316,437	1,380,752	747	33,033	98,280	5,200,179	
461	Austin Co. AD	572,371	16,263	217,501			7,654	798,482	
597	Bacliff MUD	153,267	18,617	58,241				230,125	
108	Bailey County	649,322	73,946	246,742			55,351	914,660	
109	Bandera County	2,089,919	258,402	794,169	299	30,762	92,884	3,019,144	
411	Bandera Co. WCID #1	2,527	960				740	2,747	
110	Bastrop County	8,880,911	1,104,746	3,374,746	8,861	308,107	302,090	12,759,068	
111	Baylor County	695,660	68,131	264,351	129	21,687	36,464	970,119	
685	Baylor Co. AD	2,269	4,673	862				7,804	
613	Bayview ID #11	39,628	9,943	15,059			2,165	62,458	
	Late-reporting penalty		(6)					5,619	
690	Bayview MUD	802	4,512	305				5,048,201	
112	Bee County	3,501,679	312,447	1,330,638	831	21,736	75,657	42,876,507	
113	Bell County	30,703,235	2,873,768	11,667,229	27,281	1,176,598	1,218,408	2,467,940	
506	Bell Co. AD	1,905,613	116,230	724,133	2,016	222,279	57,772	1,035,939	
418	Bell Co. WCID #1	832,994	91,716	316,538	2,585	128,329	79,565	24,017	
708	Benbrook Water and Sewer Auth.		24,017					13,090,735	
472	Bexar AD	9,396,555	607,388	3,570,691	5,302	324,332	164,869	237,739,402	
114	Bexar County	170,656,956	14,229,238	64,849,643	220,139	7,217,152	4,999,422	159,387	
544	Bexar Co. WCID #10	112,317	11,608	42,680			7,219	284,086	
616	Bistone MWSD—Limestone Co.	193,097	17,612	73,377					

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Transfers to CSARF ²	Retirement Allowances	
115	Blanco County	774,016	99,535	294,126	1,143	36,748	1,092,209
116	Borden County	439,389	41,902	166,968	470	81,092	538,318
525	Borden Co. AD	1,015	784	386			2,184
117	Bosque County	1,171,798	98,791	445,283	476	9,107	1,676,985
521	Bosque Co. CAD	226,912	21,212	86,227			334,351
118	Bowie County	11,793,082	581,872	4,481,371	11,095	456,676	15,983,444
119	Brazoria County	39,854,974	3,642,507	15,144,890	38,115	1,356,107	55,991,036
508	Brazoria Co. AD	1,537,191	90,989	584,133	9,485	180,426	2,004,801
413	Brazoria Co. CRD #3	889,800	90,026	338,124		-	1,288,594
424	Brazoria Co. DD #4 Lump-sum contribution	774,924	245,539	294,471	1,008	199,493	1,349,027
681	Brazoria Co. DD #5	3,047	4,319	1,158			
	Late-reporting penalty	(502)					
120	Brazos County	23,371,977	2,384,719	8,881,351	18,129	777,893	33,093,393
689	Brazos Co. AD	22,784	114,272	8,658			145,714
600	Brazos Co. ECD	750,955	75,053	285,363	2,525	58,570	1,050,074
121	Brewster County	1,069,627	134,688	406,458	5,088	190,371	1,369,412
581	Brewster Co. AD	60,772	6,299	23,094			87,009
122	Briscoe County	244,997	20,737	93,099			348,553
123	Brooks County	4,652,221	108,402	1,767,844	518	15,758	6,319,662
554	Brookshire-Katy DD	139,899	9,432	53,162			201,295
522	Brookshire MWD	319,940	24,982	121,577			454,768
124	Brown County	2,535,040	231,902	963,315	1,601	38,988	3,619,947
702	Brownville ID		12,685				12,685
642	Brushy Creek MUD—Williamson Co.	110,660	51,045	42,051			195,453
125	Burleson County	1,251,223	174,728	475,465	718	14,263	1,803,986
126	Burnet County	3,941,157	500,481	1,497,640	2,039	277,018	5,432,741
609	Burnet Co. AD	420,843	58,414	159,920	283	12,430	626,135
127	Caldwell County	1,945,646	167,783	739,345	2,139	51,666	2,726,276
128	Callahan County	4,324,099	483,057	1,643,158	5,337	100,253	6,158,137
129	Callahan County	768,262	64,654	291,939	1,258	25,266	1,061,068
542	Callahan Co. AD	120,620	5,749	45,836			168,646
130	Cameron County	35,454,420	3,195,937	13,472,680	29,942	1,439,370	49,568,132
618	Cameron Co. AD	1,118,557	111,715	425,051	1,356	32,279	1,622,438
692	Cameron Co. DD #1		9,899				
	Late-reporting penalty	(502)					
664	Cameron Co. DD #3	31,671	15,649	12,035			9,397
686	Cameron Co. DD #5	2,181	4,439	829			59,356
462	Cameron Co. ID #2	594,735	44,338	225,999	2,191	92,394	745,550

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Endowment Fund Transfers ¹	Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain		Transfers to CSARF ²	Retirement Allowances	
590	Cameron Co. ID #6	117,760	7,543	44,749			5,201	164,851
670	Camp CAD	14,123	7,164	5,367				26,654
131	Camp County	1,089,685	111,614	414,080			55,991	1,559,387
132	Carson County	745,391	103,869	283,249			58,389	1,074,120
133	Cass County	3,535,266	348,688	1,343,401	6,578	127,077	200,065	4,906,791
610	Cass Co. AD	176,982	30,548	67,253			4,743	270,040
134	Castro County	1,653,078	119,024	628,170	2,274	49,282	42,458	2,310,805
635	CAD of Johnson Co.	426,013	130,534	161,885			11,487	706,944
602	CAD of Taylor Co.	778,644	105,648	295,885			31,857	1,248,319
	Lump-sum contribution		100,000					
648	Cent. WCID—Angelina Co.	20,567	9,402	7,815	118	7,235	3,279	27,389
135	Chambers County	12,479,853	914,833	4,742,344	19,810	704,223	604,577	16,848,041
531	Chambers Co. AD	511,096	65,964	194,217	4,500	138,427	14,071	716,279
	Lump-sum contribution		93,000					
548	Chambers Co. Public HD	630,256	26,815	239,497			13,474	883,094
136	Cherokee County	4,589,714	482,297	1,744,092	8,438	437,580	202,382	6,184,579
137	Childress County	218,427	54,702	83,002			19,280	336,852
511	Childress Co. AD	26,656	4,243	10,129			6,030	34,998
582	Childress Co. HD	2,559,903	205,529	972,763	2,779	226,545	59,516	3,454,913
465	Cisco HD	97,652	37,108	37,108			7,879	126,881
138	Clay County	1,690,818	184,677	642,511	1,298	26,213	103,496	2,389,595
485	Clay Co. AD	291,487	11,277	110,765			8,754	404,775
703	Coastal Bend GCD		1,290					1,290
139	Cochran County	1,290,097	143,548	490,237	2,041	43,505	112,901	1,769,517
477	Cochran Co. AD	70,539	3,302	26,805			3,391	97,254
140	Coke County	406,507	74,619	154,472	279	5,513	21,291	609,073
141	Coleman County	989,019	77,981	375,827			34,993	1,407,834
142	Collin County	48,543,515	7,125,155	18,446,536	32,586	1,370,378	1,425,833	71,351,581
457	Collin Co. CAD	3,786,638	246,656	1,438,923	4,004	172,915	39,789	5,263,516
143	Collingsworth County	195,204	29,164	74,178			2,582	295,964
144	Colorado County	1,741,829	241,889	661,895	2,306	104,757	74,373	2,468,789
623	Comal AD	312,434	62,917	118,725			5,910	488,166
145	Comal County	9,106,962	1,298,591	3,460,646	5,244	185,667	333,718	13,352,057
146	Comanche County	1,432,217	151,447	544,242	264	9,303	64,443	2,054,425
147	Concho County	669,069	53,028	254,246			15,143	961,201
636	Concho Co. HD	273,721	38,713	104,014	270	5,245	20,241	391,231
148	Cooke County	3,838,325	382,541	1,458,564	751	114,377	90,487	5,475,317
487	Cooke Co. AD	670,684	28,141	254,860	366	6,635	20,812	926,604
149	Coryell County	3,552,970	377,740	1,350,128	2,093	84,964	109,635	5,088,332

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Endowment Fund Transfers ¹	Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain		Transfers to CSARF ²	Retirement Allowances	
150	Cottle County	217,443	24,183	82,628		25,376	15,964	282,914
151	Crane County	3,172,549	187,676	1,205,568	16,236	358,427	142,705	4,080,898
152	Crockett County	4,076,604	301,057	1,549,110	2,358	53,782	252,159	5,623,188
409	Crockett Co. WCID #1	451,525	17,388	171,579	2,805	163,732	19,119	460,446
153	Crosby County	748,275	107,745	284,345	1,890	76,739	69,065	996,450
532	Crosby Co. AD	68,595	1,203	26,066			3,216	92,648
603	Crosby MUD	178,571	20,743	67,857	235	13,643	2,882	250,881
154	Culberson County	1,142,430	75,171	434,123			24,285	1,627,439
478	Culberson Co. Hosp.	140,953		53,562			6,459	188,057
550	Culberson HD	524,703	15,782	199,387			1,870	737,499
	Late-reporting penalty		(503)					
155	Dallam County	1,210,962	77,143	460,166	1,995	61,608	55,820	1,632,837
467	Dallas CAD	18,856,292	1,030,860	7,165,391	7,955	171,350	317,658	26,571,490
156	Dallas County	291,208,191	18,879,966	110,659,112	333,533	11,315,927	9,707,058	400,057,818
430	Dallas Co. Park Cities MUD	822,101	79,097	312,398			30,132	1,183,465
687	Dallas Co. WCID #6	17,286	38,016	6,569			61,871	61,871
157	Dawson County	1,507,525	268,604	572,859	969	224,464	133,542	1,991,951
463	Dawson Co. CAD	327,056	9,806	124,281			3,353	457,791
158	Deaf Smith County	3,267,925	283,357	1,241,812	2,904	65,894	162,784	4,567,320
578	Deaf Smith Co. HD	2,130,942	21,344	809,758	297	8,189	39,337	2,914,815
159	Delta County	424,334	58,859	161,247			29,529	586,166
583	Denco Area 911 Dist.—Denton Co.	282,193	40,498	107,233				429,924
482	Denton CAD	2,288,306	273,811	869,556	2,744	124,788	26,336	3,283,294
160	Denton County	34,266,404	4,525,640	13,021,233	14,882	800,557	680,563	50,347,039
161	Dewitt County	1,800,437	175,942	684,166	8,409	161,406	88,597	2,418,953
466	DeWitt Co. AD	275,826	12,340	104,814			1,660	391,321
162	Dickens County	388,341	56,543	147,569	30	5,132	12,792	574,559
163	Dimmit County	869,869	92,861	330,550	326	14,685	26,073	1,252,848
164	Donley County	334,205	45,968	126,998	126	7,310	25,541	474,445
165	Duval County	1,760,722	258,169	669,074	973	42,071	143,554	2,503,313
166	Eastland County	1,973,094	245,083	749,776	673	37,023	149,447	2,782,156
593	Eastland Co. AD	184,915	21,803	70,268			2,251	274,735
167	Ector County	55,101,259	1,415,049	20,938,478	60,480	2,587,776	3,180,686	72,828,198
	Transfer from Ector Co. HD #580		1,081,394					
580	Ector Co. HD	44,399,057	6,473,905	16,871,642	30,184	1,363,107	654,720	64,675,567
	Transfer to Ector County #167		(1,081,394)					
448	Edwards Aquifer Auth.—Bexar Co.	1,384,755	67,749	526,207			20,910	1,957,800
628	Edwards CAD	12,990	350	4,936				
	Late-reporting penalty		(500)					17,776

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	
168	Edwards County	188,348	37,557	71,572		7,354	290,124
170	El Paso County	92,158,828	10,105,147	35,020,355	65,820	3,491,768	131,180,531
567	El Paso Co. 911 Dist.	342,274	37,840	130,064			510,178
541	El Paso Co. HD	33,409,154	3,557,961	12,695,479	22,868	868,466	47,691,479
456	El Paso WCID Westway	15,098		5,737		845	19,990
169	Ellis County	8,481,231	933,813	3,222,868	6,852	347,239	12,076,420
624	ECD of Ector Co.	128,830	18,299	48,955			196,084
171	Erath County	3,114,880	338,937	1,183,654	1,441	83,265	4,472,936
172	Falls County	2,132,283	212,604	810,267	1,349	79,564	2,949,252
563	Falls Co. AD	81,721	8,146	31,054		6,181	114,740
173	Fannin County	2,557,383	306,827	971,805		93,261	3,678,492
644	Fannin Co. AD	60,047	9,860	22,818			92,725
174	Fayette County	5,260,197	475,972	1,998,875	2,425	61,820	7,513,363
175	Fisher County	374,019	64,396	142,127	431	15,901	522,655
432	Fisher Co. HD	1,251,525	45,916	475,580	1,068	37,683	1,705,882
176	Floyd County	950,484	119,311	361,184	1,653	54,295	1,322,079
474	Fort Bend CAD	2,702,430	135,383	1,026,923	2,110	155,192	3,652,884
178	Fort Bend County	55,715,831	6,528,543	21,172,016	18,063	836,128	80,848,993
179	Franklin County	1,611,978	125,373	612,552	3,362	156,521	2,104,390
180	Freestone County	2,864,698	258,220	1,088,585	4,543	243,568	3,839,444
693	Freestone Co. AD		19,360				19,360
181	Frio County	2,637,862	138,209	1,002,388	2,388	85,022	3,593,610
509	Frio Co. AD	369,263	21,365	140,320			530,948
182	Gaines County	3,416,514	383,923	1,298,275	3,175	121,497	4,800,956
546	Galveston CAD	2,307,796	166,925	876,963		27,866	3,323,818
183	Galveston County	57,771,063	3,945,533	21,953,004	55,420	2,752,889	78,659,250
547	Galveston Co. Consol. DD	357,101	56,434	135,698		9,794	539,439
464	Galveston Co. DD #1	285,426	18,654	108,462		17,223	395,318
433	Galveston Co. DD #2	687,861	31,637	261,387		24,764	1,056,121
	Lump-sum contribution		100,000				288,358
589	Galveston Co. ECD	184,898	33,199	70,261			1,935,108
407	Galveston Co. WCID #1	1,482,323	160,172	563,283	7,239	165,351	98,643
473	Garza CAD	69,738	6,487	26,501		4,083	1,992,922
184	Garza County	1,398,751	107,013	531,525	3,242	107,530	3,350,921
185	Gillespie County	2,371,392	272,898	901,129	108	18,621	1,132,748
186	Glasscock County	807,206	72,842	306,738			3,126,660
	Late-reporting penalty		(511)				2,465,133
187	Goliad County	2,362,940	98,859	897,917	911	125,130	108,837
188	Gonzales County	1,733,900	189,905	658,882	65	16,768	100,852

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Transfers to CSARF ²	Retirement Allowances	
498	Gonzales Co. AD	267,133	17,527	101,511		511	385,661
189	Gray County	2,913,820	248,487	1,107,252	4,669	227,760	3,892,994
518	Gray Co. AD	526,259	12,312	199,978		5,267	733,282
190	Grayson County	12,198,943	1,535,445	4,635,598	14,257	594,698	17,259,001
475	Grayson Co. AD	1,112,931	71,913	422,914	611	11,088	1,560,252
528	Greater Harris Co. 911 Emerg. Net.	795,885	197,245	302,436	360	31,707	1,247,304
429	Greenbelt MIWA—Donley Co.	422,838	30,282	160,678		21,401	592,397
191	Gregg County	15,163,422	1,454,054	5,762,100	27,282	985,658	20,741,179
192	Grimes County	2,644,910	237,450	1,005,066	2,488	122,346	3,684,178
483	Grimes Co. AD	389,819	33,832	148,131		5,065	566,717
193	Guadalupe County	6,710,233	1,135,368	2,549,889	5,000	168,855	9,965,349
587	Guadalupe Co. AD	269,213	24,990	102,301		938	395,566
526	Gulf Coast WA—Galveston Co.	3,276,859	136,981	1,245,206		96,262	4,562,784
194	Hale County	4,986,241	358,725	1,894,771	4,549	215,619	6,764,622
195	Hall County	647,236	66,933	245,950	1,723	36,745	892,105
196	Hamilton County	583,472	77,657	221,719	1,302	72,714	784,645
197	Hansford County	1,007,211	101,022	382,740	1,437	142,767	1,299,156
585	Hansford Co. HD	1,402,504	155,776	532,951	166	20,842	2,023,101
198	Hardeman County	985,344	83,026	374,431	2,356	71,361	1,342,617
199	Hardin County	5,833,022	525,974	2,216,548	3,129	203,939	8,022,023
527	Hardin Co. AD	413,953	33,759	157,302		9,456	595,558
571	Harlingen ID Cameron Co. #1	488,177	50,507	185,507	1,735	42,285	673,625
200	Harris County	765,439,971	58,798,368	290,867,189	777,986	29,855,449	1,063,031,674
598	Harris Co. AD	14,963,682	1,489,581	5,686,199	30,363	292,488	22,055,207
	Lump-sum contribution		500,000				463,471
569	Harris Co. WCID #1	325,502	20,880	123,691		6,603	151,860
625	Harris Co. WCID #50	102,220	13,286	38,844		2,489	9,691,903
201	Harrison County	6,812,558	767,409	2,588,772	6,058	164,163	1,000,241
202	Hartley County	788,570	52,816	299,657	1,471	98,495	147,551
520	Hartley Co. AD	107,526	5,873	40,860		6,709	1,029,596
203	Haskell County	735,904	107,965	279,643	683	35,335	1,142,495
552	Haskell Mem. HD	821,697	64,258	312,245	1,441	41,465	26,055,167
204	Hays County	17,856,010	2,007,044	6,785,284	2,631	165,778	3,381,195
205	Hemphill County	2,471,190	186,150	939,052		66,422	43,600
640	Hemphill Co. AD	24,673	9,730	9,376		178	2,177,594
529	Hemphill Co. HD	1,539,652	136,761	585,068	2,190	67,274	12,777,904
206	Henderson County	9,074,276	913,010	3,448,225	9,771	239,207	21,865
704	Henderson Co. AD		21,865				1,180,926
414	Hidalgo & Cameron Counties ID #9	904,942	56,328	343,878	669	104,820	

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Endowment Fund Transfers ¹	Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain		Transfers to CSARF ²	Retirement Allowances	
207	Hidalgo County	47,016,751	5,087,274	17,866,365	35,765	1,761,220	1,593,397	66,651,538
516	Hidalgo Co. AD	2,722,046	173,778	1,034,377	3,902	70,799	44,106	3,819,198
401	Hidalgo Co. DD #1	1,341,027	198,168	509,590		32,798	40,649	1,975,340
438	Hidalgo Co. ID #2	1,012,560	78,199	384,773			60,608	1,414,924
486	Hidalgo Co. ID #6	489,379	36,448	185,964			12,293	699,498
674	High Plains Underground WCD #1	26,585	26,841	10,102				63,529
208	Hill County	2,788,313	310,430	1,059,559	17,534	422,996	110,072	3,642,767
209	Hockley County	3,070,865	348,129	1,166,929	1,526	87,908	165,617	4,333,925
643	Homestead MUD—El Paso Co.	53,262	10,482	20,240				83,983
210	Hood County	3,204,993	395,281	1,217,897	5,654	166,678	116,478	4,540,669
211	Hopkins County	3,533,674	435,999	1,342,796	3,873	144,510	123,591	5,048,240
661	Hopkins Co. AD	38,944	14,850	14,799				68,593
557	Horizon Regional MUD	29,848		11,342			3,173	38,018
212	Houston County	1,306,091	106,183	496,315	1,297	90,992	35,102	1,783,790
694	Houston Co. AD		14,339					14,339
213	Howard County	4,078,690	453,857	1,549,902	10,926	523,819	296,370	5,273,187
214	Hudspeth County	962,001	75,051	365,560	2,735	91,072	35,388	1,278,886
215	Hunt County	6,942,034	799,898	2,637,973	14,477	434,716	234,658	9,725,008
216	Hutchinson County	4,890,821	330,031	1,858,512	5,150	601,918	172,594	6,310,003
217	Irion County	937,291	45,758	356,170	1,607	42,030	11,408	1,287,388
218	Jack County	1,579,422	140,512	600,180	1,018	36,497	98,081	2,186,555
592	Jack Co. AD	92,133	7,913	35,010			6,161	128,895
219	Jackson County	2,848,929	202,015	1,082,593		225	118,456	4,014,856
441	Jackson Co. County-Wide DD	367,271	23,784	139,563		41,898	14,768	473,952
220	Jasper County	3,594,509	615,538	1,365,913	6,031	152,907	282,141	5,146,942
657	Jasper Co. WCID #1	29,009	9,285	11,024				49,318
221	Jeff Davis County	281,383	24,822	106,925			14,397	398,733
222	Jefferson County	49,083,884	4,889,899	18,651,876	82,144	3,353,416	2,321,116	67,033,271
404	Jefferson Co. DD #3	213,209	15,473	81,019			7,086	302,614
408	Jefferson Co. DD #6	4,111,983	313,126	1,562,553	2,137	218,558	190,750	5,580,491
405	Jefferson Co. DD #7	4,262,385	352,858	1,619,706	312	199,921	151,939	5,883,402
451	Jefferson Co. WCID #10	359,566	13,171	136,635	951	56,159	26,772	427,392
706	Jefferson Co. Waterway ND		9,231					9,231
223	Jim Hogg County	1,143,777	171,726	434,635	869	33,780	76,705	1,640,000
	Late-reporting penalty		(523)					8,952
680	Jim Hogg Co. AD	3,172	4,576	1,205				10,289
656	Jim Hogg Co. FD #2	6,690	1,057	2,542				134,639
641	Jim Hogg Co. WCID #2	85,667	17,080	32,553			662	7,470,726
224	Jim Wells County	5,376,767	397,987	2,043,171	4,741	168,029	183,910	

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances		Additions		Deductions		Balances Dec. 31, 2003
		Jan. 1, 2003	Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	Retirement Allowances	
225	Johnson County	10,287,310	1,024,600	3,909,178	5,262	256,963	368,971	14,600,417
584	Johnson Co. Fresh WSD #1	83,877	26,053	31,873			5,048	136,755
226	Jones County	1,824,131	188,920	693,170	415	34,269	127,903	2,544,465
496	Jones Co. AD	218,757	16,267	83,128			6,525	311,626
227	Karnes County	1,755,030	165,751	666,911	1,839	63,791	94,075	2,431,665
524	Karnes Co. AD	106,475	7,803	40,461			5,713	149,026
455	Karnes Co. HD	2,320,865	149,762	881,929		281	59,589	3,292,686
228	Kaufman County	8,070,783	635,581	3,066,897	7,039	528,924	259,584	10,991,791
662	Kaufman Co. AD	169,327	51,589	64,344			5,398	279,861
671	Kendall AD	50,139	32,341	19,053				101,533
229	Kendall County	2,006,495	279,974	762,468	1,781	31,531	78,619	2,940,569
619	Kendall Co. WCID #1	136,955	17,702	52,043				206,700
230	Kenedy County	826,135	169,029	313,931	4,523	67,553	23,588	1,222,478
231	Kent County	877,556	108,413	333,471		35,948	34,149	1,249,344
594	Kent Co. Tax AD	57,961	10,119	22,025		34,747	2,728	52,630
232	Kerr County	5,403,963	635,257	2,053,506	4,159	146,075	164,907	7,785,374
	Late-reporting penalty		(530)					72,294
653	Kerr Emerg. 911 Net.	45,710	9,214	17,370				614,014
233	Kimble County	477,192	41,288	181,333	737	73,102	13,434	13,682
234	King County	514,492	23,002	195,507				718,814
	Late-reporting penalty		(504)					1,376,107
235	Kinney County	973,462	61,201	369,916	279	12,911	15,840	36,864
579	Kinney Co. AD	41,337	6,583	15,708		24,599	2,165	12,855,259
236	Kleberg County	9,746,295	502,895	3,703,592	5,697	637,103	466,117	842,972
237	Knox County	607,266	50,325	230,761	2,107	39,254	8,234	130,923
519	Knox Co. AD	93,289	4,055	35,450			1,870	2,218,415
241	La Salle County	1,566,615	111,119	595,314			54,632	1,963,008
540	Laguna Madre WD—Cameron Co.	1,310,016	225,331	497,806	905	18,961	52,089	772,364
514	Lakeway MUD—Travis Co.	596,252	57,170	226,576	5,548	92,016	21,166	6,964,358
238	Lamar County	5,012,219	439,730	1,904,643	6,862	254,188	144,909	88,834
239	Lamb County	2,159,961	221,510	820,785	2,167	42,106	88,834	2,392,664
240	Lampasas County	1,686,960	274,976	641,045	4,741	148,408	66,649	50,342
650	Lampasas Co. AD	24,916	15,957	9,468				2,125,777
439	Lavaca-Navidad River Auth.—Jackson Co.	1,436,900	182,921	546,022		89	39,977	5,277,727
242	Lavaca County	3,678,209	345,161	1,397,719	1,651	41,888	103,125	2,873,631
243	Lee County	2,088,757	173,708	793,728	2,747	126,334	58,974	2,018,996
244	Leon County	1,402,480	165,365	532,943	2,424	58,108	26,109	282,501
468	Leon Co. CAD	204,711	77,790					12,477,870
245	Liberty County	8,739,750	1,001,444	3,321,105	3,828	153,005	435,252	

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Transfers to CSARF ²	Retirement Allowances	
481	Liberty Co. CAD	828,081	50,068	314,671		24,630	1,168,190
246	Limestone County	3,507,420	293,277	1,332,820	4,433	191,777	4,864,038
695	Limestone Co. AD		20,070				20,070
247	Lipscomb County	1,088,184	96,312	413,510	3,436	157,972	1,404,721
248	Live Oak County	1,554,722	196,814	590,794	2,121	124,082	2,107,474
591	Live Oak Co. AD	151,172	20,994	57,445		9,778	219,834
431	Livingston HD	952,300	361,874	361,874		73,883	1,240,291
249	Llano County	2,237,799	243,865	850,363	2,848	105,499	3,152,387
654	Llano Co. Hosp. Auth.	848,495	(131,101)	322,428		5,087	1,026,408
436	Transfer to Llano Mem Hosp #436 Llano Mem. Hosp.	2,036,998		774,059		6,965	118,745
250	Transfer from Llano Co. Hosp Auth. #654 Loving County	579,649	131,101	220,266		33,029	2,816,448
513	Loving Co. AD	4,552	3,833	1,730		2,188	822,341
499	Lubbock CAD	2,726,692	167,394	1,036,143	3,537	43,012	3,840,668
251	Lubbock County	23,932,563	2,383,385	9,094,374	35,047	1,519,533	32,884,526
425	Lubbock Co. WCID #1	283,948	9,554	107,900	45	7,749	378,423
558	Lubbock ECD	176,610	16,020	67,112			259,742
647	Lubbock Reese Redev. Auth.	135,764	12,479	51,590			199,833
639	Lumberton MUD	108,102	26,657	41,079			175,838
252	Lynn County	562,944	66,053	213,919		21,453	821,463
497	Lynn Co. AD	37,594	2,803	14,286		1,648	53,035
442	Lynn Co. HD	1,880,831	157,718	714,716	1,165	72,460	2,591,905
630	Macedonia-Eylau MUD—Bowie Co.	134,039	19,228	50,935			204,202
500	Mackenzie MWA—Briscoe Co.	452,670	17,543	172,015	1,113	49,595	589,800
256	Madison County	615,025	91,529	233,709	623	22,759	877,053
596	Madison Co. AD	56,545	6,903	21,487			84,935
257	Marion County	1,835,469	114,723	697,478	833	50,368	2,502,609
675	Marion Co. AD	9,725	12,421	3,696			25,841
658	Marshall-Harrison Co. Health Dist. Late-reporting penalty	46,499	13,939	17,670	(506)	68	77,534
258	Martin County	1,572,766	132,627	597,651	1,563	56,329	2,168,059
595	Martin Co. AD	38,603	4,369	14,669		2,733	54,909
259	Mason County	519,372	50,971	197,362	658	16,784	740,787
260	Matagorda County	6,391,348	582,148	2,428,712	11,052	337,741	8,842,651
678	Matagorda Co. DD	22,692	22,797	8,623			54,112
440	Matagorda Co. HD	8,760,625	214,115	3,329,038	750	215,164	11,783,881
677	Matagorda Co. ND #1	17,234	16,442	6,549			40,225
261	Maverick County	3,753,041	302,462	1,426,155	4,260	82,531	5,301,369

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Transfers to CSARF ²	Retirement Allowances	
453	Maverick Co. WCID #1	570,852	35,520	216,924		22,082	801,214
452	McCamey CHD—Upton Co.	1,093,523	12,024	415,539		23,205	1,497,880
253	McCulloch County	1,015,992	59,414	386,077	2,576	58,466	1,367,545
512	McCulloch Co. AD	177,076	7,625	67,289			251,990
254	McLennan County	32,452,908	3,835,600	12,332,105	28,424	1,000,393	45,956,524
491	McLennan Co. AD	2,106,230	173,404	800,367	719	63,534	91,291
	Lump-sum contribution		15,000				2,940,895
679	McLennan Co. WCID #2	2,247	3,011	854			6,112
255	McMullen County	678,990	57,627	258,016	4,565	141,344	847,016
701	Meadowlakes MUD		8,509				8,509
599	Med. Arts Hosp.—Dawson Co.	1,664,570	38,211	632,537	453	13,387	2,277,187
262	Medina County	2,955,268	287,018	1,123,002	3,189	150,614	4,120,652
705	Medina Co. 911 Dist.		2,243				2,243
535	Medina Co. AD	302,809	22,322	115,068		3,270	436,929
419	Mem. Med. Center—Calhoun Co.	4,853,293	240,114	1,844,251	10,402	199,539	6,653,782
263	Menard County	486,340	46,893	184,809		20,033	698,009
669	Mid. Rio Grande Dev. Council	876,870	358,104	333,210			1,568,184
492	Midland CAD	2,114,888	75,810	803,657		16,050	2,978,306
264	Midland County	18,548,575	1,492,206	7,048,458	19,026	731,733	25,570,858
570	Midland ECD	117,240	9,484	44,551			171,275
265	Milam County	3,088,680	304,671	1,173,699	3,758	100,825	4,348,639
266	Mills County	641,671	54,682	243,835	441	19,659	891,109
617	Mills Co. AD	41,746	3,782	15,864			61,392
267	Mitchell County	1,320,151	123,978	501,657	815	39,314	1,848,713
484	Mitchell Co. AD	90,828	7,161	34,515		3,934	128,570
268	Montague County	2,207,201	306,418	838,736	7,740	241,463	3,016,767
504	Montague Co. Tax AD	314,338	16,605	119,448		8,896	441,496
605	Montgomery CAD	1,480,183	386,583	562,470	291	69,031	2,432,969
	Lump-sum contribution		100,000				69,335,689
269	Montgomery County	48,864,795	4,768,184	18,568,622	26,034	1,380,044	1,511,902
667	Montgomery Co. ECD	87,646	58,369	33,306			179,321
651	Montgomery Co. ESD #1	60,138	18,229	22,852			101,220
696	Montgomery Co. ESD #3		7,670				7,670
270	Moore County	3,819,749	380,558	1,451,505	6,813	193,645	5,261,264
412	Moore Co. HD	5,037,359	261,849	1,914,196	1,632	53,889	7,062,354
271	Morris County	2,232,574	136,377	848,378	2,207	62,424	3,011,755
273	Nacogdoches County	6,358,432	574,050	2,416,204	191	122,391	9,022,537
515	Navarro CAD	466,793	34,331	177,381		6,967	671,538
274	Navarro County	7,231,634	669,291	2,748,021	8,851	280,562	10,214,164

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	
572	Newton CAD	286,411	30,356	108,836		1,696	423,907
275	Newton County	1,461,549	110,519	555,388	1,944	69,118	1,982,442
510	Newton Co. Mem. Hosp.	46,538		17,685	425	10,833	48,144
276	Nolan County	2,417,487	222,346	918,645	4,877	129,275	3,296,852
556	North Cent. Tex. MWA	233,410	24,905	88,696		9,333	337,678
415	North Plains HD	956,570		363,496	272	15,806	1,227,155
646	North Tex. Tollway Auth.	3,985,124	1,651,860	1,514,347	2,221	49,606	7,085,258
562	Northeast Tex. MWD	316,961	29,925	120,445		7,174	460,158
277	Nueces County	59,516,859	3,458,803	22,616,407	69,933	2,293,460	81,200,105
683	Nueces Co. AD	96,335	216,262	36,607		4,821	344,382
400	Nueces Co. DD #2	289,414	8,802	109,977	5,847	98,194	309,537
416	Nueces Co. WCID #3	658,720	46,085	250,313		16,481	938,637
450	Nueces Co. WCID #4	865,380	37,915	328,844		14,460	1,217,678
538	Nueces River Auth.—Uvalde Co.	209,820	7,889	79,732		829	296,611
278	Ochiltree County	1,894,000	161,975	719,720		20,555	2,648,598
279	Oldham County	1,152,662	62,070	438,012		69,937	1,531,103
517	Oldham Co. AD	110,799	5,916	42,104		51,704	158,819
280	Orange County	15,498,395	1,375,006	5,889,390	10,354	242,524	21,767,595
490	Orange Co. AD	1,174,678	40,084	446,378		2,558	1,658,582
421	Orange Co. DD	1,688,126	195,742	641,488	2,962	77,334	2,376,753
665	Orange Co. ESD #1	11,750	7,455	4,465			23,671
660	Orange Co. Nav. & Port Dist.	48,620	18,716	18,476		1,824	83,988
631	Orange Co. WCID #1	302,278	50,230	114,866		4,453	462,921
281	Palo Pinto County	3,533,176	347,566	1,342,607	2,796	124,379	4,988,724
282	Panola County	3,354,152	761,599	1,274,578	5,733	278,220	4,825,254
283	Parker County	8,450,571	896,466	3,211,217	2,029	68,954	12,257,961
284	Parmer County	1,087,953	106,854	413,422	2,585	107,427	1,429,460
285	Pecos County	10,261,445	881,437	3,899,349	9,055	669,381	13,955,079
494	Pecos Co. AD	221,948	7,719	84,340		4,139	309,870
673	Permian Reg. Med Ctr.	534,229	767,972	203,007	135	5,272	1,499,363
707	Pineywoods GCD		2,967			707	2,967
697	Polk CAD		36,946				36,946
286	Polk County	8,248,453	489,882	3,134,412	4,159	356,395	11,295,246
676	Port of Bay City Auth.	2,163	3,385	822			6,370
449	Port of Beaumont ND	1,691,180	185,597	642,648	8,031	225,412	2,180,915
620	Port of Corpus Christi Auth.	4,510,861	719,275	1,714,127	2,245	59,285	6,414,500
622	Port of Port Arthur ND	561,622	58,367	213,416		47,596	785,809
287	Potter County	21,465,008	1,866,066	8,156,703	21,722	1,006,945	29,732,269
489	Potter Co. AD	1,180,977	448,771	448,771	2,517	50,461	1,526,897

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Endowment Fund Transfers ¹	Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain		Transfers to CSARF ²	Retirement Allowances	
560	Potter-Randall Co. ECD	115,456	32,487	43,873				191,816
626	Presidio AD	22,884	1,783	8,696				33,362
288	Presidio County	999,087	85,327	379,653			15,855	1,448,212
289	Rains County	897,595	79,859	341,086			29,621	1,288,918
530	Rains Co. AD	160,265	9,637	60,901			2,244	228,558
297	Randall County	10,818,755	1,071,695	4,111,127	8,305	279,367	343,476	15,387,038
564	Randall Co. AD	2,254,490	204,934	856,706	6,475	122,525	26,081	3,174,000
406	Rankin CHD—Upton Co.	1,015,045	43,488	385,717	797	138,255	50,787	1,256,006
291	Reagan County	1,394,821	163,399	530,032	781	45,884	60,788	1,982,361
445	Reagan HD	578,963	53,686	220,006			30,947	821,708
292	Real County	1,023,475	53,590	388,921		15,619	42,883	1,407,483
505	Red Bluff WPCD—Reeves Co.	30,753	9,195	11,686			4,058	47,577
435	Red River Auth.—Wichita Co.	1,379,502	60,975	524,211	11,264	332,909	28,647	1,614,396
293	Red River County	1,502,855	113,608	571,085	805	80,420	47,959	2,059,974
294	Reeves County	7,762,442	1,152,470	2,949,728	12,527	349,099	171,211	11,356,858
588	Reeves Co. HD	2,396,530	223,983	910,681	1,945	37,597	6,567	3,488,975
295	Refugio County	1,757,957	155,387	668,024	485	94,861	55,739	2,431,252
543	Refugio Co. DD #1	80,794	9,744	30,702			11,660	109,070
	Late-reporting penalty		(511)					
296	Roberts County	743,131	48,726	282,390	342	67,166	27,088	980,336
480	Roberts Co. AD	110,062		41,824				151,886
297	Robertson County	2,356,260	182,602	895,379	12,130	324,618	85,795	3,035,958
698	Rockwall CAD		48,664					48,664
298	Rockwall County	3,955,635	621,732	1,503,141	3,067	111,364	138,760	5,833,452
299	Runnels County	1,450,022	136,887	551,008			40,144	2,097,774
300	Rusk County	5,444,462	456,401	2,068,895	16,611	571,396	218,715	7,196,257
612	Rusk Co. AD	46,827	29,934	17,794			2,579	91,976
301	Sabine County	1,231,764	51,068	468,070	133	4,321	19,131	1,727,583
568	Sabine Pass Port Auth.	79,483	11,754	30,204			3,085	118,356
302	San Augustine County	1,096,308	55,446	416,597	197	8,647	24,165	1,535,735
303	San Jacinto County	1,948,985	190,637	740,614	874	90,916	86,935	2,703,259
553	San Jacinto Co. CAD	224,454	17,819	85,293	153	3,889	6,096	317,734
304	San Patricio County	12,949,678	841,555	4,920,878	20,125	489,412	350,355	17,892,469
495	San Patricio Co. AD	524,817	18,559	199,430			10,485	732,320
426	San Patricio Co. DD	1,466,402	84,203	557,233			121,360	1,986,477
422	San Patricio MWD	573,638	98,395	217,982			25,287	864,727
305	San Saba County	902,148	61,599	342,816			24,573	1,281,989
306	Schleicher County	1,210,942	77,994	460,158			22,965	1,726,129
307	Scurry County	8,709,851	560,416	3,309,743	2,230	131,215	384,730	12,066,295

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	
308	Shackelford County	648,600	44,347	246,468		28,541	910,874
470	Shackelford Co. AD	147,855	4,594	56,185		5,970	202,664
309	Shelby County	1,791,401	200,621	680,732	1,448	89,498	2,476,933
627	Shelby Co. AD	76,299	8,437	28,994		1,416	112,314
523	Shelby Co. Gen. Hosp.	135,358		51,436	83	14,296	147,064
310	Sherman County	1,230,469	168,184	467,578	3,061	70,650	1,747,451
469	Sherman Co. AD	124,431	8,553	47,284		4,104	176,163
311	Smith County	17,840,339	1,970,093	6,779,329	29,353	926,007	24,750,363
555	Smith Co. 911 Comm. Dist.	275,822	42,932	104,812	99	9,361	413,889
606	Smith Co. AD	1,326,910	184,394	504,226		7,349	2,108,181
	Lump-sum contribution		100,000				
632	Smith Co. Public Health Dist.	1,205,527	196,023	458,100	331	10,678	1,843,442
312	Somervell County	4,153,853	415,752	1,578,464	6,360	165,239	5,839,824
507	Somervell Co. CAD	99,230	10,782	37,707		336	6,689
	Late-reporting penalty		(5)				140,689
699	Somervell Co. Water Dist.		5,178				5,178
645	South Tex. Dev. Council	294,406	71,662	111,874		2,644	475,299
313	Starr County	3,484,133	571,471	1,323,971	1,100	80,356	5,065,041
536	Starr Co. AD	384,301	34,520	146,034		9,817	555,038
314	Stephens County	1,788,750	125,504	679,725		67,573	2,526,407
315	Sterling County	1,069,735	78,971	406,499	760	13,350	1,498,889
316	Stonewall County	640,688	36,468	243,461		29,482	891,136
458	Stonewall Mem. HD	656,826	3,094	249,594		23,550	885,963
539	Stratford HD—Sherman Co.	358,383	23,077	136,186	396	23,729	490,819
317	Sutton County	2,142,833	121,151	814,277	2,382	85,252	2,925,597
573	Sutton Co. HD	615,038		233,714		4,216	844,536
318	Swisher County	1,060,093	97,507	402,835		83,575	1,476,860
460	Swisher Co. AD	255,476	10,172	97,081		3,928	358,801
534	Swisher Mem. HD	581,827	31,427	221,094		9,748	824,599
607	Tarrant AD	7,586,708	918,834	2,882,949	7,191	277,964	10,895,256
319	Tarrant County	167,666,644	17,673,142	63,713,325	176,411	6,009,664	236,845,585
545	Tarrant Co. 911 EAD	630,598	68,562	239,627			938,787
574	Tax AD of Cottle Co.	21,481	1,881	8,163		255	31,270
320	Taylor County	13,262,710	1,263,189	5,039,830	9,051	518,955	18,529,358
321	Terrell County	345,223	61,259	131,185		28,822	508,845
322	Terry County	1,537,850	206,762	584,383		96,245	2,232,750
402	Terry Mem. HD	4,837,313	113,786	1,838,179	5,953	161,130	6,433,842
437	Tex. Assoc. of Counties	4,555,975	546,223	1,731,270		22,975	6,810,494
354	TCDRS	3,198,289	434,377	1,215,350	410	18,515	4,665,339

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Transfers to CSARF ²	Retirement Allowances	
634	Tex. Eastern 911 Net.	52,826	13,087	20,074			85,987
323	Throckmorton County	372,728	37,344	141,637		25,750	525,958
324	Titus County	4,572,550	252,453	1,737,569	1,596	39,540	6,405,895
501	Titus Co. Fresh WSD	334,855	23,989	127,245	108	18,903	460,007
325	Tom Green County	11,839,577	1,064,658	4,499,039	12,821	475,110	16,422,415
601	Travis CAD	3,140,500	316,286	1,193,390		67,170	4,583,006
326	Travis County	179,648,367	15,775,783	68,266,379	157,091	7,031,386	252,554,490
666	Travis Co. WCID—Point Venture	9,846	7,251	3,741		1,361	19,477
549	Travis Co. WCID #18	76,551		29,090		199	105,442
659	Tri-Co. SUD	20,562	7,481	7,814			35,857
633	Trinity Bay Cons. Dist.	613,802	106,467	233,245		25,563	927,950
327	Trinity County	1,167,655	128,762	443,709		96,446	1,587,503
328	Tyler County	2,890,039	208,196	1,098,215	1,807	61,829	4,017,746
471	Tyler Co. AD	468,749	21,286	178,125		2,002	666,157
561	United ID—Hidalgo Co.	460,912	55,561	175,147	76	6,581	668,528
329	Upshur County	5,223,211	492,787	1,984,820	8,521	207,213	7,278,211
330	Upton County	1,729,777	158,637	657,315	7,212	235,019	2,245,888
682	Upton Co. AD	9,193	12,503	3,493			25,189
331	Uvalde County	4,445,235	367,969	1,689,189	4,254	155,873	6,221,934
332	Val Verde County	6,312,359	503,374	2,398,696	8,022	271,772	8,807,834
663	Valley MUD #2—Cameron Co.	30,922	11,046	11,751	3	96	53,414
586	Valwood Imp. Auth.—Dallas Co.	159,340	14,202	60,549			234,092
333	Van Zandt County	3,446,409	324,744	1,309,635	830	67,721	4,879,247
672	Van Zandt Co. AD	69,515	29,574	26,416			125,505
420	Velasco DD—Brazoria Co.	1,357,202	86,979	515,737	9,174	154,853	1,769,273
334	Victoria County	16,951,189	1,347,447	6,441,452	19,135	600,244	23,501,244
423	Victoria Co. DD #3	249,616	5,099	94,854		3,675	345,893
637	Victoria Co. WCID # 1	34,514	2,815	13,115			50,445
335	Walker County	6,728,551	759,612	2,556,850	14,812	499,706	9,252,350
336	Waller County	5,113,496	397,695	1,943,129	9,723	380,462	6,893,099
337	Ward County	3,908,102	354,075	1,485,079	3,952	174,403	5,299,403
565	Ward Co. CAD	152,002	3,735	57,761			213,498
444	Ward Mem. Hosp.	3,399,892	95,568	1,291,959	3,295	83,083	4,598,479
338	Washington County	3,531,211	402,624	1,341,860	5,680	182,834	4,956,452
339	Webb County	28,320,692	2,873,519	10,761,863	18,248	923,744	579,231
	Late-reporting penalty		(1,073)				40,470,274
604	Webb Co. AD	588,086	62,569	223,473	563	24,929	843,412
443	West Cent. Tex. COG	3,765,840	361,961	1,431,019	2,203	409,140	5,007,000
410	West Cent. Tex. MWD	633,526	46,611	240,740	3,227	169,216	725,198

¹ Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

² Current Service Annuity Reserve Fund

OTHER SUPPLEMENTARY INFORMATION: SUBDIVISION ACCUMULATION FUND

CHANGES IN SUBDIVISION ACCUMULATION FUND, continued

No.	Employer Name	Balances Jan. 1, 2003	Additions		Deductions		Balances Dec. 31, 2003
			Employer Contributions	Allocated Net Gain	Endowment Fund Transfers ¹	Transfers to CSARF ²	
454	West Jefferson Co. MWD	377,253	34,804	143,356		17,088	538,325
688	West Nueces-Las Moras Soil & WCD #236	1,022	2,249	388			3,659
340	Wharton County	5,999,906	603,052	2,279,964	2,900	113,669	8,427,548
621	Wharton Co. WCID #1	21,169	2,021	8,044			31,235
341	Wheeler County	1,003,977	110,642	381,511	495	74,080	1,354,420
476	Wheeler Co. AD	157,520	9,734	59,858			223,182
427	White River MWD—Dickens Co.	479,923	25,061	182,371			674,505
342	Wichita County	11,358,718	1,191,075	4,316,313	20,627	508,740	15,978,648
446	Wichita Co. WID #2	580,303	52,867	220,515			833,195
559	Wichita-Wilbarger 911 Dist.	196,045	28,094	74,497			297,614
655	Wickson Creek SUD—Brazos Co.	87,820	28,330	33,372			149,522
343	Wilbarger County	2,602,155	237,330	988,819	10,692	232,876	3,470,807
530	Wilbarger Co. HD	2,503,018	217,191	951,147	1,667	50,254	3,564,370
344	Willacy County	2,658,122	189,688	1,010,086	1,299	292,767	3,483,002
575	Willacy Co. AD	126,021	18,688	47,888			192,596
652	Willacy Co. Housing Auth.	17,560	5,589	6,673			29,821
345	Williamson County	28,362,436	4,512,299	10,777,726	9,319	294,469	42,704,544
608	Williamson Co. AD	1,601,005	312,378	608,382		48,054	2,414,531
346	Wilson County	2,255,858	240,236	857,226	1,543	148,931	3,114,545
479	Wilson Co. AD	377,226	26,383	143,346			536,908
347	Winkler County	4,546,645	369,818	1,727,725	4,991	258,963	6,082,968
533	Winkler Co. AD	50,331	7,684	19,126			74,628
348	Wise County	5,608,700	748,879	2,131,306	1,645	74,897	8,215,385
493	Wise Co. AD	476,654	13,160	181,129			664,729
349	Wood County	4,336,183	489,811	1,647,749	7,092	196,648	6,080,897
700	Wood Co. AD		32,348				32,348
350	Yoakum County	6,749,696	624,855	2,564,884	19,304	457,245	8,987,672
351	Young County	2,864,857	227,725	1,088,646	5,718	121,192	3,911,018
352	Zapata County	6,499,601	428,210	2,469,848	7,384	324,827	9,021,329
649	Zapata Co. AD	25,965	7,057	9,867			42,889
353	Zavala County	2,677,679	69,264	1,017,518	4,404	88,299	3,571,734
566	Zavala Co. AD	166,745	13,893	63,363			238,587
Totals		\$ 3,510,897,676	\$ 315,637,689	\$1,334,141,117	\$ 3,521,396	\$ 135,391,522	\$ 4,909,288,001

¹Transfers from the General Reserves Account of the Endowment Fund to match partial-year interest allocations to certain retiring employees.

²Current Service Annuity Reserve Fund

Due to rounding, totals and detail may not equal.

See accompanying independent auditor's report.

When Burnet County Sheriff Wallace W. Riddell (1899–1978) passed away, he held the record as Texas' longest serving sheriff with a term of 39 years, one month and 11 days. Before becoming sheriff, the son of a Scottish stonemason earned induction into the Texas Rodeo Hall of Fame as a calf roper. Riddell oversaw the transition of the sheriff's office from the provider of many essential community services to a modern law enforcement organization. Charles Umlauf, one of the state's best known modern sculptors, completed this statue of Riddell in 1980.



Investment Section

David Crockett's widow and son established a farm in eastern Hood County. Jesse James and John Wilkes Booth are said to have escaped to Granbury, the county seat. In the 1970s, Mary Lou Watkins helped turn the county's history into tourism dollars and one of the area's largest industries. A descendent of the town's founders, Watkins' efforts to revitalize the courthouse square led to it becoming the first town square listed on the National Register. The bronze sculpture of Watkins by Art Blevins depicts her ringing a dinner bell, like she did for so many years from the front porch of the Nutt House Dining Room.



Thirty years after Coryell County and the City of Gatesville were organized in 1854, residents joined together to officially form a volunteer fire department to protect life and property. Department records prior to 1884 were lost in a devastating fire that destroyed the much of the town square. The 1885 fire bell that called citizens to action is now the centerpiece of a monument on the courthouse lawn dedicated to the citizens who are often the first responders when their neighbors need assistance. Today, it is estimated that 82 percent of Texas fire departments are manned by volunteers.



May 2004

Board of Trustees
Texas County & District Retirement System
P.O. Box 2034
Austin, TX 78768-2034

To the members of the Board:

It is a pleasure to report on the investment activities of the Texas County and District Retirement System (TCDRS) for 2003. Retained in 1996, Wilshire Associates provides on-going investment consulting services to the Board, including investment policy development and review, asset allocation analysis, asset class structure analysis, investment manager searches and performance evaluation. Wilshire Associates prepares and presents its performance measurement reports to TCDRS on a quarterly basis using time-weighted rates of return based on custodian market values. The methodology is in compliance with the Global Investment Performance Standards of the Association of Investment Management and Research (AIMR).

2003 was a year of recovery for the equity markets, which posted positive annual returns for the first time since 1999. The S&P 500 was up 28.7 percent and the international equity market, as represented by the MSCI EAFE Index, was up 38.6 percent for the year. Returns were driven by federal tax cuts, continued accommodative monetary policies, improved corporate earnings and a weaker dollar. The Federal Reserve lowered the federal funds rate 25 basis points to 1.00 percent in June, and inflation remained low at 1.88 percent. Bonds benefited from the low interest rate environment, with the Lehman Aggregate Bond Index posting an annual return of 4.1 percent.

TCDRS' \$10.8 billion fund completed the year with a total return of 20.2 percent, which exceeded the Wilshire median peer total fund return of 19.1 percent. In 2003, TCDRS ranked in the 40th percentile of the Wilshire total fund universe. The fund's 20.2 percent return also exceeded the Board's investment policy return of 19.7 percent for the year.

At the asset class level, TCDRS' passively-managed US equities portfolio comprises 36.2 percent of the total fund and returned 31.7 percent for the year, which was in line with the 31.6 percent return of the Wilshire 5000 Index. International equities, which represent 13.3 percent of the total fund, returned 38.4 percent approximating the return of the MSCI EAFE benchmark, 38.6 percent. The core fixed income portfolio, which represents 35.0 percent of the total fund and is 76 percent managed internally by TCDRS staff, returned 2.7 percent for the year versus the Lehman Aggregate Bond Index return of 4.1 percent due to the portfolio's longer duration relative to the benchmark. Over periods longer than five years, the fixed income portfolio has exceeded the benchmark by more than 100 basis points. The actively-managed high yield bond portfolio, which comprises 9.8 percent of the portfolio, returned 20.0 percent versus the Merrill Lynch High Yield Master II Total Return Index's return of 28.1 percent. The shortfall is attributable to the lack of speculative, lower quality issues, which dramatically outperformed higher quality issues in 2003, in the TCDRS portfolio versus their approximately 15 percent weight within the benchmark. TCDRS' actively-managed real estate investment trust portfolio, representing 5.7 percent of the portfolio, returned 41.6 percent for the year, outperforming the Wilshire Real Estate Securities Index return of 37.1 percent.

Disciplined dollar cost averaging into US equities, international equities and high yield bonds, according to the Board's approved strategic asset allocation, continued throughout the year. The Board approved the inclusion of investment grade corporate bonds in the core fixed income portfolio and retained three specialty managers to manage the investment grade corporate bonds: BlackRock Financial Management (New York), Loomis, Sayles & Company (Boston) and Prudential Investment Management (Newark, NJ). Additionally, the Board retained a third active high yield manager, Shenkman Capital Management (New York), after a competitive search. A formal evaluation of TCDRS' passive equity and active high yield managers was also conducted, resulting in no manager changes.

We believe the direction and depth of capital market returns are impossible to forecast on a consistent basis. As such, prudent institutional investors like TCDRS have chosen to develop long-term investment policies and diversified strategies to achieve the investment objectives that meet the needs of participating employers and employees. This approach has served participants very well in the past and is likely to serve them well in the future.

Respectfully submitted,

Eileen Neill, CFA
Managing Director

Shana Mulkerin
Senior Associate

WILSHIRE ASSOCIATES
1299 Ocean Avenue, Suite 700 Santa Monica, CA 90401-1005
TEL 310.451.3051 FAX 310.458.0520 WWW.WILSHIRE.COM

A: THE TCDRS ACT AND INVESTMENT POLICY

Texas County & District Retirement System (TCDRS or system) was established in 1967 by an act of the Texas Legislature. Investment decisions of the TCDRS Board of Trustees (board) are subject to the “prudent person” standard of care as outlined in Section 67, Article XVI of the Texas Constitution.

Additionally, the board has adopted and periodically reviews an investment policy that defines and restricts investment authority and emphasizes the importance of a long-term investment philosophy with minimization of risk.

B: INVESTMENT PHILOSOPHY AND STRATEGY

In 1992, the TCDRS Board of Trustees targeted 8% as the investment return requirement. In 1996, the board concluded that a diversified portfolio would offer the best opportunity to produce the desired investment return of 8%. Accordingly, the TCDRS portfolio now includes fixed-income securities (core fixed income); domestic equity securities; international equity securities; domestic, high-yield, fixed-income securities (high-yield bonds); and real estate investment trust equity securities (REITs). For more information on these types of securities and investment terminology, please see the Glossary on page 85.

C: ASSET ALLOCATION AND FUNDING

The board uses a long-term, strategic approach to asset allocation based upon capital market assumptions that are reviewed and adopted annually. The assumptions adopted in March 2004 are shown in Table 1. Included for each

TABLE 1: CAPITAL MARKET ASSUMPTIONS

Asset Category (Portfolio)	Expected Return	Standard Deviation	Expected Yield
Core Fixed Income	5.00%	7%	5.00%
Domestic Equities	7.75	17	1.60
International Equities	7.75	20	2.50
High-Yield Bonds	6.50	10	6.50
REITs	7.50	16	5.50
Short-Term Investment Fund ¹	2.75	1	2.75

¹ The Short-Term Investment Fund contains money deposited with the system's custodian awaiting allocation to an asset class.

asset class are the long-term, expected returns; the levels of risk associated with the expected returns (as represented by the standard deviation of returns); and the expected cash yield.

The board has established asset allocation targets for each asset class within the portfolio. Table 2 outlines those targets together with minimum and maximum ranges for each class. The investment officer allocates funds to the asset classes based upon these limits. Due to gains in the equity markets as well as reinvestment of proceeds from sales and maturities of core fixed-income instruments, TCDRS attained its asset allocation targets in 2003.

D: ASSET CLASSES, INVESTMENT STYLES AND INVESTMENT MANAGERS

The core fixed-income investments are actively managed. Domestic equities and one of the international equity portfolios are managed using passive styles, while the second international equity portfolio is managed using an active style. High-yield bonds and REITs are managed using active styles. Cash generated from any externally managed portfolio is held by the investment professional responsible for the portfolio in interest-bearing instruments or accounts until reinvested. The TCDRS investment officer manages cash generated from the internally managed core fixed-income portfolio together with new contributions (Short-Term Investment Fund) until allocated to a portfolio.

Core Fixed-Income Holdings

During the third quarter of 2003, the board determined that the investment-grade bond portfolio should be actively managed and should include a significant exposure to instruments of higher credit risk within the investment-grade rating. As a reflection of this change in strategy, the board renamed this

TABLE 2: ASSET ALLOCATION TARGETS

Asset Category	Allocation Percentages		
	Minimum	Maximum	Target
Core Fixed Income	30%	45%	38%
Domestic Equities	30	40	35
International Equities	9	15	12
High-Yield Bonds	7	13	10
REITs	3	7	5
Short-Term Investment Fund	0	5	0

asset class “Core Fixed Income” and determined that the Citigroup Large Pension Fund Index would be a more appropriate benchmark for measurement of performance during periods after 2003. For convenience, the core fixed-income holdings have been subdivided into two portfolios. The first contains U.S. Government and mortgage-related instruments. The second contains instruments of higher exposure, such as corporate debt (credit portfolio). Table 3 identifies the targeted composition of the core fixed-income holdings.

The TCDRS investment officer manages the system’s core fixed-income holdings of U.S. government and mortgage-related bonds. U.S. government instruments are non-mortgage-related securities issued by the United States Treasury or an agency or instrumentality of the United States (U.S. governments). Mortgage-related instruments include collateralized mortgage obligations (CMOs); real estate mortgage investment conduits (REMICs); and GNMA/FHA project loans, pools and participation agreements (GNMA/FHA loans). CMOs and REMICs are securities guaranteed by agencies or instrumentalities of the United States government, since these instruments represent ownership in mortgages

that are guaranteed by such agencies. Likewise, GNMA/FHA loans represent ownership in mortgages guaranteed by those agencies.

Management of the core fixed-income credit portfolio is divided among BlackRock Financial Management, Inc. (BlackRock); Loomis, Sayles & Company, L.P. (Loomis); and Prudential Investment Management, Inc. (Prudential), all of which were retained in the third quarter of 2003. Each manager’s portfolio consists of debt securities issued by domestic corporations or U.S. dollar-denominated debt issued by foreign sovereigns, supranationals or corporations, and exhibits a dollar-weighted average quality rating of BBB-/Baa3 or better from Moody’s Investors Service (Moody’s), the Standard & Poor’s Corporation (S&P), or Fitch Investor’s Services (Fitch). Additionally, these portfolios may contain minimal investments in short-term instruments, non-rated securities, private placement securities, convertible bonds and preferred stock.

Equity Holdings

The system’s domestic equities and a portion of its international equities are passively managed by State Street Global Advisors (SSgA) in a commingled Wilshire 5000 Index fund and in a commingled Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE) fund. Capital Guardian Trust Company (Cap Guardian) actively manages a second international equity portfolio in a commingled fund. The Cap Guardian portfolio was transferred to a separately managed account in January 2004.

TABLE 3: CORE FIXED-INCOME SUBCLASS ALLOCATION TARGETS

Subclass	Percentage of Asset Category Target
U.S. Governments	40%
Mortgage-Related Instruments	30
Credit Portfolio	30

TABLE 4: BENCHMARK PORTFOLIOS FOR PERFORMANCE MEASUREMENT

Asset Category	Benchmark Portfolio
Core Fixed Income	Lehman Brothers Aggregate Index
Domestic Equities	Domestic Equity Index Wilshire 5000 Index (Jan. 2000 through Dec. 2003) S&P 500 Index (Jan. 1997 through Dec. 1999)
International Equities	MSCI EAFE Index
High-Yield Bonds	High-Yield Bond Index Merrill Lynch High Yield Master II Index (Jan. 2003 through Dec. 2003) CSFB Developed Countries High Yield Index ¹ (Jan. 1999 through Dec. 2002)
REITs	REIT Index Wilshire Real Estate Securities Index (July 2002 through Dec. 2003) Wilshire REIT Index (Oct.1998 through June 2002)

¹ Until mid-2001, this index was called “First Boston Domestic + High Yield Index.”

High-Yield Bonds

Management of the system's high-yield bonds is divided among three investment managers: W. R. Huff Asset Management Co., LLC (Huff); Oaktree Capital Management, LLC (Oaktree); and Shenkman Capital Management, Inc. (Shenkman), which was retained during the third quarter of 2003.

REITs

Management of the system's REITs is divided between two investment managers: Cohen & Steers Capital Management, Inc. (Cohen & Steers), and Wellington Management Company, LLP (Wellington).

E: INVESTMENT RESULTS

TCDRS retains two professional performance measurement consulting firms that regularly report investment performance to the board for each investment manager, for the aggregate of all managers in each asset class and for the total portfolio.

Investment Manager Performance Reporting

Performance of each investment manager is measured against the performance of similar assets contained within a benchmark portfolio, as represented by a specific index. Comparisons indicate the value added by each manager, if any, in excess of the performance that was experienced by the specific benchmark index.

Asset Class Performance Reporting

When multiple investment managers are retained within a particular asset class, a benchmark portfolio is selected for measurement of

the performance of the entire asset class. Table 4 relates the associated benchmark portfolio with each asset class contained within the TCDRS investment portfolio.

Total Portfolio Performance Reporting

According to Keith Ambachtsheer and Don Ezra in their book *Pension Fund Excellence: Creating Value for Stakeholders* (John Wiley & Sons, Inc., New York, N.Y., 1998), studies have shown that the asset allocation decision made by a portfolio's investment board accounts for most of the portfolio's performance.

Assessing the impact of the asset allocation decision on the performance of the entire TCDRS portfolio first requires construction of a portfolio (Policy Benchmark Portfolio) that contains only those asset classes authorized for investment and only in the proportion that such classes are authorized in the asset allocation plan. Once constructed, each asset class is assigned an appropriate index to track the passively managed growth of that asset class. Performance of the Policy Benchmark Portfolio represents the performance of each asset class (as reflected by its index) weighted by the percentage of that asset class within the asset allocation plan.

Table 5 contains the weights given each asset class in the creation of the quarterly Policy Benchmark Portfolios for 2003. As expected, the implementation horizon of the asset allocation plan is reflected in the quarterly construction of the Policy Benchmark Portfolios. Table 6 on page 80 contains an approximation of the weights that are included in the Policy Benchmark Portfolios for the one, three, five, seven and ten-year periods ended Dec. 31, 2003.

TABLE 5: POLICY BENCHMARK — PORTFOLIO COMPOSITION

Calendar Quarters of 2003

Benchmark Portfolio	1st	2nd	3rd	4th
Lehman Brothers Aggregate Index	49.9%	47.6%	45.2%	42.9%
Domestic Equity Index	28.8	30.0	31.3	32.5
MSCI EAFE Index	8.8	9.4	10.0	10.6
High-Yield Bond Index	7.5	8.0	8.5	9.0
REIT Index	5.0	5.0	5.0	5.0
Total TCDRS Policy Benchmark Portfolio	100.0%	100.0%	100.0%	100.0%

TABLE 6: POLICY BENCHMARK — PORTFOLIO ESTIMATED COMPOSITION

Periods ended Dec. 31, 2003

Benchmark Portfolio	1 Year	3 Year	5 Year	7 Year	10 Year
Lehman Brothers Aggregate Index	46.4%	54.6%	66.1%	75.0%	82.5%
Domestic Equity Index	30.6	27.7	22.3	16.7	11.7
MSCI EAFE Index	9.7	6.9	4.3	3.1	2.1
High-Yield Bond Index	8.3	6.0	3.9	2.8	2.0
REIT Index	5.0	4.8	3.4	2.4	1.7
Total TCDRS Policy Benchmark Portfolio	100.0%	100.0%	100.0%	100.0%	100.0%

Performance Results

As shown in Table 7, the TCDRS portfolio has outperformed the Policy Benchmark Portfolio over the investment horizons of one, three, five, seven and ten years. The seven-year performance is of interest since this is the period spanning the diversification of our portfolio. As indicated, the 8.6% return exceeded the targeted return of 8% during the period. Of note, this return also exceeded a median return of 7.1% earned by a universe of public plans that are monitored by Wilshire.

For the periods greater than one year, the performance of the core fixed-income portfolio contributed to the positive performance when

compared to the Policy Benchmark Portfolio. However, during 2003 the performance of both the core fixed-income and high-yield portfolios trailed those of their respective benchmarks.

Figure 1, on page 81, compares the duration of the core fixed-income portfolio to that of the benchmark and illustrates why the 2003 core fixed-income portfolio underperformed the benchmark. When comparing two portfolios of similar fixed-income securities, the one with the longer duration experiences greater changes in market value whenever the underlying fixed-income market changes during a period. Since yields on fixed-income instruments rose during 2003, market values of existing portfolios

TABLE 7: RESULTS FROM INVESTING ACTIVITIES¹

Periods Ended Dec. 31, 2003

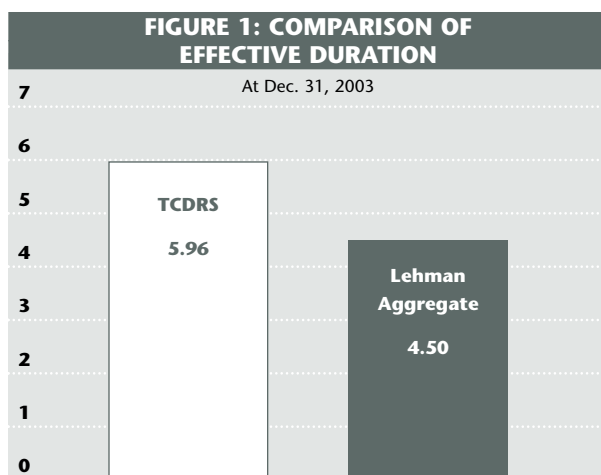
TCDRS Portfolio/Benchmark Portfolio	2003 Return	Annualized Returns			
		3 Year	5 Year	7 Year	10 Year
Total Fund	20.2%	7.9%	6.9%	8.6%	8.1%
Policy Benchmark Portfolio ²	19.7	6.8	5.7	7.2	6.8
Core Fixed Income	2.7	8.0	7.3	8.7	8.2
Lehman Brothers Aggregate Index Benchmark Portfolio	4.1	7.6	6.6	7.3	7.0
Domestic Equities	31.7	- 2.7	0.2	8.1	—
Domestic Equity Index Benchmark Portfolio	31.6	- 2.5	0.0	8.0	11.4
International Equities	38.4	- 2.8	—	—	—
MSCI EAFE Index Benchmark Portfolio	38.6	- 3.0	- 0.1	2.9	4.5
High-Yield Bonds	20.0	10.8	—	—	—
High Yield Bond Index Benchmark Portfolio ³	28.1	12.0	6.0	6.1	7.1
REITs	41.6	16.9	15.5	—	—
REIT Index Benchmark Portfolio	37.1	16.6	15.1	10.5	12.2

¹ Calculations of performance were prepared using time-weighted rates of return based upon the market rates of return in accordance with AIMR's performance presentation standards.

² See Table 5 on page 79 and Table 6 for composition of Policy Benchmark Portfolio.

³ Inception date of index within the Benchmark Portfolio is March 31, 1999; therefore, returns for periods exceeding 57 months are unavailable.

Source: Wilshire Associates, Performance Report, December 2003



Source: Wilshire Associates Performance Report, December 2003

declined and the size of declines were roughly proportional to the duration of the portfolio.

Underperformance of the high-yield bond portfolio in 2003 is attributable to the performance of the higher quality issues in the portfolio. The benchmark contains 15% of speculative, lower quality issues that dramatically outperformed the higher quality issues during the year. Investment guidelines of TCDRS high-yield managers preclude purchasing these lower quality issues.

TABLE 8: EXTERNALLY MANAGED HOLDINGS

At Dec. 31, 2003 (\$ Millions)

Fund/Asset Class Description	Total Value ¹
BlackRock Credit Fund	\$ 302.2
Loomis Credit Fund	303.0
Prudential Credit Fund	304.2
<i>Total Core Fixed Income — Credit Portfolio</i>	<i>909.4</i>
SSgA Wilshire 5000 Index Fund	3,921.0
<i>Total Domestic Equities</i>	<i>3,921.0</i>
SSgA MSCI EAFE International Index Fund	1,319.8
Cap Guardian International Fund	116.8
<i>Total International Equities</i>	<i>1,436.6</i>
Huff High-Yield Bond Fund	412.3
Oaktree High-Yield Bond Fund	410.4
Shenkman High-Yield Bond Fund	236.7
<i>Total High-Yield Bonds</i>	<i>1,059.4</i>
Cohen & Steers REIT Equity Fund	277.0
Wellington REIT Equity Fund	335.7
<i>Total REITs</i>	<i>612.7</i>

¹ Includes short-term investments, interest and dividends receivable and other net receivables.

F: LISTS OF LARGEST HOLDINGS

Externally Managed Holdings

TCDRS retains external investment managers to administer 11 portfolios. Table 8 shows the value of these externally managed holdings at year end.

Equity Holdings

Most of the system's exposure to equity markets is achieved indirectly through participation in commingled investment pools, such as the SSgA Wilshire 5000 Index fund. TCDRS owns a 44% undivided interest in this fund and the fund, in turn, owns equity shares in more than 6,000 domestic companies. Even though TCDRS does not directly own any shares of these companies, one may approximate the exposure to the largest companies within that index by prorating the ownership percentage against that fund's holdings. Table 9 displays our exposure to the 10 largest equity holdings in that fund.

Core Fixed-Income Holdings

The largest fixed-income securities owned by TCDRS are contained within the internally managed core fixed-income portfolio. At Dec. 31, 2003, that portfolio contained 113 securities with an aggregate fair value of \$2,781,092,515. The 10 largest of these holdings are shown in Table 10 on page 82. A complete listing of all securities TCDRS owned at Dec. 31, 2003, is available upon request.

TABLE 9: LIST OF LARGEST EQUITY HOLDINGS¹

At Dec. 31, 2003 (\$ Millions)

Percent of Fund Represented	Company	Prorated Market Value
2.4%	General Electric Company	\$92.4
2.3	Microsoft Corporation	88.3
2.1	Exxon Mobil Corporation	80.5
2.0	Pfizer Incorporated	80.0
1.9	Citigroup Incorporated	74.3
1.7	Walmart Stores Incorporated	68.0
1.6	Intel Corporation	62.5
1.3	American International Group	51.4
1.3	Cisco Systems Inc.	49.7
1.2	International Business Machines	47.3

¹ TCDRS owns a 44% undivided interest in a Wilshire 5000 Index fund, which in turn owns equity shares in more than 6,000 domestic companies. Even though TCDRS does not own any shares of the above companies directly, our external manager provided a list of our undivided interest in each company within the index, shown above.

TABLE 10: LIST OF LARGEST FIXED-INCOME HOLDINGS

At Dec. 31, 2003 (\$ Millions)

Description	Maturity	Interest Rate	Fair Value
U.S. Treasury Bond	02/15/2023	7.125%	\$ 337.1
U.S. Treasury Bond	08/15/2022	7.25	284.1
U.S. Treasury Bond	05/15/2016	7.25	280.8
U.S. Treasury Bond	11/15/2016	7.50	273.8
U.S. Treasury Bond	02/15/2006	9.375	184.9
FHLMC 1663 ZB	01/15/2024	6.75	83.5
VENDEE Series 93-2 ZB	06/15/2023	6.75	76.9
U.S. Treasury Bond	02/15/2016	9.25	71.8
FNMA REMIC G93-41 ZQ	12/25/2023	7.00	61.7
FNMA REMIC G93-41 Z	12/25/2023	7.00	61.6

G: RESULTS OF SECURITIES-LENDING ACTIVITIES

TCDRS retains Metropolitan West Securities, Inc. as securities-lending agent to engage in lending securities from the core fixed-income portfolio. The aggregate income and expenses attributable to this securities-lending activity and net lending income of \$5.6 million are shown in Table 11.

Additionally, SSgA manages domestic and international equity portfolios of TCDRS in commingled funds. The securities in these funds participate in the securities-lending program of SSgA with TCDRS receiving a proportionate share of the securities-lending income generated from this activity. Also shown in Table 11 is TCDRS' share of the 2003 equity portfolios' securities-lending income of \$1.7 million.

TABLE 11: SECURITIES-LENDING ACTIVITY

Year Ended Dec. 31, 2003

Elements of Securities-Lending Activity	Amount
Core Fixed Income	
Gross Earnings	\$ 40,606,286
Rebates Paid to Lenders and Lending Agent's Share of Income	34,974,608
Net Securities-Lending Income (Core Fixed Income)	5,631,678
Equity Portfolios	
Net Securities-Lending Income (Equity Portfolios)	1,687,586
Net Securities-Lending Income	\$ 7,319,264

H: FEES AND COMMISSIONS

Table 12 presents the 2003 investment-manager fees TCDRS incurred, excluding securities-lending fees. During 2003, the average fair value of the system's core fixed-income, domestic equity, international equity, high-yield bond and REIT investments was \$4,046.9 million, \$3,198.2 million, \$1,084.6 million, \$789.0 million and \$541.1 million, respectively. The credit portfolio of core fixed-income securities averaged \$181.8 million and was managed by BlackRock, Loomis and Prudential at an average fee of 13.41 basis points. The TCDRS investment officer managed the remaining portion of the system's core fixed-income securities (averaging \$3,865.1 million) at a cost of 2.98 basis points. SSgA managed the domestic equities and most of the international equities at an average cost of 0.67 basis points and 2.04 basis points, respectively. The international equities managed by Cap Guardian

TABLE 12: INVESTMENT MANAGERS' FEES

Year Ended Dec. 31, 2003

Asset Class	Average of Fair Value (\$ Millions)	Fees	Cost Rate (in bps) ¹
Internally Managed Core Fixed Income Plus Short-Term Investment Fund ²	\$ 3,865.1	\$ 1,152,154	2.98
Core Fixed Income — Credit Portfolio	181.8	243,803	13.41
Domestic Equities	3,198.2	214,903	0.67
International Equities	1,084.6	716,957	6.61
High-Yield Bonds	789.0	3,657,029	46.35
REITs	541.1	2,289,809	42.32
Totals/Average Cost Rate	\$ 9,659.8	\$ 8,274,655	8.57

¹ One hundred basis points (bps) equal 1%.² Fees represent the Investment department expenses shown in the Financial Section.

averaged \$95.5 million during the year at an average fee of 53.91 basis points. Huff, Oaktree and Shenkman managed the high-yield bonds at an average fee of 46.35 basis points. REITs were managed by Cohen & Steers and Wellington at an average fee of 42.32 basis points. The average fee expended for investment management of the entire portfolio was 8.57 basis points.

Table 13 presents the total cost of investment-related fees (excluding securities-lending fees), which is just under \$8.9 million. Based upon an average market value of \$9.66 billion, this represents a cost of 9.19 basis points expended to manage and administer TCDRS' investment assets.

Table 14 presents the brokerage commissions paid by the system's REIT managers. The managers executed trades of nearly 23 million shares through 65 brokers. The commissions earned by these brokers represent \$.04 per share traded.

TABLE 13: INVESTMENT-RELATED FEES

Year Ended Dec. 31, 2003

	Fees
Investment Managers' Fees (Table 12)	\$ 8,274,655
Custodian	417,808
Investment Consultants	185,000
Total Investment-Related Fees	\$ 8,877,463

TABLE 14: BROKER COMMISSIONS PAID BY REIT MANAGERS

Year Ended Dec. 31, 2003

Brokerage Firm	Shares Traded (thousands)	Commissions	
		(\$1,000s)	per Share
Lehman Bros.	3,687	\$ 190	\$ 0.05
Merrill Lynch	1,749	93	0.05
Jefferies & Company	1,575	68	0.04
Citigroup Global Mkts.	1,536	44	0.03
Legg Mason Wood Walker	1,329	72	0.05
Credit Suisse First Boston	1,014	45	0.04
Banc of America Securities	929	46	0.05
Wedbush Morgan Securities	907	42	0.05
Goldman Sachs & Co.	888	39	0.04
Investment Technology Gp	846	10	0.01
Morgan Stanley & Co., Inc.	719	34	0.05
Summary of 54 other firms	7,757	312	0.04
Totals	22,936	\$ 995	\$ 0.04

I: ASSET GROWTH OF THE SYSTEM

As shown in Figure 2, the fair value of TCDRS investment assets, including accrued interest and dividends, has increased by \$3.79 billion over the past five years (from \$7.03 billion at Dec. 31, 1998, to \$10.82 billion at Dec. 31, 2003). Figure 3 identifies the components of investment asset

FIGURE 2: GROWTH IN SYSTEM ASSETS

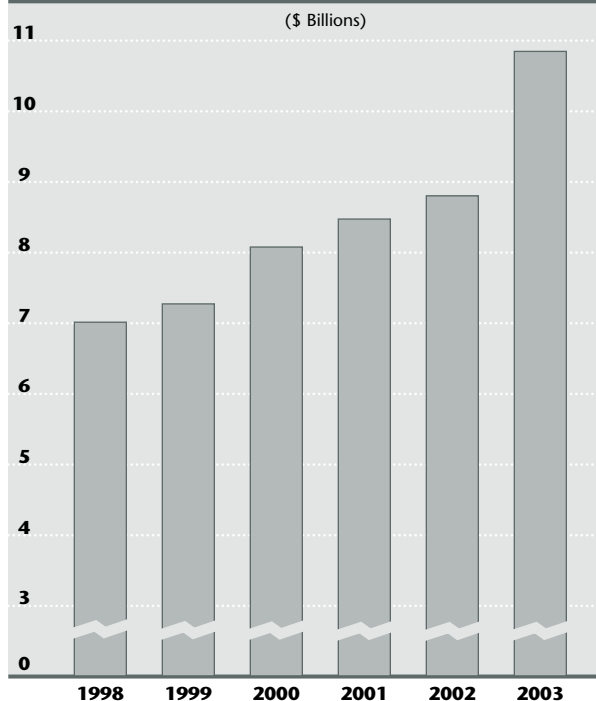
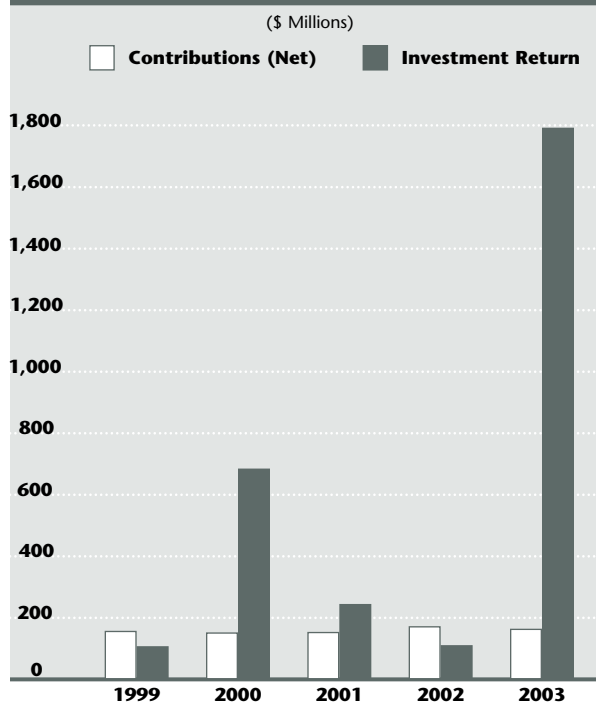


FIGURE 3: SOURCES OF ASSET GROWTH



growth, the largest of which is investment return that accounts for 77% of the portfolio growth (\$2.92 billion). The remaining component (\$849 million) is employee deposits and employer contributions net of pension payments and refunds.

J: INVESTMENT SUMMARY

Based upon the total value of the portfolio (which is the sum of the fair value of the portfolio and accrued interest) at Dec. 31, 2003, Table 15 reflects TCDRS diversification efforts with

36.2% invested in domestic equities, 13.3% invested in international equities, 9.8% invested in high-yield bonds and 5.7% invested in REITs. Core fixed income represented 34.4% of the entire portfolio with roughly one quarter (8.4% of the total portfolio) attributable to the new credit portfolios. The values shown in each portfolio under the column labeled “Fair Value” are the investment amounts presented in the Statements of Net Plan Assets shown on page 24 in the Financial Section of this CAFR.

TABLE 15: INVESTMENTS BY ASSET SUBCLASS

At Dec. 31, 2003

Type of Investment	Fair Value	Interest and Dividends Receivable	Total Value	% of Total Value
Core Fixed Income				
U.S. Government	\$ 1,432,320,925	\$ 25,028,915	\$ 1,457,349,840	13.5%
Mortgage-Related	1,348,771,590	7,972,779	1,356,744,369	12.5
Credit Portfolio	896,673,105	12,718,247	909,391,352	8.4
Total Core Fixed Income	3,677,765,620	45,719,941	3,723,485,561	34.4
Domestic Equities	3,920,949,791	0	3,920,949,791	36.2
International Equities	1,436,598,459	0	1,436,598,459	13.3
High-Yield Bonds	1,040,217,301	19,127,434	1,059,344,735	9.8
REITs	609,346,938	3,334,214	612,681,152	5.7
Short-Term Investment Fund	67,608,710	52,608	67,661,318	0.6
Total Investments Shown on Statement of Net Plan Assets	10,752,486,819	68,234,197	10,820,721,016	100.0
Trade Date Adjustments ¹	812,835	0	812,835	0.0
Total Investments Subject to Performance Measurement	\$ 10,753,299,654	\$ 68,234,197	\$ 10,821,533,851	100.0%

¹ Short-Term Investment Fund shown above is presented on a settlement-date basis. Converting this investment to trade date requires increasing it by \$812,835 for mortgage payments due before year end but received in 2004.

GLOSSARY OF INVESTMENT TERMS

The following are definitions of TCDRS asset classes, authorized investment types, performance benchmark portfolios and investment terminology:

AIMR

The Association for Investment Management Research (AIMR) is an international, nonprofit organization of more than 50,000 investment practitioners and educators in more than 100 countries. Its mission is to serve its members and investors as a global leader in educating and examining investment managers and analysts, and sustaining high standards of professional conduct. AIMR offers education services for investment professionals, enforces stringent codes of professional conduct and ethics, and promulgates strict requirements for reporting of investment performance.

BENCHMARK PORTFOLIOS

Portfolios, represented by specific indices, that are created for the purpose of measuring the relative performance of investment managers, asset classes and, in the case of the Policy Benchmark Portfolio, the entire TCDRS portfolio. Data regarding performance of these benchmark portfolios during any period indicate the returns that were available during the period for comparable investments that were passively managed. Comparisons, then, indicate the value added by each manager, if any, in excess of the performance that was experienced by the specific benchmark index.

CITIGROUP LARGE PENSION FUND INDEX

This fixed-income index more closely matches the TCDRS core fixed-income portfolio and the long-term liabilities associated with a pension system than other benchmarks. U.S. government instruments comprise 40% of the index while equal portions of mortgage-related bonds and instruments of higher credit risk, such as corporate debt, comprise the remainder of the index.

CMOs

Collateralized mortgage obligations (CMOs) are fixed-income instruments whose principal and interest payments are secured by payments made on mortgages that are held in trust. Like REMICs, securities created from CMOs may have different maturities and payment characteristics from those of the underlying mortgage collateral.

CORE FIXED INCOME

The internal portfolio includes only domestic, fixed-income instruments that are issued by the U.S. government, its agencies or instrumentalities, or mortgage-related instruments (including CMOs and REMICs) of the highest quality. The external portfolios include debt securities issued by domestic corporations or U.S. dollar-denominated debt issued by foreign sovereigns, supranationals or corporations which are combined into investment-grade portfolios each of which exhibits a dollar-weighted average quality rating of BBB-/Baa3 or better from Moody's Investors Service (Moody's), the Standard & Poor's Corporation (S&P), or Fitch Investor's Services (Fitch). Additionally, the external portfolios may contain minimal investments in short-term instruments, non-rated securities, private placement securities, convertible bonds and preferred stock.

CSFB DEVELOPED COUNTRIES HIGH YIELD INDEX

Credit Suisse First Boston calculates and publishes this index as a measure of the domestic, high-yield bond market's performance.

HIGH-YIELD BONDS

Domestic, fixed-income securities that have not been highly rated by national rating agencies, such as Moody's Investors Service (Moody's) or Standard & Poor's (S&P). A security is considered a high-yield bond if it is rated below Baa3 by Moody's or below BBB- by S&P.

LEHMAN BROTHERS AGGREGATE INDEX

This index incorporates all domestic debt issues with maturities greater than one year and in amounts greater than \$1 million. Included are publicly issued, nonconvertible, domestic debt issues of the U.S. government and its agencies; and corporations in industrial, utility or financial segments.

MSCI EAFE INDEX

This index, prepared by Morgan Stanley Capital International (MSCI), captures performance of approximately 60% of the equity market activity in each country of the developed economies located in Europe, Australia and the Far East (EAFE).

POLICY BENCHMARK PORTFOLIO

See Benchmark Portfolios.

REITs

Domestic equity securities issued in the form of real estate investment trusts (REITs) afford the opportunity for many investors to combine capital to acquire and manage real estate. Income from these trusts is exempt from federal income tax if at least 75% of the trust's assets are invested in real estate; if at least 75% of the trust's gross income is derived from rents of real property or interest on mortgages of real property; and if at least 95% of the trust's taxable income is paid as dividends to investors.

REMICs

Real estate mortgage investment conduits (REMICs) are mortgage pass-through entities that allow multiple classes of securities; each such security represents beneficial ownership interest in pools of mortgage loans. This fixed-income security class enables the issuer to "repackage" mortgage payments into new securities whose maturities and payment characteristics differ from those of the underlying mortgage collateral.

WILSHIRE 5000 INDEX

This index is one of the broadest measures of domestic equity performance since it is computed based upon all equity trades of U.S. stocks during any day. Each company included within the index is not equally weighted within the index but rather is weighted according to its market value among the market values of all U.S. companies.

WILSHIRE REAL ESTATE SECURITIES INDEX

Wilshire Associates calculates and publishes this index as a measure of the real estate market's performance.

WILSHIRE REIT INDEX

Wilshire Associates calculates and publishes this index as a measure of the REIT market's performance.

The Charles Noyes Memorial on the Runnels County Courthouse grounds was intended to be placed on the open range where the young cowboy died while working the family's cattle herd. Before the bronze statue was completed, however, Gus Noyes sold the ranch and the monument was installed on the courthouse lawn in Ballinger instead in 1919. The bronze statue was one of 36 public monuments done by Pompeo Coppini. A native of Italy, Coppini lived and worked in San Antonio from 1901 until his death in 1957. His works include statues on the state capital grounds and monuments to the Confederacy on county courthouse grounds around the state.



Actuarial Section



Isaac and Frances Van Zandt migrated to Texas from Tennessee in 1838. A year later they were among the first settlers in the newly organized town of Marshall. Van Zandt represented Harrison County in the state Legislature and served as Sam Houston's representative to Washington, D.C. In 1847, while campaigning for governor, Van Zandt died of yellow fever in Houston at the age of 34. The bronze and pink Marble Falls granite monument to the Van Zandts was installed at the Van Zandt County Courthouse in Canton in 1936. It was the only Texas Centennial Commission memorial that included a wife and husband.

To celebrate the state's sesquicentennial in 1986, Mason County residents erected a bronze monument on the courthouse lawn to the county's cowboys and cowgirls.

The statue of a windswept cowboy on his horse was done by local artist Mitch Mikeska with names of pioneer



ranchers and drovers listed on the granite base. For centuries the countryside surrounding the Llano River served as summer hunting grounds for the Lipan Apaches. German immigrants began arriving in the 1840s and Fort Mason was established in 1851. Ranchers began stocking the open ranges in Mason County before the Civil War.


Milliman
Consultants and Actuaries

May 12, 2004

 Board of Trustees
 Texas County & District Retirement System
 Austin, Texas

 1301 Fifth Avenue, Suite 3800
 Seattle, WA 98101-2605
 Tel +1 206 624 7940
 Fax +1 206 623 3485
 www.milliman.com

Dear Trustees:

In accordance with the Texas County & District Retirement System (TCDRS) Act, the annual actuarial valuation of the assets and liabilities of TCDRS has been completed as of December 31, 2003. This valuation was performed using actuarial assumptions that were adopted by the Board in December 2001. These assumptions were developed by Milliman and reported to the Board in the 2001 Investigation of Experience Study report. We recommended these assumptions to the Board. We believe they individually and collectively represent reasonable expectations of experience over the long-term future. To test how well the financing objective for each plan is being achieved, annual actuarial valuations are made. These valuations recognize differences in the past year between the actuarial assumptions and the actual experience, and any benefit changes.

The financing objective for each TCDRS variable-rate plan is to provide retirement, death and disability benefits for a county's or a district's employees financed by an employer contribution rate. This rate is determined annually and is expected to remain approximately level as a percent of the employer's covered payroll. The employer contribution rate consists of the normal cost contribution rate plus the unfunded actuarial accrued liability contribution rate. The normal cost contribution rate is the average level percent of covered compensation needed to finance the projected benefits over a career. The unfunded actuarial accrued liability contribution rate is the level percent of covered payroll required to amortize the unfunded actuarial accrued liability over the plan's amortization period. The annual actuarial valuation is the basis for determining the employer contribution rate, increasing or decreasing each plan's rate as the case may be.

For fixed-rate plans, the annual actuarial valuation provides updated calculations for assessing the adequacy of each plan's financing arrangement. The employer contribution rate for a fixed-rate plan is, by law, equal to the contribution rate for all the employees of the employer as adopted by the governing body of each employer. If a plan has had adverse actuarial experience, the law has provisions which allow the employer to contribute above the regular rate or to reduce benefits earned in the future in order to cause the financing arrangement to be adequate. The financing objective for each TCDRS fixed-rate plan is to provide benefits for the employees that can be adequately financed by a fixed employer contribution rate. Part of each employer's fixed contribution rate is to finance the normal cost contribution rate, while the remaining portion is to amortize the unfunded actuarial accrued liability.

A separate actuarial valuation for each participating county and district was performed based on the plan of benefits in effect on January 1, 2004. The aggregate results of these valuations and of the actuarial valuation of system-wide assets and liabilities are presented in the Actuarial Section in the Summary Actuarial Valuation Results schedule, which is followed by the Actuarial Valuation Results by Employer schedules for each of the 553 plans in TCDRS. The assumptions and methods used in this valuation are summarized in the actuarial section and meet the parameters of Governmental Accounting Standards Board Statement No. 25. The member, annuitant and asset data used in the valuation were all prepared and furnished by TCDRS. We relied on that data after examining it for general reasonableness and year-to-year consistency. In addition, we prepared all of the supporting schedules in the actuarial section and the schedule of funding progress, the schedule of employer contributions and the notes to these schedules in the financial section of the comprehensive annual financial report.

Sincerely,

 Karen I. Steffen, F.S.A., M.A.A.A.
 Consulting Actuary

 Nick J. Collier, A.S.A., M.A.A.A.
 Consulting Actuary

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

A: ACTUARIAL ASSUMPTIONS

The actuarial assumptions were developed from an actuarial investigation of the experience of TCDRS over the four years 1997–2000. They were recommended by Milliman, Inc., adopted by the TCDRS Board of Trustees in 2001 and first used in the Dec. 31, 2001 actuarial valuation. For an explanation of terms used in this section refer to the glossary of actuarial terms beginning on page 155.

Termination Rates

The rates vary by length of service, entry-age group (age at hire), sex and termination group assignments. The rates exclude termination due to death or disability and assume that there is no termination after eligibility for retirement.

A sample of the rates for three of the seven termination groups is shown in Table 1.

The termination group assignments for an employer were based primarily upon the termination characteristics of the members of the employer during the four years 1997–2000 compared to the termination characteristics of all members of TCDRS during the same period.

Probability of Withdrawal

Members who terminate with at least four years of service may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates are shown in Table 2. For members with less than four years of service, 100% are assumed to elect a withdrawal. Note that the rates for a 12-year vesting requirement are the same as the 10-year requirement shown, except there is assumed to be a 100% probability of withdrawal with less than 12 years of service.

Adjustment for Partial Lump-Sum Payment Option

For plans that have adopted the partial lump-sum payment option, adjustments are made to the termination rates. Rates are reduced at ages near retirement as it is anticipated that a member would be less likely to take a withdrawal if the partial lump-sum payment option were available.

Active Employee Mortality Rates

Beneficiaries of members who die while in active service are eligible for certain benefits. Rates at which active members are assumed to die are shown in Table 3 on page 90.

TABLE 1: SELECT TERMINATION RATES

Entry Age	Service	Male			Female		
		Low	Mid	High	Low	Mid	High
20 to 29	0	.282	.353	.424	.313	.391	.469
	3	.132	.165	.198	.146	.183	.220
	6	.078	.097	.116	.086	.107	.128
	9	.054	.068	.082	.061	.076	.091
	12	.039	.049	.059	.043	.054	.065
15	.027	.034	.041	.030	.038	.046	
30 to 39	0	.224	.280	.336	.247	.309	.371
	3	.105	.131	.157	.116	.145	.174
	6	.062	.077	.092	.068	.085	.102
	9	.043	.054	.065	.048	.060	.072
	12	.031	.039	.047	.034	.043	.052
15	.022	.027	.032	.024	.030	.036	
40 to 49	0	.177	.221	.265	.195	.244	.293
	3	.082	.103	.124	.091	.114	.137
	6	.049	.061	.073	.054	.067	.080
	9	.034	.043	.052	.038	.047	.056
	12	.025	.031	.037	.027	.034	.041
15	.017	.021	.025	.019	.024	.029	

TABLE 2: PROBABILITY OF WITHDRAWAL

Service	Vesting Requirement	
	8 Years	10 Years
0	100%	100%
4	82	82
8	65	75
10	55	55
15	45	45
20	30	30
Over 24	0	0

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

TABLE 3: ACTIVE EMPLOYEE MORTALITY

Age	Male	Female
20	.00123	.00030
25	.00079	.00032
30	.00073	.00034
35	.00091	.00042
40	.00116	.00063
45	.00181	.00100
50	.00270	.00157
55	.00473	.00236
60	.00901	.00344
65	.01452	.00506

TABLE 4: DISABILITY RATES

Age	Male and Female	Male and Female
	All Causes	Occupational
35	.00067	.00002
40	.00159	.00008
45	.00256	.00016
50	.00463	.00024
55	.00820	.00036
60	.00000	.00080

TABLE 5: SERVICE RETIREMENT RATES

Age	Male	Female
40-44	.04	.04
45-49	.08	.08
50-59	.14	.16
60	.18	.18
61	.18	.18
62	.35	.35
63	.20	.20
64	.20	.20
65	.42	.42
66-74	.28	.28
Over 74	1.00	1.00

Disability Rates

Members who become disabled are eligible to commence benefit payments regardless of age. Disability rates are shown in Table 4. The probability of disablement from all causes is applicable for members who are vested but not eligible for service retirement. Before a member is vested, only the occupational disability probabilities are applicable.

Service Retirement Rates

Members who are eligible for retirement are assumed to commence benefit payments based on age. For eligible members age 75 and older, retirement is assumed to commence immediately. The rates below age 50 only apply to plans that have adopted 20-year eligibility. Rates are shown in Table 5.

Retiree and Beneficiary Mortality Rates

For determining the amount of the monthly retirement benefit at the time of retirement, mortality rates are the UP-1984 Table with an age set back of five years for retirees and an age set back of 10 years for beneficiaries.

For calculating the actuarial accrued liability and normal cost, the UP-1994 Male Table with an age set forward of one year for males and the UP-1994 Female Table with no age adjustment for females are used for service retirees and beneficiaries of both service and disability retirees. For disabled retirees, rates equal to 70% of the 1965 Railroad Retirement Board Disabled Annuitants Mortality Table are used.

Investment Return

The components of the 8% investment return assumption are a 3.5% rate of inflation and a 4.5% real rate of return. This rate of 8% is net after investment expenses and is expected to enable the system to credit interest at the nominal annual rates shown below to the following major funds:

- Subdivision Accumulation Fund9%
- Employees Saving Fund7%
- Current Service Annuity Reserve Fund7%

Assuming interest will be credited at these nominal annual rates to the various funds, we have then assumed the following:

- An annual rate of 9% for calculating the actuarial accrued liability and normal cost

contribution rate for the retirement plan of each participating employer.

- An annual rate of 7% according to the TCDRS Act for (1) accumulating current service credit and multiple matching credit after the valuation date; (2) accumulating prior service credit after the valuation date; (3) determining the amount of the monthly benefit at future dates of retirement or disability; and (4) calculating the actuarial accrued liability of the systemwide Current Service Annuity Reserve Fund.

Salary Increases

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 4.0% and a merit, promotion and longevity component ranging from 0.5% to 6.0%. The average annual increase over a member’s career is 5.5%. Refer to Table 6 for sample salary increase rates. Note that the wage inflation of 4.0% is based on the underlying price inflation assumption of 3.5% and 0.5% for assumed increases in productivity.

Payroll Increase

An annual increase of 4.0%, or such smaller percentage as is considered appropriate for each individual county or district (employer), is based primarily on prior experience, but adjusted to reflect the lower underlying inflation assumption. This assumption is for the aggregate covered payroll of an employer. The assumed percentage does not reflect an increase in the number of employees.

Cost-of-Living Adjustment

An annual increase of 0.0% cost-of-living adjustment is assumed. Variable-rate plans may elect to periodically increase annuity payments to retirees and beneficiaries within certain guidelines.

B: ACTUARIAL METHODS

The actuarial cost method used for all plans is the entry-age actuarial cost method. Actuarial gains decrease while actuarial losses increase the unfunded actuarial accrued liability. The unfunded actuarial accrued liability is amortized over a period of time as a level percent of covered payroll. This actuarial cost method is standard for all plans beginning with the Dec. 31, 2001 actuarial valuation. It has been used for variable-rate plans since 1991.

For variable-rate plans, the period for amortizing a plan’s unfunded actuarial accrued liability is a 20-year open period. For variable-rate plans with an overfunded actuarial accrued liability, the amortization period is a 30-year open period. If a variable-rate plan is nonenrolling, the amortization period is based on the expected future service of the current members. For fixed-rate plans, the amortization period is determined based on the fixed employer contribution rate.

The method for determining the actuarial value of assets is the long-term appreciation with adjustment method. The actuarial value of assets for the Subdivision Accumulation Fund (SAF) is equal to the expected value of assets adjusted by 10% of the difference between the market-related value of the SAF and the expected value. The expected value at the current valuation date equals the actuarial value of

TABLE 6: ANNUAL RATE OF SALARY INCREASE

Years of Service	Male				Female			
	Entry Age Group				Entry Age Group			
	< 30	30-39	40-49	≥ 50	< 30	30-39	40-49	≥ 50
1	10.2%	9.7%	9.2%	8.7%	10.2%	9.7%	9.2%	8.7%
3	8.4	7.9	7.4	6.9	8.4	7.9	7.4	6.9
5	7.1	6.6	6.1	5.6	7.1	6.6	6.1	5.6
10	6.2	5.7	5.1	4.6	5.9	5.4	4.9	4.5
15	5.7	5.1	4.6	4.5	5.5	4.8	4.5	4.5
20	5.4	4.8	4.5	4.5	5.1	4.5	4.5	4.5
25	5.1	4.5	4.5	4.5	4.8	4.5	4.5	4.5

SUMMARY ACTUARIAL DATA

assets as of the prior valuation date adjusted for contributions, benefit payments and transfers, plus investment return credited at the assumed rate of 9%. The market-related value is equal to the actual value of the SAF after the investment income allocation process as provided by statute. The actuarial value of assets for the Employees Saving Fund (ESF) is equal to the account balances. This method was adopted in 1997.

C: CHANGE IN ACTUARIAL METHODS

For the Dec. 31, 2003 actuarial valuation, the actuarial value of assets was set equal to the market-related value. The asset valuation method remains the long-term appreciation with adjustment method on a go-forward basis. No other changes in methods have been made since the prior valuation.

TABLE 7: RETIREE AND BENEFICIARY DATA — ACCOUNTS

Year Ended	New Accounts Added	Accounts Deleted	Net Increase in Accounts	Total Number of Accounts	Percent Change in Number of Accounts
12/31/98	N/A ¹	N/A	1,294	19,503	N/A%
12/31/99	N/A	N/A	1,152	20,655	5.9
12/31/00	1,841	599	1,242	21,897	6.0
12/31/01	1,811	576	1,235	23,130	5.6
12/31/02	2,397	667	1,730	24,862	7.5
12/31/03	2,258	700	1,558	26,420	6.3

¹ Not available

TABLE 8: RETIREE AND BENEFICIARY DATA — AMOUNTS

Year Ended	New Annual Benefits Added	Annual Benefits Removed	Net Change in Annual Benefits Amount	Annual Rate of Benefits	Percent Change in Annual Benefits	Average Annual Benefits
12/31/98	\$ N/A ¹	\$ N/A	\$ N/A	\$ 191,658,313	12.88%	\$ 9,827
12/31/99	N/A	N/A	17,855,853	209,514,166	9.32	10,144
12/31/00	27,707,632	3,364,440	24,343,192	233,857,358	11.62	10,680
12/31/01	27,995,998	3,295,752	24,700,246	258,557,604	10.56	11,177
12/31/02	37,281,763	4,114,078	33,167,684	291,725,288	12.83	11,734
12/31/03	36,300,125	5,323,746	30,976,379	322,701,668	10.62	12,212

¹ Not available

The annual rate of benefit is 12 times the regular benefits paid in January following the valuation date.

TABLE 9: SOLVENCY TEST

(\$ Millions)

Valuation Date	Actuarial Accrued Liabilities for			Actuarial Value of Assets	Portion of Actuarial Accrued Liabilities Covered by Net Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
	Current Member Deposits	Retirees and Beneficiaries	Current Members (Employer-Financed Portion)				
12/31/98	\$ 1,879.7	\$ 1,722.7	\$ 3,126.9	\$ 5,973.5	100%	100%	75.8%
12/31/99	2,052.1	1,913.4	3,420.6	6,620.9	100	100	77.6
12/31/00	2,220.8	2,142.6	3,726.0	7,314.5	100	100	79.2
12/31/01	2,413.9	2,390.7	4,219.1	8,054.2	100	100	77.0
12/31/02	2,606.2	2,720.3	4,571.9	8,779.3	100	100	75.5
12/31/03	2,825.1	3,024.8	4,963.6	9,788.9	100	100	79.4

Presented above is one short-term means of checking a system's progress under its funding program. The present assets are compared with: (1) current member contributions on deposit; (2) the liabilities for future benefits to present retired lives; and (3) the employer-financed portion of the liabilities for service already rendered by current members. In a system that has been following the discipline of level percent of payroll financing, the liabilities for current member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the employer-financed portion of liabilities for service already rendered by current members (liability 3) will be at least partially covered by the remainder of present assets. Generally, the funded portion of liability 3 will move toward 100% over time, if there are no changes in the plan benefits.

Each employer participating in TCDRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TCDRS and are not indicative of the status of any one plan.

TABLE 10: CONTRIBUTION RATE INFORMATION

Distribution of TCDRS Plans by Year 2005 Required Employer Contribution Rate¹

Number of Depositing Members as of 12/31/2003	Year 2005 Required Employer Contribution Rate Based on the Plan of Benefits in Effect 1/1/2004						Total
	Under 5.00%	5.00%–5.99%	6.00%–6.99%	7.00%–7.99%	8.00%–8.99%	Over 8.99%	
1–5	28	11	11	6	8	12	76
6–15	26	12	7	21	9	22	97
16–30	12	3	7	14	5	11	52
31–50	13	8	9	10	8	21	69
51–85	12	7	3	11	12	19	64
86–150	8	3	10	16	10	17	64
151–250	8	7	8	7	12	8	50
251–500	0	0	5	8	11	6	30
Over 500	0	2	1	6	10	18	37
Total	107	53	61	99	85	134	539

¹ The valuation included 553 plans. This chart excludes 14 nondepositing plans.

SUMMARY ACTUARIAL DATA

TABLE 11: PARTICIPATING EMPLOYERS AND DEPOSITING MEMBERS

Valuation Date	Number of Active Employers	Depositing Members		Average Annual Pay	Percent Increase in Average Annual Pay	Employer Contributions ¹	Average Employer Rate
		Number	Annual Payroll				
12/31/98	488	93,120	\$ 2,512,805,293	\$ 27,350	4.1%	\$ 195,998,879	7.80%
12/31/99	492	95,630	2,708,581,470	28,324	3.6	249,038,681	9.19
12/31/00	496	96,739	2,852,807,364	29,490	4.1	255,474,082	8.96
12/31/01	503	98,753	3,050,214,053	30,887	4.7	270,644,950	8.87
12/31/02	521	101,415	3,274,086,404	32,284	4.5	291,313,309	8.90
12/31/03	539	103,012	3,426,682,852	33,265	3.0	315,637,689	9.21

¹ Employer contributions include optional nonrecurring lump-sum contributions for years 1999 and forward.

TABLE 12: ANALYSIS OF FINANCIAL EXPERIENCE

**Gains and Losses in Actuarial Accrued Liabilities
Resulting From Differences Between Assumed Experience and Actual Experience**

(\$ Millions)

Source of Change	2003	2002
Age and Service Retirements	\$ 8.6	\$ 6.2
Death-in-Service Benefits	1.5	1.7
Other Termination	(3.4)	(6.7)
Pay Increases	13.3	(4.3)
Contribution Income	10.2	15.4
Investment Income	23.4	(111.1)
Death After Retirement	5.7	2.8
Other	5.4	(9.4)
Gain (Loss) From Financial Experience	64.7	(105.4)
Nonrecurring Items		
Plan Changes	(21.3)	(15.1)
Assumption Changes	0.0	0.0
Actuarial Cost Method Change	0.0	0.0
Asset Valuation Method — Reset Actuarial to Market	101.4	0.0
Gain (Loss) From Nonrecurring Items	80.1	(15.1)
Composite Gain (Loss)	\$ 144.8	\$ (120.5)

A: ORGANIZATION

The Texas County & District Retirement System (TCDRS) is a statewide, agent multiple-employer, public trust fund that provides pension, disability and death benefits to eligible employees of the employers that have elected to participate. Each employer selects its own benefit plan provisions from those authorized by the TCDRS Act and bears complete responsibility for funding its plan. TCDRS administers each plan separately, but pools all assets for investment purposes. Each employee and employer account receives an annual distribution of investment return. This summary describes the plan provisions in general terms to assist the reader of this document. Any questions related to the actual administration, provisions or policies of the retirement plans should be directed to TCDRS.

B: MEMBERSHIP

An employee is generally required to become a TCDRS member upon employment unless he or she is employed in a position that regularly requires less than 900 hours of work per year or is a temporary employee.

C: TERMINATION OF MEMBERSHIP

TCDRS membership is terminated by death, retirement, withdrawal of account balance or absence from covered employment for five years before attaining four years of service.

D: EMPLOYEE DEPOSITS

The deposit rate for all employees of each employer is generally 4%, 5%, 6% or 7% as adopted by the employer. Interest is credited annually to the account of each employee in the amount of 7% of his or her beginning-of-the-year balance. A person no longer employed by a participating employer is eligible to withdraw his or her account balance including all interest earned.

E: CREDITED SERVICE

An employee generally receives a month of service for each month in which he or she makes a deposit to the plan. Under certain conditions, service may also be granted for TCDRS service previously forfeited, employment during periods prior to the participation of the employer, and for military or other public service.

F: ELIGIBILITY REQUIREMENTS**Service Retirement Benefits**

Depending on the election by each employer,

either 8, 10 or 12 years of service and the attainment of age 60 are required to become eligible for service retirement benefits. A member is also eligible for retirement with 30 years of credited service (or 20 years if the provision was adopted by the employer). In certain cases, the employee may also be eligible to retire when the sum of his or her age and years of service equals 75 or 80.

Disability Retirement Benefits

An employee with 8, 10 or 12 years of service (depending on the employer) and who is totally and permanently disabled is eligible for a disability retirement benefit. Employees with lesser amounts of service can also be eligible for disability retirement benefits if the disability was a result of an on-the-job injury.

Vesting

Generally, an employee is vested after earning either 8, 10 or 12 years of service. At that point, he or she has the right to retire at age 60 even if no additional service is earned. Withdrawal of the employee's account balance results in the forfeiture of vested rights.

Death Benefits

Under certain conditions, benefits are payable to the beneficiaries or estate of a deceased employee. The eligibility requirements for these benefits vary somewhat, but usually require four years of service.

Service With Other Employers

Within TCDRS, service credits with all employers can generally be combined to satisfy the various service requirements. Service credits with other statewide retirement plans may usually be combined to satisfy service retirement and vesting requirements.

G: DETERMINATION OF RETIREMENT BENEFITS

An employee's retirement benefit is calculated on the basis of his or her total accumulated retirement credits, which includes the personal account balance (all employee deposits and interest earned) plus all employer-provided credits. Each employer provides, at a minimum, a matching of the employee's personal account balance. Many employers also grant additional matching of the personal account balance and/or provide a credit for service before the employer joined TCDRS. This total accumulated credit is then converted to a monthly amount by

SUMMARY OF PLAN PROVISIONS

dividing it by an actuarially determined factor that includes such variables as age, payment plan selected and future interest credits.

TCDRS has one standard payment plan and seven actuarially equivalent, optional forms of payment. All methods pay a guaranteed lifetime benefit to the employee; plus, the retired employee and his or her beneficiaries are guaranteed to receive total benefit payments at least equal to the employee's personal account balance at the time of retirement. The standard payment plan provides a benefit that ceases with the retired employee's death. Some of the optional forms of payment continue to pay, after the death of the retired employee, a lifetime benefit to a beneficiary designated at the time of retirement equal to 100%, 75% or 50% of the amount being paid to the retired employee. The member also may elect the 100% option with a "pop-up" feature. Other optional forms of payment continue the full benefit to a designated beneficiary for any remainder of a specified period (5, 10 or 15 years) beginning at retirement.

A partial lump-sum payment option was made available to all variable-rate plans and certain fixed-rate plans effective Dec. 31, 1999. This payment option allows a retiring member to receive a reduced monthly benefit and a lump-sum payment not to exceed his or her personal account balance in the Employees Saving Fund (ESF). This optional form of payment is elective for all employers.

H: FUNDING PROVISIONS

General

Contributions are made monthly by both the employees and the employers based on covered payroll. An employer's retirement plan is funded using one of two types of funding arrangements: either a fixed-rate plan or a variable-rate plan. All employers electing to participate after 1991 are funded under the variable-rate plan arrangement. Employers participating prior to 1992 are under the fixed-rate plan arrangement unless

they have adopted the variable-rate plan. A majority of plans are presently funded under the variable-rate plan arrangement.

Fixed-Rate Plan

Under this funding arrangement, the employer's contribution rate is initially the same as the employee deposit rate. This rate is not actuarially determined; however, at the time of adoption, the benefits were limited to those that the actuary determined could be adequately financed with future employer contributions equal to those of the employees. If a fixed-rate plan has had adverse actuarial experience, the employer may either make contributions above the regular rate at a fixed additional rate, elect a variable-rate plan, make a lump-sum contribution, or reduce benefits earned for future service so that the plan will be adequately financed.

If the employer takes no corrective action, the TCDRS Act requires that benefits earned in the future be reduced to a level that can be adequately funded with the existing employer contribution rate.

Variable-Rate Plan

Under this funding arrangement, an employer adopts a plan of benefits from among the various options available. As a part of each valuation, the actuary determines the required contribution rate to adequately fund this benefit plan based on the employer's actuarial experience and future expectations. Employers may also elect to fund at a rate higher than the required rate and may also make additional lump-sum contributions. In determining an employer's rate, unfunded actuarial accrued liabilities are amortized over a 20-year period, while overfunded liabilities are amortized over a 30-year period.

I: CHANGES IN PROVISIONS

There were no changes in systemwide provisions reflected in the 2003 valuation.

SUMMARY ACTUARIAL VALUATION RESULTS

SUMMARY ACTUARIAL VALUATION RESULTS		
	Dec. 31, 2003	Dec. 31, 2002
Valuation Results for Employer Plans		
1 Actuarial present value of future benefits		
Annuitants	\$ 1,056,041,670	\$ 954,931,303
Members	9,433,794,020	8,764,703,291
Total	10,489,835,690	9,719,634,594
2 Actuarial present value of future normal cost contributions	1,645,042,990	1,586,520,608
3 Actuarial accrued liability [1 - 2]	8,844,792,700	8,133,113,986
4 Actuarial value of assets		
Employees Saving Fund	2,825,128,768	2,606,223,707
Subdivision Accumulation Fund	4,909,288,001	4,329,434,369
Total	7,734,416,769	6,935,658,076
5 Total unfunded actuarial accrued liability (UAAL)	1,134,225,205	1,214,974,141
6 Total overfunded actuarial accrued liability (OAAL)	(23,849,274)	(17,518,231)
7 Unfunded actuarial accrued liability (UAAL), net of overfunded actuarial accrued liability (OAAL) [5 + 6]. Also equals [3 - 4].	1,110,375,931	1,197,455,910
Valuation Results for Pooled Benefits		
8 Actuarial present value of future benefits from the Current Service Annuity Reserve Fund for annuities in effect	1,968,722,612	1,765,326,402
9 Actuarial value of assets of the Current Service Annuity Reserve Fund	2,054,525,230	1,843,639,134
10 Overfunded actuarial accrued liability (OAAL) [8 - 9]	(85,802,618)	(78,312,732)
11 Systemwide UAAL net of OAAL [7 + 10]	\$1,024,573,313	\$1,119,143,178

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	638	615	100	691	101
Name	Acton MUD	Alamo Area COG	Anderson County	Anderson Co. CAD	Andrews County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 51,415	\$ 646,292	\$ 1,664,237	\$ 0	\$ 7,558,339
Members	543,992	5,812,379	13,025,957	186,243	24,264,372
Total	595,407	6,458,671	14,690,194	186,243	31,822,711
2 Actuarial present value of future normal cost contributions	195,534	1,622,291	2,054,595	95,881	2,262,453
3 Actuarial accrued liability [line 1 - line 2]	399,873	4,836,380	12,635,599	90,362	29,560,258
4 Actuarial value of assets	380,433	4,037,768	10,489,382	41,720	25,130,655
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 19,440	\$ 798,612	\$ 2,146,217	\$ 48,642	\$ 4,429,603
Required employer rates for 2005					
Normal cost	3.31%	3.83%	5.21%	3.06%	6.82%
UAAL or (OAAL)	0.30	1.31	2.46	1.24	7.16
Total required rate	3.61%	5.14%	7.67%	4.30%	13.98%
Elected rate	N/A	N/A	8.25%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	14.5	20.0	20.0
Number of annuitants	1	12	93	0	145
Number of members	47	282	306	13	369
Number of depositing members	22	192	221	13	140
Average age of depositing members	42.3	44.5	45.6	47.0	45.9
Average length of service of depositing members	3.4	5.2	7.8	11.1	10.2

Number	102	502	684	576	614
Name	Angelina County	Angelina Co. AD	Angelina/ Nacogdoches Co. WCID #1	Angleton DD	Aquilla WSD—Hill Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 3,669,739	\$ 83,693	\$ 0	\$ 49,946	\$ 15,356
Members	21,902,452	2,210,502	78,511	946,132	334,523
Total	25,572,191	2,294,195	78,511	996,078	349,879
2 Actuarial present value of future normal cost contributions	4,165,224	232,498	50,687	161,709	57,505
3 Actuarial accrued liability [line 1 - line 2]	21,406,967	2,061,697	27,824	834,369	292,374
4 Actuarial value of assets	17,843,303	2,158,362	17,528	723,650	225,350
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 3,563,664	\$ (96,665)	\$ 10,296	\$ 110,719	\$ 67,024
Required employer rates for 2005					
Normal cost	6.08%	7.57%	5.28%	4.79%	4.32%
UAAL or (OAAL)	2.76	(1.40)	1.09	2.83	3.75
Total required rate	8.84%	6.17%	6.37%	7.62%	8.07%
Elected rate	N/A	7.00%	N/A	N/A	9.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	12.5
Number of annuitants	124	2	0	5	2
Number of members	419	19	3	12	6
Number of depositing members	346	13	3	10	6
Average age of depositing members	43.0	51.0	47.5	44.5	48.3
Average length of service of depositing members	7.9	14.4	10.6	11.6	13.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	103	459	668	104	503
Name	Aransas County	Aransas Co. AD	Aransas Co. ND #1	Archer County	Archer Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 925,748	\$ 57,305	\$ 0	\$ 639,283	\$ 3,170
Members	7,585,319	1,071,652	252,945	2,865,371	442,480
Total	8,511,067	1,128,957	252,945	3,504,654	445,650
2 Actuarial present value of future normal cost contributions	1,363,448	109,907	157,225	404,725	46,970
3 Actuarial accrued liability [line 1 - line 2]	7,147,619	1,019,050	95,720	3,099,929	398,680
4 Actuarial value of assets	7,070,205	945,681	87,106	2,535,236	438,941
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 77,414	\$ 73,369	\$ 8,614	\$ 564,693	\$ (40,261)
Required employer rates for 2005					
Normal cost	5.96%	7.79%	6.79%	4.91%	7.19%
UAAL or (OAAL)	0.13	3.02	0.34	3.90	(4.91)
Total required rate	6.09%	10.81%	7.13%	8.81%	2.28%
Elected rate	N/A	12.42%	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	8.9	20.0	20.0	0.0
Number of annuitants	39	1	0	33	1
Number of members	197	9	8	75	10
Number of depositing members	132	7	7	59	3
Average age of depositing members	45.5	44.9	44.0	48.0	33.9
Average length of service of depositing members	7.5	14.7	11.2	8.8	7.3

Number	105	106	551	107	461
Name	Armstrong County	Atascosa County	Atascosa Co. AD	Austin County	Austin Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 145,897	\$ 971,897	\$ 87,610	\$ 682,240	\$ 53,891
Members	828,720	12,087,401	622,344	12,115,202	1,077,164
Total	974,617	13,059,298	709,954	12,797,442	1,131,055
2 Actuarial present value of future normal cost contributions	225,741	1,823,140	168,781	1,297,785	260,361
3 Actuarial accrued liability [line 1 - line 2]	748,876	11,236,158	541,173	11,499,657	870,694
4 Actuarial value of assets	891,965	11,067,297	524,633	9,866,476	1,094,594
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (143,089)	\$ 168,861	\$ 16,540	\$ 1,633,181	\$ (223,900)
Required employer rates for 2005					
Normal cost	5.74%	4.72%	6.98%	5.11%	8.38%
UAAL or (OAAL)	(2.13)	0.14	0.41	3.38	(3.57)
Total required rate	3.61%	4.86%	7.39%	8.49%	4.81%
Elected rate	N/A	6.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	1.4	20.0	20.0	30.0
Number of annuitants	12	59	3	57	2
Number of members	44	350	18	198	17
Number of depositing members	27	248	14	135	13
Average age of depositing members	45.7	42.7	47.8	45.4	45.6
Average length of service of depositing members	6.1	8.6	5.3	10.5	6.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	597	108	109	411	110
Name	Bacliff MUD	Bailey County	Bandera County	Bandera Co. WCID #1	Bastrop County
Plan type	Fixed	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 423,300	\$ 731,981	\$ 2,924	\$ 2,724,288
Members	547,895	2,024,034	6,048,777	0	25,574,902
Total	547,895	2,447,334	6,780,758	2,924	28,299,190
2 Actuarial present value of future normal cost contributions	78,598	244,996	1,361,911	0	6,116,430
3 Actuarial accrued liability [line 1 - line 2]	469,297	2,202,338	5,418,847	2,924	22,182,760
4 Actuarial value of assets	385,132	1,740,200	4,754,274	2,747	19,534,636
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 84,165	\$ 462,138	\$ 664,573	\$ 177	\$ 2,648,124
Required employer rates for 2005					
Normal cost	2.83%	3.77%	6.82%	0.00%	7.39%
UAAL or (OAAL)	2.87	3.47	1.61	0.00	1.64
Total required rate	5.70%	7.24%	8.43%	0.00%	9.03%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	14.6	20.0	20.0	0.0	20.0
Number of annuitants	0	26	41	2	80
Number of members	10	69	164	0	532
Number of depositing members	9	52	126	0	381
Average age of depositing members	44.6	48.5	45.6	0.0	43.1
Average length of service of depositing members	15.6	6.6	6.9	0.0	7.2

Number	111	685	613	690	112
Name	Baylor County	Baylor Co. AD	Bayview ID #11	Bayview MUD	Bee County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 264,261	\$ 0	\$ 1,686	\$ 0	\$ 551,382
Members	2,004,327	49,826	182,890	67,500	10,246,691
Total	2,268,588	49,826	184,576	67,500	10,798,073
2 Actuarial present value of future normal cost contributions	287,101	28,825	25,359	53,899	1,869,192
3 Actuarial accrued liability [line 1 - line 2]	1,981,487	21,001	159,217	13,601	8,928,881
4 Actuarial value of assets	1,717,904	15,359	138,225	12,057	8,339,891
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 263,583	\$ 5,642	\$ 20,992	\$ 1,544	\$ 588,990
Required employer rates for 2005					
Normal cost	5.63%	5.68%	3.99%	2.99%	5.69%
UAAL or (OAAL)	2.43	0.79	1.69	0.09	0.91
Total required rate	8.06%	6.47%	5.68%	3.08%	6.60%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	26	0	1	0	37
Number of members	48	3	5	3	256
Number of depositing members	39	3	5	3	220
Average age of depositing members	49.8	54.1	51.7	44.7	45.5
Average length of service of depositing members	8.8	7.5	13.1	4.8	9.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	113	506	418	708	472
Name	Bell County	Bell Co. AD	Bell Co. WCID #1	Benbrook Water and Sewer Auth.	Bexar AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 10,500,817	\$ 550,909	\$ 756,087	\$ 0	\$ 1,487,366
Members	80,595,957	4,462,434	1,552,011	924,561	24,299,604
Total	91,096,774	5,013,343	2,308,098	924,561	25,786,970
2 Actuarial present value of future normal cost contributions	13,501,681	544,566	239,219	600,342	3,030,317
3 Actuarial accrued liability [line 1 - line 2]	77,595,093	4,468,777	2,068,879	324,219	22,756,653
4 Actuarial value of assets	65,837,599	4,020,814	1,572,216	51,177	21,152,175
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 11,757,494	\$ 447,963	\$ 496,663	\$ 273,042	\$ 1,604,478
Required employer rates for 2005					
Normal cost	6.67%	5.22%	3.04%	4.44%	5.79%
UAAL or (OAAL)	2.90	3.07	3.95	1.75	2.20
Total required rate	9.57%	8.29%	6.99%	6.19%	7.99%
Elected rate	N/A	N/A	9.00%	N/A	9.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	10.3	20.0	9.8
Number of annuitants	244	19	19	0	35
Number of members	1,125	61	38	32	243
Number of depositing members	943	47	30	32	179
Average age of depositing members	44.1	44.4	44.3	44.9	43.4
Average length of service of depositing members	9.5	12.2	9.4	11.1	13.1

Number	114	544	616	115	116
Name	Bexar County	Bexar Co. WCID #10	Bistone MWSD—Limestone Co.	Blanco County	Borden County
Plan type	Variable	Fixed	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 46,290,197	\$ 60,437	\$ 0	\$ 257,504	\$ 219,617
Members	467,792,281	344,820	629,532	2,414,022	1,226,724
Total	514,082,478	405,257	629,532	2,671,526	1,446,341
2 Actuarial present value of future normal cost contributions	75,308,016	49,877	128,455	444,976	143,563
3 Actuarial accrued liability [line 1 - line 2]	438,774,462	355,380	501,077	2,226,550	1,302,778
4 Actuarial value of assets	378,486,006	300,858	458,453	1,932,477	1,052,349
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 60,288,456	\$ 54,522	\$ 42,624	\$ 294,073	\$ 250,429
Required employer rates for 2005					
Normal cost	6.57%	3.27%	5.82%	5.63%	4.59%
UAAL or (OAAL)	2.86	4.23	1.74	1.74	5.16
Total required rate	9.43%	7.50%	7.56%	7.37%	9.75%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	8.5	20.0	20.0	20.0
Number of annuitants	803	3	0	18	23
Number of members	5,725	7	7	69	23
Number of depositing members	4,507	6	6	51	20
Average age of depositing members	42.1	47.7	44.7	50.1	45.7
Average length of service of depositing members	10.5	11.4	13.2	8.6	9.5

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	525	117	521	118	119
Name	Borden Co. AD	Bosque County	Bosque Co. CAD	Bowie County	Brazoria County
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 170,514	\$ 0	\$ 3,735,513	\$ 11,436,089
Members	10,576	2,616,468	645,397	24,501,648	110,058,949
Total	10,576	2,786,982	645,397	28,237,161	121,495,038
2 Actuarial present value of future normal cost contributions	7,137	380,243	95,437	3,103,803	18,848,009
3 Actuarial accrued liability [line 1 - line 2]	3,439	2,406,739	549,960	25,133,358	102,647,029
4 Actuarial value of assets	3,759	2,732,858	538,911	23,653,197	90,258,811
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (320)	\$ (326,119)	\$ 11,049	\$ 1,480,161	\$ 12,388,218
Required employer rates for 2005					
Normal cost	5.17%	3.08%	8.56%	6.32%	6.79%
UAAL or (OAAL)	1.83	(1.26)	0.37	1.46	2.32
Total required rate	7.00%	1.82%	8.93%	7.78%	9.11%
Elected rate	N/A	5.00%	11.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	0.0	1.6	20.0	20.0
Number of annuitants	1	34	0	81	332
Number of members	1	131	10	375	1,505
Number of depositing members	1	83	8	262	1,189
Average age of depositing members	44.0	45.1	54.8	46.2	44.8
Average length of service of depositing members	8.8	6.8	9.4	10.6	9.2

Number	508	413	424	681	120
Name	Brazoria Co. AD	Brazoria Co. CRD #3	Brazoria Co. DD #4	Brazoria Co. DD #5	Brazos County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 384,177	\$ 230,140	\$ 669,117	\$ 0	\$ 7,486,956
Members	3,553,130	3,452,031	3,070,882	54,198	65,332,180
Total	3,937,307	3,682,171	3,739,999	54,198	72,819,136
2 Actuarial present value of future normal cost contributions	565,601	532,525	1,001,274	36,763	10,668,113
3 Actuarial accrued liability [line 1 - line 2]	3,371,706	3,149,646	2,738,725	17,435	62,151,023
4 Actuarial value of assets	3,185,148	2,319,217	2,018,707	18,213	50,448,656
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 186,558	\$ 830,429	\$ 720,018	\$ (778)	\$ 11,702,367
Required employer rates for 2005					
Normal cost	5.54%	7.62%	9.15%	3.13%	6.92%
UAAL or (OAAL)	1.43	8.04	4.47	(0.07)	4.01
Total required rate	6.97%	15.66%	13.62%	3.06%	10.93%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	30.0	20.0
Number of annuitants	12	12	16	0	115
Number of members	46	35	43	6	897
Number of depositing members	40	27	40	5	671
Average age of depositing members	45.0	41.8	42.1	45.7	42.2
Average length of service of depositing members	10.3	10.5	7.6	1.7	8.6

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	689	600	121	581	122
Name	Brazos Co. AD	Brazos Co. ECD	Brewster County	Brewster Co. AD	Briscoe County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 89,998	\$ 478,272	\$ 18,470	\$ 72,743
Members	1,003,005	2,190,007	3,017,917	164,842	740,170
Total	1,003,005	2,280,005	3,496,189	183,312	812,913
2 Actuarial present value of future normal cost contributions	526,005	557,864	610,780	38,253	132,969
3 Actuarial accrued liability [line 1 - line 2]	477,000	1,722,141	2,885,409	145,059	679,944
4 Actuarial value of assets	224,493	1,687,205	2,357,270	140,135	635,815
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 252,507	\$ 34,936	\$ 528,139	\$ 4,924	\$ 44,129
Required employer rates for 2005					
Normal cost	8.32%	6.37%	5.81%	3.90%	5.01%
UAAL or (OAAL)	2.60	0.29	2.62	0.18	1.17
Total required rate	10.92%	6.66%	8.43%	4.08%	6.18%
Elected rate	N/A	N/A	N/A	7.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	0.6	20.0
Number of annuitants	0	2	22	1	12
Number of members	24	43	109	7	34
Number of depositing members	24	27	67	5	23
Average age of depositing members	45.2	34.8	43.2	43.4	48.7
Average length of service of depositing members	13.7	7.1	6.3	7.3	7.0

Number	123	554	522	124	702
Name	Brooks County	Brookshire-Katy DD	Brookshire MWD	Brown County	Brownsville ID
Plan type	Variable	Fixed	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,621,458	\$ 8,088	\$ 110,511	\$ 610,220	\$ 0
Members	6,382,155	373,317	812,947	7,043,051	170,361
Total	8,003,613	381,405	923,458	7,653,271	170,361
2 Actuarial present value of future normal cost contributions	1,378,772	37,971	99,374	1,274,467	87,426
3 Actuarial accrued liability [line 1 - line 2]	6,624,841	343,434	824,084	6,378,804	82,935
4 Actuarial value of assets	7,916,200	326,213	726,701	5,769,513	28,457
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (1,291,359)	\$ 17,221	\$ 97,383	\$ 609,291	\$ 54,478
Required employer rates for 2005					
Normal cost	8.60%	3.54%	5.21%	4.66%	3.61%
UAAL or (OAAL)	(3.40)	1.76	3.48	1.10	2.02
Total required rate	5.20%	5.30%	8.69%	5.76%	5.63%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	6.2	20.0	20.0	20.0
Number of annuitants	55	1	1	46	0
Number of members	134	5	11	193	13
Number of depositing members	113	5	8	154	12
Average age of depositing members	46.4	54.5	44.2	45.2	43.8
Average length of service of depositing members	7.4	15.0	17.9	8.8	9.2

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	642	125	126	609	127
Name	Brushy Creek MUD—Williamson Co.	Burleson County	Burnet County	Burnet Co. AD	Caldwell County
Plan type	Variable	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 76,091	\$ 591,304	\$ 2,001,830	\$ 8,081	\$ 564,300
Members	737,929	4,566,759	11,360,547	1,338,797	5,309,945
Total	814,020	5,158,063	13,362,377	1,346,878	5,874,245
2 Actuarial present value of future normal cost contributions	404,396	698,120	2,095,650	150,978	880,350
3 Actuarial accrued liability [line 1 - line 2]	409,624	4,459,943	11,266,727	1,195,900	4,993,895
4 Actuarial value of assets	315,476	3,556,115	9,021,987	1,047,193	4,697,322
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 94,148	\$ 903,828	\$ 2,244,740	\$ 148,707	\$ 296,573
Required employer rates for 2005					
Normal cost	4.28%	4.52%	5.87%	3.71%	3.29%
UAAL or (OAAL)	0.73	2.93	2.89	3.29	0.52
Total required rate	5.01%	7.45%	8.76%	7.00%	3.81%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	9.3	20.0
Number of annuitants	2	37	70	2	46
Number of members	50	139	316	26	286
Number of depositing members	28	103	223	18	181
Average age of depositing members	39.7	45.6	46.3	49.0	41.1
Average length of service of depositing members	4.7	7.4	7.7	12.5	6.1

Number	128	129	542	130	618
Name	Calhoun County	Callahan County	Callahan Co. AD	Cameron County	Cameron Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,631,486	\$ 290,233	\$ 30,456	\$ 10,303,001	\$ 27,668
Members	13,229,094	2,216,923	352,550	94,666,175	4,321,810
Total	14,860,580	2,507,156	383,006	104,969,176	4,349,478
2 Actuarial present value of future normal cost contributions	2,518,115	278,335	38,218	19,038,375	537,121
3 Actuarial accrued liability [line 1 - line 2]	12,342,465	2,228,821	344,788	85,930,801	3,812,357
4 Actuarial value of assets	10,480,204	2,012,731	331,542	77,233,976	3,321,998
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,862,261	\$ 216,090	\$ 13,246	\$ 8,696,825	\$ 490,359
Required employer rates for 2005					
Normal cost	6.31%	3.68%	4.04%	6.03%	4.55%
UAAL or (OAAL)	2.59	1.57	1.07	1.50	3.18
Total required rate	8.90%	5.25%	5.11%	7.53%	7.73%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	75	23	1	256	3
Number of members	212	70	7	1,986	67
Number of depositing members	174	53	5	1,565	52
Average age of depositing members	44.6	48.6	50.5	39.1	44.2
Average length of service of depositing members	8.9	9.2	12.8	7.4	11.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	692	664	686	462	590
Name	Cameron Co. DD #1	Cameron Co. DD #3	Cameron Co. DD #5	Cameron Co. ID #2	Cameron Co. ID #6
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 0	\$ 0	\$ 323,869	\$ 34,467
Members	116,211	250,127	78,115	1,464,502	310,305
Total	116,211	250,127	78,115	1,788,371	344,772
2 Actuarial present value of future normal cost contributions	80,733	102,361	60,981	190,799	62,571
3 Actuarial accrued liability [line 1 - line 2]	35,478	147,766	17,134	1,597,572	282,201
4 Actuarial value of assets	24,626	130,824	16,067	1,413,265	290,470
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 10,852	\$ 16,942	\$ 1,067	\$ 184,307	\$ (8,269)
Required employer rates for 2005					
Normal cost	4.15%	4.18%	5.30%	3.49%	3.93%
UAAL or (OAAL)	0.48	0.50	0.12	2.22	(0.34)
Total required rate	4.63%	4.68%	5.42%	5.71%	3.59%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	30.0
Number of annuitants	0	0	0	33	9
Number of members	10	19	2	51	15
Number of depositing members	10	18	2	34	12
Average age of depositing members	48.2	50.7	40.4	42.8	49.2
Average length of service of depositing members	2.7	8.2	2.7	10.0	11.1

Number	670	131	132	133	610
Name	Camp CAD	Camp County	Carson County	Cass County	Cass Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 475,007	\$ 377,156	\$ 1,597,284	\$ 37,669
Members	110,497	2,877,736	2,684,315	10,043,833	666,804
Total	110,497	3,352,743	3,061,471	11,641,117	704,473
2 Actuarial present value of future normal cost contributions	61,053	446,726	407,354	1,434,303	96,526
3 Actuarial accrued liability [line 1 - line 2]	49,444	2,906,017	2,654,117	10,206,814	607,947
4 Actuarial value of assets	51,702	2,511,279	2,152,292	8,438,266	483,831
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (2,258)	\$ 394,738	\$ 501,825	\$ 1,768,548	\$ 124,116
Required employer rates for 2005					
Normal cost	4.10%	6.46%	4.80%	5.19%	5.50%
UAAL or (OAAL)	(0.14)	2.62	3.14	3.01	4.33
Total required rate	3.96%	9.08%	7.94%	8.20%	9.83%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	0	26	36	71	2
Number of members	7	67	71	202	14
Number of depositing members	6	50	55	168	11
Average age of depositing members	43.1	51.6	48.6	47.6	49.6
Average length of service of depositing members	4.2	8.0	7.5	8.6	13.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	134	635	602	648	135
Name	Castro County	CAD of Johnson Co.	CAD of Taylor Co.	Cent. WCID—Angelina Co.	Chambers County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 317,152	\$ 116,244	\$ 247,207	\$ 37,412	\$ 5,488,091
Members	4,163,031	2,115,546	2,668,224	118,940	27,763,562
Total	4,480,183	2,231,790	2,915,431	156,352	33,251,653
2 Actuarial present value of future normal cost contributions	574,292	610,829	341,766	60,544	5,197,995
3 Actuarial accrued liability [line 1 - line 2]	3,905,891	1,620,961	2,573,665	95,808	28,053,658
4 Actuarial value of assets	3,654,472	1,201,442	2,131,750	50,593	25,550,207
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 251,419	\$ 419,519	\$ 441,915	\$ 45,215	\$ 2,503,451
Required employer rates for 2005					
Normal cost	6.99%	6.98%	3.81%	4.23%	6.88%
UAAL or (OAAL)	1.40	3.65	3.93	4.53	1.78
Total required rate	8.39%	10.63%	7.74%	8.76%	8.66%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	18	3	8	1	149
Number of members	88	45	33	4	415
Number of depositing members	59	37	27	4	345
Average age of depositing members	48.0	42.5	47.1	37.6	44.9
Average length of service of depositing members	9.9	9.3	14.0	9.0	8.6

Number	531	548	136	137	511
Name	Chambers Co. AD	Chambers Co. Public HD	Cherokee County	Childress County	Childress Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 218,479	\$ 127,231	\$ 1,763,895	\$ 146,297	\$ 44,514
Members	1,166,269	1,433,111	13,440,206	931,428	52,463
Total	1,384,748	1,560,342	15,204,101	1,077,725	96,977
2 Actuarial present value of future normal cost contributions	292,767	440,392	1,796,919	210,805	29,507
3 Actuarial accrued liability [line 1 - line 2]	1,091,981	1,119,950	13,407,182	866,920	67,470
4 Actuarial value of assets	990,364	1,261,244	10,909,530	593,959	47,469
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 101,617	\$ (141,294)	\$ 2,497,652	\$ 272,961	\$ 20,001
Required employer rates for 2005					
Normal cost	8.05%	4.70%	5.09%	2.72%	2.98%
UAAL or (OAAL)	1.93	(1.15)	3.30	2.06	2.85
Total required rate	9.98%	3.55%	8.39%	4.78%	5.83%
Elected rate	14.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	3.6	30.0	20.0	20.0	20.0
Number of annuitants	4	8	83	9	3
Number of members	10	35	277	59	3
Number of depositing members	10	29	205	48	3
Average age of depositing members	37.3	39.5	46.0	46.5	42.4
Average length of service of depositing members	9.6	5.6	8.6	7.0	5.5

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	582	465	138	485	703
Name	Childress Co. HD	Cisco HD	Clay County	Clay Co. AD	Coastal Bend GCD
Plan type	Variable	Fixed	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 490,145	\$ 53,542	\$ 743,024	\$ 69,886	\$ 0
Members	6,525,377	87,360	5,534,563	591,810	40,182
Total	7,015,522	140,902	6,277,587	661,696	40,182
2 Actuarial present value of future normal cost contributions	1,595,766	0	446,838	64,806	36,309
3 Actuarial accrued liability [line 1 - line 2]	5,419,756	140,902	5,830,749	596,890	3,873
4 Actuarial value of assets	5,587,553	147,135	4,530,262	596,225	3,054
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (167,797)	\$ (6,233)	\$ 1,300,487	\$ 665	\$ 819
Required employer rates for 2005					
Normal cost	4.38%	0.00%	3.75%	7.79%	4.66%
UAAL or (OAAL)	(0.33)	0.00	7.25	(0.05)	0.46
Total required rate	4.05%	0.00%	11.00%	7.74%	5.12%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	0.0	13.5	30.0	20.0
Number of annuitants	26	7	50	3	0
Number of members	209	4	81	9	1
Number of depositing members	180	0	64	6	1
Average age of depositing members	42.4	0.0	47.2	55.8	23.0
Average length of service of depositing members	7.2	0.0	10.1	11.5	1.1

Number	139	477	140	141	142
Name	Cochran County	Cochran Co. AD	Coke County	Coleman County	Collin County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 932,097	\$ 24,739	\$ 132,192	\$ 257,362	\$ 14,889,691
Members	3,465,633	145,692	2,066,476	2,947,508	150,732,663
Total	4,397,730	170,431	2,198,668	3,204,870	165,622,354
2 Actuarial present value of future normal cost contributions	424,492	28,312	223,138	285,425	36,929,314
3 Actuarial accrued liability [line 1 - line 2]	3,973,238	142,119	1,975,530	2,919,445	128,693,040
4 Actuarial value of assets	3,093,599	154,819	1,526,774	2,645,810	107,399,138
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 879,639	\$ (12,700)	\$ 448,756	\$ 273,635	\$ 21,293,902
Required employer rates for 2005					
Normal cost	5.25%	5.67%	4.84%	5.02%	8.27%
UAAL or (OAAL)	5.42	(1.41)	5.59	2.35	2.52
Total required rate	10.67%	4.26%	10.43%	7.37%	10.79%
Elected rate	12.00%	N/A	N/A	N/A	12.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	14.1	30.0	20.0	20.0	11.3
Number of annuitants	37	2	32	28	181
Number of members	73	4	62	52	1,715
Number of depositing members	53	3	43	44	1,418
Average age of depositing members	48.8	52.6	53.3	52.8	42.8
Average length of service of depositing members	9.8	7.6	8.7	11.7	9.2

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	457	143	144	623	145
Name	Collin Co. CAD	Collingsworth County	Colorado County	Comal AD	Comal County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 440,499	\$ 20,211	\$ 624,877	\$ 56,717	\$ 2,739,061
Members	9,510,118	660,504	6,089,855	1,523,321	29,701,895
Total	9,950,617	680,715	6,714,732	1,580,038	32,440,956
2 Actuarial present value of future normal cost contributions	1,432,554	126,662	1,132,862	309,211	7,254,755
3 Actuarial accrued liability [line 1 - line 2]	8,518,063	554,053	5,581,870	1,270,827	25,186,201
4 Actuarial value of assets	8,191,443	497,096	4,626,723	862,958	21,635,741
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 326,620	\$ 56,957	\$ 955,147	\$ 407,869	\$ 3,550,460
Required employer rates for 2005					
Normal cost	7.56%	3.79%	5.06%	7.33%	6.47%
UAAL or (OAAL)	0.88	0.93	2.11	5.92	1.61
Total required rate	8.44%	4.72%	7.17%	13.25%	8.08%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	10	7	50	3	104
Number of members	89	56	164	25	564
Number of depositing members	73	38	134	21	479
Average age of depositing members	49.3	48.6	44.2	48.4	43.2
Average length of service of depositing members	11.5	9.3	7.6	12.7	7.4

Number	146	147	636	148	487
Name	Comanche County	Concho County	Concho Co. HD	Cooke County	Cooke Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 478,337	\$ 95,965	\$ 173,291	\$ 715,309	\$ 177,938
Members	4,260,700	1,558,583	736,495	11,768,138	1,343,184
Total	4,739,037	1,654,548	909,786	12,483,447	1,521,122
2 Actuarial present value of future normal cost contributions	582,095	310,961	146,705	1,735,726	264,705
3 Actuarial accrued liability [line 1 - line 2]	4,156,942	1,343,587	763,081	10,747,721	1,256,417
4 Actuarial value of assets	3,478,865	1,419,182	608,445	9,385,725	1,303,384
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 678,077	\$ (75,595)	\$ 154,636	\$ 1,361,996	\$ (46,967)
Required employer rates for 2005					
Normal cost	3.55%	6.94%	2.59%	4.78%	8.29%
UAAL or (OAAL)	1.87	(0.67)	2.11	1.71	(0.85)
Total required rate	5.42%	6.27%	4.70%	6.49%	7.44%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	30.0
Number of annuitants	38	12	8	40	7
Number of members	183	76	40	235	27
Number of depositing members	123	44	23	186	16
Average age of depositing members	47.9	48.6	40.7	44.6	45.7
Average length of service of depositing members	8.6	8.4	6.3	8.6	8.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	149	150	151	152	409
Name	Coryell County	Cottle County	Crane County	Crockett County	Crockett Co. WCID #1
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 897,281	\$ 84,256	\$ 1,193,067	\$ 1,534,021	\$ 136,653
Members	10,772,214	599,153	6,803,011	10,165,400	750,170
Total	11,669,495	683,409	7,996,078	11,699,421	886,823
2 Actuarial present value of future normal cost contributions	2,001,416	79,889	1,095,467	1,050,970	101,420
3 Actuarial accrued liability [line 1 - line 2]	9,668,079	603,520	6,900,611	10,648,451	785,403
4 Actuarial value of assets	8,580,138	524,109	6,594,687	8,984,574	757,527
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,087,941	\$ 79,411	\$ 305,924	\$ 1,663,877	\$ 27,876
Required employer rates for 2005					
Normal cost	6.41%	4.29%	5.56%	4.49%	4.58%
UAAL or (OAAL)	1.77	2.12	0.87	3.60	0.97
Total required rate	8.18%	6.41%	6.43%	8.09%	5.55%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	12.6	20.0	20.0	20.0
Number of annuitants	54	14	65	33	9
Number of members	192	30	130	204	14
Number of depositing members	161	21	94	152	9
Average age of depositing members	46.3	55.5	47.1	47.9	44.6
Average length of service of depositing members	9.4	9.2	7.6	8.8	9.7

Number	153	532	603	154	478
Name	Crosby County	Crosby Co. AD	Crosby MUD	Culberson County	Culberson Co. Hosp.
Plan type	Variable	Variable	Variable	Variable	Fixed
1 Actuarial present value of future benefits					
Annuitants	\$ 521,852	\$ 34,689	\$ 36,849	\$ 198,305	\$ 33,688
Members	2,673,419	75,798	342,130	2,673,584	194,838
Total	3,195,271	110,487	378,979	2,871,889	228,526
2 Actuarial present value of future normal cost contributions	279,734	35,862	100,602	350,815	0
3 Actuarial accrued liability [line 1 - line 2]	2,915,537	74,625	278,377	2,521,074	228,526
4 Actuarial value of assets	2,087,398	112,377	342,487	2,607,997	252,972
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 828,139	\$ (37,752)	\$ (64,110)	\$ (86,923)	\$ (24,446)
Required employer rates for 2005					
Normal cost	4.02%	5.20%	5.21%	4.99%	0.00%
UAAL or (OAAL)	6.09	(3.20)	(2.76)	(0.68)	0.00
Total required rate	10.11%	2.00%	2.45%	4.31%	0.00%
Elected rate	N/A	N/A	7.00%	7.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	0.0	0.0	0.0
Number of annuitants	30	2	1	11	4
Number of members	49	3	9	63	4
Number of depositing members	46	3	8	49	0
Average age of depositing members	49.0	44.0	40.4	47.5	0.0
Average length of service of depositing members	9.6	3.8	6.1	11.6	0.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	550	155	467	156	430
Name	Culberson HD	Dallam County	Dallas CAD	Dallas County	Dallas Co. Park Cities MUD
Plan type	Variable	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 8,408	\$ 411,977	\$ 2,915,608	\$ 87,028,074	\$ 230,840
Members	832,988	3,051,539	44,948,364	713,236,680	2,527,449
Total	841,396	3,463,516	47,863,972	800,264,754	2,758,289
2 Actuarial present value of future normal cost contributions	145,022	346,119	5,946,148	102,786,909	495,307
3 Actuarial accrued liability [line 1 - line 2]	696,374	3,117,397	41,917,824	697,477,845	2,262,982
4 Actuarial value of assets	1,026,816	2,830,537	39,337,046	624,927,568	2,018,016
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (330,442)	\$ 286,860	\$ 2,580,778	\$ 72,550,277	\$ 244,966
Required employer rates for 2005					
Normal cost	4.13%	4.54%	7.50%	5.97%	6.67%
UAAL or (OAAL)	(4.11)	1.95	1.98	2.53	2.34
Total required rate	0.02%	6.49%	9.48%	8.50%	9.01%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	18.4	20.0
Number of annuitants	3	21	39	1,515	7
Number of members	50	65	336	7,259	24
Number of depositing members	21	46	243	5,686	22
Average age of depositing members	48.5	47.3	44.0	43.2	48.7
Average length of service of depositing members	5.4	9.0	10.8	10.1	10.2

Number	687	157	463	158	578
Name	Dallas Co. WCID #6	Dawson County	Dawson Co. CAD	Deaf Smith County	Deaf Smith Co. HD
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 1,079,990	\$ 24,544	\$ 1,317,240	\$ 263,728
Members	412,945	6,168,980	703,903	8,885,293	4,013,620
Total	412,945	7,248,970	728,447	10,202,533	4,277,348
2 Actuarial present value of future normal cost contributions	239,884	1,073,112	92,347	1,325,269	710,754
3 Actuarial accrued liability [line 1 - line 2]	173,061	6,175,858	636,100	8,877,264	3,566,594
4 Actuarial value of assets	136,014	4,398,531	691,310	7,604,210	4,366,477
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 37,047	\$ 1,777,327	\$ (55,210)	\$ 1,273,054	\$ (799,883)
Required employer rates for 2005					
Normal cost	2.79%	4.86%	6.98%	5.85%	1.89%
UAAL or (OAAL)	0.30	5.12	0.02	3.01	(1.32)
Total required rate	3.09%	9.98%	7.00%	8.86%	0.57%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	0.0	20.0	30.0
Number of annuitants	0	50	2	53	15
Number of members	41	118	7	163	261
Number of depositing members	32	96	6	116	172
Average age of depositing members	40.0	44.8	43.2	42.7	41.9
Average length of service of depositing members	5.3	9.4	11.8	8.7	6.6

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	159	583	482	160	161
Name	Delta County	Denco Area 911 Dist.— Denton Co.	Denton CAD	Denton County	DeWitt County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 232,508	\$ 0	\$ 285,285	\$ 6,299,188	\$ 723,230
Members	1,200,413	983,396	6,837,659	109,183,870	5,202,599
Total	1,432,921	983,396	7,122,944	115,483,058	5,925,829
2 Actuarial present value of future normal cost contributions	191,867	232,594	1,567,542	22,957,790	785,292
3 Actuarial accrued liability [line 1 - line 2]	1,241,054	750,802	5,555,402	92,525,268	5,140,537
4 Actuarial value of assets	1,008,159	785,238	4,964,533	79,860,933	4,403,589
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 232,895	\$ (34,436)	\$ 590,869	\$ 12,664,335	\$ 736,948
Required employer rates for 2005					
Normal cost	4.66%	4.73%	7.35%	6.48%	4.75%
UAAL or (OAAL)	2.72	(0.84)	2.02	1.70	2.36
Total required rate	7.38%	3.89%	9.37%	8.18%	7.11%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	20.0
Number of annuitants	19	0	7	165	60
Number of members	57	11	90	1,813	130
Number of depositing members	42	10	74	1,350	98
Average age of depositing members	49.5	42.2	43.6	42.6	44.9
Average length of service of depositing members	6.5	9.6	9.8	8.5	8.6

Number	466	162	163	164	165
Name	DeWitt Co. AD	Dickens County	Dimmit County	Donley County	Duval County
Plan type	Fixed	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 7,908	\$ 105,217	\$ 238,469	\$ 175,332	\$ 1,106,880
Members	772,113	1,374,767	2,215,674	1,015,981	5,441,792
Total	780,021	1,479,984	2,454,143	1,191,313	6,548,672
2 Actuarial present value of future normal cost contributions	72,947	197,795	603,788	146,187	447,237
3 Actuarial accrued liability [line 1 - line 2]	707,074	1,282,189	1,850,355	1,045,126	6,101,435
4 Actuarial value of assets	680,993	1,080,925	1,822,641	838,434	3,984,443
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 26,081	\$ 201,264	\$ 27,714	\$ 206,692	\$ 2,116,992
Required employer rates for 2005					
Normal cost	5.09%	5.82%	6.95%	3.87%	2.09%
UAAL or (OAAL)	1.91	2.68	0.14	4.13	4.64
Total required rate	7.00%	8.50%	7.09%	8.00%	6.73%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	11.3	20.0	20.0	12.3	20.0
Number of annuitants	2	14	13	12	59
Number of members	8	32	99	50	291
Number of depositing members	7	28	62	34	209
Average age of depositing members	47.1	53.1	44.4	49.8	50.1
Average length of service of depositing members	18.2	9.2	6.5	7.1	11.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	166	593	167	580	448
Name	Eastland County	Eastland Co. AD	Ector County*	Ector Co. HD*	Edwards Aquifer Auth.—Bexar Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,232,954	\$ 20,627	\$ 28,715,297	\$ 6,644,091	\$ 174,225
Members	5,122,838	587,447	86,581,471	140,046,118	3,912,116
Total	6,355,792	608,074	115,296,768	146,690,209	4,086,341
2 Actuarial present value of future normal cost contributions	895,651	39,798	8,672,897	23,681,108	626,478
3 Actuarial accrued liability [line 1 - line 2]	5,460,141	568,276	106,623,871	123,009,101	3,459,863
4 Actuarial value of assets	4,368,222	444,049	96,300,231	101,335,262	3,342,248
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,091,919	\$ 124,227	\$ 10,323,640	\$ 21,673,839	\$ 117,615
Required employer rates for 2005					
Normal cost	6.56%	5.38%	7.77%	6.13%	3.57%
UAAL or (OAAL)	3.51	8.62	(0.04)	4.83	0.69
Total required rate	10.07%	14.00%	7.73%	10.96%	4.26%
Elected rate	11.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	13.8	20.0	30.0	20.0	8.5
Number of annuitants	39	1	470	174	4
Number of members	130	5	985	2,012	64
Number of depositing members	99	4	552	1,435	40
Average age of depositing members	46.2	53.4	44.0	43.0	42.5
Average length of service of depositing members	6.9	20.0	9.4	8.6	7.1

Number	628	168	170	567	541
Name	Edwards CAD	Edwards County	El Paso County	El Paso Co. 911 Dist.	El Paso Co. HD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 62,345	\$ 24,027,849	\$ 0	\$ 10,388,142
Members	30,606	809,560	261,016,111	1,151,520	101,750,469
Total	30,606	871,905	285,043,960	1,151,520	112,138,611
2 Actuarial present value of future normal cost contributions	13,421	186,386	55,778,553	152,953	15,513,121
3 Actuarial accrued liability [line 1 - line 2]	17,185	685,519	229,265,407	998,567	96,625,490
4 Actuarial value of assets	28,484	514,278	195,397,679	869,729	79,593,170
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (11,299)	\$ 171,241	\$ 33,867,728	\$ 128,838	\$ 17,032,320
Required employer rates for 2005					
Normal cost	3.78%	4.62%	7.68%	7.57%	3.47%
UAAL or (OAAL)	(2.84)	2.59	2.52	4.10	2.03
Total required rate	0.94%	7.21%	10.20%	11.67%	5.50%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	0	4	407	0	216
Number of members	4	45	3,347	9	2,372
Number of depositing members	2	31	2,707	6	1,657
Average age of depositing members	41.8	48.1	40.2	49.6	41.1
Average length of service of depositing members	4.4	9.9	8.6	8.7	8.4

*See footnote A on page 154

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	456	169	624	171	172
Name	El Paso WCID Westway	Ellis County	ECD of Ector Co.	Erath County	Falls County
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 5,530	\$ 1,961,353	\$ 0	\$ 677,709	\$ 989,801
Members	0	26,390,628	486,464	9,933,762	5,724,458
Total	5,530	28,351,981	486,464	10,611,471	6,714,259
2 Actuarial present value of future normal cost contributions	0	5,475,108	99,347	1,759,445	864,088
3 Actuarial accrued liability [line 1 - line 2]	5,530	22,876,873	387,117	8,852,026	5,850,171
4 Actuarial value of assets	19,990	19,367,285	325,673	7,663,716	4,927,166
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (14,460)	\$ 3,509,588	\$ 61,444	\$ 1,188,310	\$ 923,005
Required employer rates for 2005					
Normal cost	0.00%	6.67%	10.49%	5.70%	5.44%
UAAL or (OAAL)	0.00	1.88	4.05	1.95	2.87
Total required rate	0.00%	8.55%	14.54%	7.65%	8.31%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	20.0
Number of annuitants	1	85	0	47	54
Number of members	0	583	3	182	147
Number of depositing members	0	419	3	150	105
Average age of depositing members	0.0	43.9	50.6	44.6	44.4
Average length of service of depositing members	0.0	6.6	19.2	9.5	7.7

Number	563	173	644	174	175
Name	Falls Co. AD	Fannin County	Fannin Co. AD	Fayette County	Fisher County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 53,360	\$ 708,190	\$ 0	\$ 1,245,994	\$ 275,323
Members	143,810	7,884,329	141,388	16,673,972	1,478,825
Total	197,170	8,592,519	141,388	17,919,966	1,754,148
2 Actuarial present value of future normal cost contributions	34,287	1,617,815	40,670	2,196,263	213,552
3 Actuarial accrued liability [line 1 - line 2]	162,883	6,974,704	100,718	15,723,703	1,540,596
4 Actuarial value of assets	173,940	6,023,673	138,534	13,535,821	1,143,957
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (11,057)	\$ 951,031	\$ (37,816)	\$ 2,187,882	\$ 396,639
Required employer rates for 2005					
Normal cost	3.51%	6.90%	2.34%	5.39%	4.74%
UAAL or (OAAL)	(1.36)	2.18	(1.80)	2.94	4.57
Total required rate	2.15%	9.08%	0.54%	8.33%	9.31%
Elected rate	7.00%	N/A	4.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	0.0	20.0	20.0
Number of annuitants	3	36	0	53	38
Number of members	7	162	16	260	54
Number of depositing members	5	131	10	197	42
Average age of depositing members	38.3	44.9	46.7	43.7	50.0
Average length of service of depositing members	7.1	8.1	3.7	9.9	7.2

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	432	176	474	178	179
Name	Fisher Co. HD	Floyd County	Fort Bend CAD	Fort Bend County	Franklin County
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 248,313	\$ 321,835	\$ 538,856	\$ 15,443,872	\$ 773,728
Members	2,353,611	3,284,371	6,218,739	179,283,513	3,287,304
Total	2,601,924	3,606,206	6,757,595	194,727,385	4,061,032
2 Actuarial present value of future normal cost contributions	494,071	463,888	985,519	34,646,812	675,982
3 Actuarial accrued liability [line 1 - line 2]	2,107,853	3,142,318	5,772,076	160,080,573	3,385,050
4 Actuarial value of assets	2,396,613	2,527,899	5,592,002	132,671,550	3,090,737
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (288,760)	\$ 614,419	\$ 180,074	\$ 27,409,023	\$ 294,313
Required employer rates for 2005					
Normal cost	3.67%	5.38%	7.08%	6.91%	6.92%
UAAL or (OAAL)	(1.13)	3.57	2.92	3.16	1.47
Total required rate	2.54%	8.95%	10.00%	10.07%	8.39%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	3.2	20.0	20.0
Number of annuitants	18	32	11	266	34
Number of members	74	73	61	2,117	67
Number of depositing members	59	56	50	1,678	62
Average age of depositing members	44.4	45.8	46.0	42.5	48.7
Average length of service of depositing members	7.3	8.7	12.3	9.4	7.5

Number	180	693	181	509	182
Name	Freestone County	Freestone Co. AD	Frio County	Frio Co. AD	Gaines County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,114,105	\$ 0	\$ 838,499	\$ 0	\$ 1,393,000
Members	7,546,422	226,842	5,143,945	1,001,637	11,222,111
Total	8,660,527	226,842	5,982,444	1,001,637	12,615,111
2 Actuarial present value of future normal cost contributions	1,176,535	139,144	1,122,863	112,710	1,721,037
3 Actuarial accrued liability [line 1 - line 2]	7,483,992	87,698	4,859,581	888,927	10,894,074
4 Actuarial value of assets	6,462,779	35,648	5,116,409	847,540	8,982,953
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,021,213	\$ 52,050	\$ (256,828)	\$ 41,387	\$ 1,911,121
Required employer rates for 2005					
Normal cost	5.54%	6.11%	5.64%	6.27%	5.76%
UAAL or (OAAL)	2.38	2.23	(0.66)	1.44	3.53
Total required rate	7.92%	8.34%	4.98%	7.71%	9.29%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	30.0	20.0	20.0
Number of annuitants	47	0	29	0	85
Number of members	136	9	141	12	143
Number of depositing members	112	9	118	11	127
Average age of depositing members	48.8	41.8	41.6	50.8	47.2
Average length of service of depositing members	9.2	9.9	7.8	14.0	9.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	546	183	547	464	433
Name	Galveston CAD	Galveston County*	Galveston Co. Consol. DD	Galveston Co. DD #1	Galveston Co. DD #2
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 251,224	\$ 18,963,186	\$ 79,016	\$ 146,389	\$ 217,748
Members	6,501,991	134,394,439	1,292,227	439,190	1,572,499
Total	6,753,215	153,357,625	1,371,243	585,579	1,790,247
2 Actuarial present value of future normal cost contributions	922,192	17,273,715	253,613	190,841	177,215
3 Actuarial accrued liability [line 1 - line 2]	5,831,023	136,083,910	1,117,630	394,738	1,613,032
4 Actuarial value of assets	5,089,373	120,527,640	920,892	484,400	1,574,778
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 741,650	\$ 15,556,270	\$ 196,738	\$ (89,662)	\$ 38,254
Required employer rates for 2005					
Normal cost	8.20%	6.56%	7.61%	7.97%	6.58%
UAAL or (OAAL)	4.35	3.06	3.95	(1.92)	0.78
Total required rate	12.55%	9.62%	11.56%	6.05%	7.36%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	30.0	20.0
Number of annuitants	9	654	3	4	8
Number of members	57	1,562	17	13	11
Number of depositing members	48	1,092	14	11	11
Average age of depositing members	46.9	43.1	47.5	44.9	39.3
Average length of service of depositing members	12.5	9.1	9.4	4.7	14.2

Number	589	407	473	184	185
Name	Galveston Co. ECD	Galveston Co. WCID #1	Garza CAD	Garza County	Gillespie County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 1,011,829	\$ 29,302	\$ 354,426	\$ 834,296
Members	727,333	3,658,915	179,827	3,672,384	7,887,281
Total	727,333	4,670,744	209,129	4,026,810	8,721,577
2 Actuarial present value of future normal cost contributions	216,660	713,103	32,862	498,174	1,161,279
3 Actuarial accrued liability [line 1 - line 2]	510,673	3,957,641	176,267	3,528,636	7,560,298
4 Actuarial value of assets	444,585	3,078,694	158,133	3,267,870	6,177,207
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 66,088	\$ 878,947	\$ 18,134	\$ 260,766	\$ 1,383,091
Required employer rates for 2005					
Normal cost	9.15%	5.98%	6.49%	5.87%	5.55%
UAAL or (OAAL)	2.24	4.68	2.41	1.39	3.59
Total required rate	11.39%	10.66%	8.90%	7.26%	9.14%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	0	17	2	16	39
Number of members	5	63	3	66	150
Number of depositing members	5	39	3	54	105
Average age of depositing members	46.0	39.9	52.6	50.9	46.0
Average length of service of depositing members	12.5	8.4	10.7	10.6	10.5

*See footnote D on page 154

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	186	187	188	498	189
Name	Glasscock County	Goliad County	Gonzales County	Gonzales Co. AD	Gray County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 262,846	\$ 796,210	\$ 826,101	\$ 4,534	\$ 1,099,401
Members	2,472,037	4,442,146	5,075,298	657,208	7,441,958
Total	2,734,883	5,238,356	5,901,399	661,742	8,541,359
2 Actuarial present value of future normal cost contributions	173,683	697,144	688,202	144,845	1,194,225
3 Actuarial accrued liability [line 1 - line 2]	2,561,200	4,541,212	5,213,197	516,897	7,347,134
4 Actuarial value of assets	2,034,287	4,758,572	4,205,682	572,425	6,619,937
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 526,913	\$ (217,360)	\$ 1,007,515	\$ (55,528)	\$ 727,197
Required employer rates for 2005					
Normal cost	4.56%	5.32%	4.31%	7.57%	5.20%
UAAL or (OAAL)	6.95	(0.79)	3.08	(1.43)	1.51
Total required rate	11.51%	4.53%	7.39%	6.14%	6.71%
Elected rate	N/A	N/A	N/A	7.00%	7.02%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	20.0	0.0	14.9
Number of annuitants	19	61	37	1	82
Number of members	36	112	158	16	169
Number of depositing members	28	81	117	11	134
Average age of depositing members	50.4	44.9	45.8	45.7	46.3
Average length of service of depositing members	13.8	7.8	8.8	8.7	8.1

Number	518	190	475	528	429
Name	Gray Co. AD	Grayson County	Grayson Co. AD	Greater Harris Co. 911 Emerg. Net.	Greenbelt MIWA—Donley Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 47,436	\$ 4,417,120	\$ 318,036	\$ 165,200	\$ 155,013
Members	978,925	37,779,755	2,856,246	3,374,853	1,120,900
Total	1,026,361	42,196,875	3,174,282	3,540,053	1,275,913
2 Actuarial present value of future normal cost contributions	132,893	7,073,653	390,497	1,195,382	131,368
3 Actuarial accrued liability [line 1 - line 2]	893,468	35,123,222	2,783,785	2,344,671	1,144,545
4 Actuarial value of assets	1,054,120	27,890,110	2,508,032	1,981,145	1,015,633
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (160,652)	\$ 7,233,112	\$ 275,753	\$ 363,526	\$ 128,912
Required employer rates for 2005					
Normal cost	7.26%	7.23%	6.42%	8.03%	5.04%
UAAL or (OAAL)	(3.56)	3.75	3.01	2.20	3.17
Total required rate	3.70%	10.98%	9.43%	10.23%	8.21%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	3	166	8	4	6
Number of members	15	554	45	26	12
Number of depositing members	9	438	25	25	11
Average age of depositing members	45.7	44.7	47.3	40.9	44.6
Average length of service of depositing members	9.6	8.6	10.3	8.4	14.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	191	192	483	193	587
Name	Gregg County	Grimes County	Grimes Co. AD	Guadalupe County	Guadalupe Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 5,925,543	\$ 583,344	\$ 42,114	\$ 2,022,055	\$ 5,679
Members	42,403,907	5,979,917	1,193,554	23,543,496	994,180
Total	48,329,450	6,563,261	1,235,668	25,565,551	999,859
2 Actuarial present value of future normal cost contributions	6,639,903	1,042,528	160,434	6,033,077	227,211
3 Actuarial accrued liability [line 1 - line 2]	41,689,547	5,520,733	1,075,234	19,532,474	772,648
4 Actuarial value of assets	35,363,831	5,840,912	942,588	16,377,582	654,430
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 6,325,716	\$ (320,179)	\$ 132,646	\$ 3,154,892	\$ 118,218
Required employer rates for 2005					
Normal cost	5.85%	5.12%	7.38%	6.76%	4.18%
UAAL or (OAAL)	3.01	(0.74)	4.06	1.76	1.87
Total required rate	8.86%	4.38%	11.44%	8.52%	6.05%
Elected rate	9.55%	7.00%	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	14.6	0.0	20.0	20.0	9.1
Number of annuitants	190	41	2	98	1
Number of members	656	184	10	557	28
Number of depositing members	505	142	9	451	22
Average age of depositing members	43.4	45.0	49.1	43.3	39.2
Average length of service of depositing members	9.3	7.4	13.3	6.7	11.0

Number	526	194	195	196	197
Name	Gulf Coast WA—Galveston Co.	Hale County	Hall County	Hamilton County	Hansford County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 904,313	\$ 2,171,603	\$ 258,893	\$ 197,583	\$ 374,601
Members	7,070,801	12,030,237	1,775,736	1,827,157	3,376,124
Total	7,975,114	14,201,840	2,034,629	2,024,740	3,750,725
2 Actuarial present value of future normal cost contributions	851,693	1,804,405	256,905	351,668	251,078
3 Actuarial accrued liability [line 1 - line 2]	7,123,421	12,397,435	1,777,724	1,673,072	3,499,647
4 Actuarial value of assets	7,015,247	11,013,104	1,539,682	1,425,031	2,793,645
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 108,174	\$ 1,384,331	\$ 238,042	\$ 248,041	\$ 706,002
Required employer rates for 2005					
Normal cost	5.03%	5.12%	5.60%	4.41%	4.23%
UAAL or (OAAL)	0.40	2.06	2.44	1.54	6.47
Total required rate	5.43%	7.18%	8.04%	5.95%	10.70%
Elected rate	7.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	2.1	20.0	20.0	20.0	20.0
Number of annuitants	20	77	26	23	27
Number of members	51	206	52	85	56
Number of depositing members	42	173	40	61	41
Average age of depositing members	43.7	43.1	51.9	47.3	48.6
Average length of service of depositing members	12.8	9.0	10.4	7.1	13.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	585	198	199	527	571
Name	Hansford Co. HD	Hardeman County	Hardin County	Hardin Co. AD	Harlingen ID Cameron Co. #1
Plan type	Variable	Variable	Variable	Variable	Fixed
1 Actuarial present value of future benefits					
Annuitants	\$ 420,414	\$ 239,834	\$ 3,044,963	\$ 76,558	\$ 111,041
Members	3,206,659	2,615,710	14,387,015	1,047,088	1,423,281
Total	3,627,073	2,855,544	17,431,978	1,123,646	1,534,322
2 Actuarial present value of future normal cost contributions	604,122	345,643	2,342,101	157,274	216,646
3 Actuarial accrued liability [line 1 - line 2]	3,022,951	2,509,901	15,089,877	966,372	1,317,676
4 Actuarial value of assets	3,157,848	2,348,080	12,913,044	910,793	1,249,414
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (134,897)	\$ 161,821	\$ 2,176,833	\$ 55,579	\$ 68,262
Required employer rates for 2005					
Normal cost	2.29%	4.93%	5.34%	7.93%	2.72%
UAAL or (OAAL)	(0.50)	1.04	2.47	1.49	2.28
Total required rate	1.79%	5.97%	7.81%	9.42%	5.00%
Elected rate	4.00%	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	7.2	20.0	20.0	2.1
Number of annuitants	18	16	92	2	13
Number of members	304	61	311	13	54
Number of depositing members	166	53	236	12	50
Average age of depositing members	42.7	48.2	46.1	55.1	47.1
Average length of service of depositing members	6.2	9.1	8.4	11.7	11.1

Number	200	598	569	625	201
Name	Harris County	Harris Co. AD	Harris Co. WCID #1	Harris Co. WCID #50	Harrison County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 211,225,247	\$ 3,220,295	\$ 55,511	\$ 26,013	\$ 2,407,709
Members	1,976,743,236	54,296,049	904,982	321,988	21,172,617
Total	2,187,968,483	57,516,344	960,493	348,001	23,580,326
2 Actuarial present value of future normal cost contributions	339,298,610	6,924,000	94,948	35,860	3,385,016
3 Actuarial accrued liability [line 1 - line 2]	1,848,669,873	50,592,344	865,545	312,141	20,195,310
4 Actuarial value of assets	1,640,964,686	46,261,300	814,437	260,242	16,793,446
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 207,705,187	\$ 4,331,044	\$ 51,108	\$ 51,899	\$ 3,401,864
Required employer rates for 2005					
Normal cost	7.43%	4.52%	3.60%	3.24%	6.22%
UAAL or (OAAL)	2.62	1.92	1.21	2.35	3.25
Total required rate	10.05%	6.44%	4.81%	5.59%	9.47%
Elected rate	N/A	7.74%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	8.0	20.0	20.0	20.0
Number of annuitants	3,283	64	1	1	104
Number of members	17,793	648	12	8	382
Number of depositing members	14,368	525	11	6	298
Average age of depositing members	43.2	44.4	45.7	51.1	45.0
Average length of service of depositing members	11.0	11.2	16.8	20.0	9.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	202	520	203	552	204
Name	Hartley County	Hartley Co. AD	Haskell County	Haskell Mem. HD	Hays County
Plan type	Variable	Fixed	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 362,372	\$ 52,675	\$ 424,995	\$ 108,143	\$ 3,544,581
Members	1,540,973	177,621	2,667,163	1,496,560	54,812,722
Total	1,903,345	230,296	3,092,158	1,604,703	58,357,303
2 Actuarial present value of future normal cost contributions	327,229	30,583	326,578	242,899	11,618,090
3 Actuarial accrued liability [line 1 - line 2]	1,576,116	199,713	2,765,580	1,361,804	46,739,213
4 Actuarial value of assets	1,479,359	204,293	2,067,933	1,783,225	40,884,729
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 96,757	\$ (4,580)	\$ 697,647	\$ (421,421)	\$ 5,854,484
Required employer rates for 2005					
Normal cost	6.65%	6.88%	4.50%	2.66%	6.90%
UAAL or (OAAL)	1.16	3.12	4.71	2.34	1.86
Total required rate	7.81%	10.00%	9.21%	5.00%	8.76%
Elected rate	8.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	14.7	0.0	20.0	0.0	20.0
Number of annuitants	18	1	32	14	84
Number of members	39	3	68	64	881
Number of depositing members	30	2	51	49	686
Average age of depositing members	46.0	48.9	48.6	47.5	41.5
Average length of service of depositing members	8.0	12.4	9.2	8.0	8.2

Number	205	640	529	206	704
Name	Hemphill County	Hemphill Co. AD	Hemphill Co. HD	Henderson County	Henderson Co. AD
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,066,705	\$ 1,906	\$ 197,911	\$ 3,462,128	\$ 0
Members	6,436,160	158,195	4,124,171	23,381,045	443,933
Total	7,502,865	160,101	4,322,082	26,843,173	443,933
2 Actuarial present value of future normal cost contributions	704,909	93,220	844,121	4,785,895	190,193
3 Actuarial accrued liability [line 1 - line 2]	6,797,956	66,881	3,477,961	22,057,278	253,740
4 Actuarial value of assets	5,504,425	72,859	3,290,597	19,054,229	44,074
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,293,531	\$ (5,978)	\$ 187,364	\$ 3,003,049	\$ 209,666
Required employer rates for 2005					
Normal cost	6.87%	6.11%	7.58%	7.61%	3.77%
UAAL or (OAAL)	6.57	(0.54)	1.92	2.47	3.12
Total required rate	13.44%	5.57%	9.50%	10.08%	6.89%
Elected rate	N/A	6.83%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	9.6	20.0	20.0
Number of annuitants	35	1	10	104	0
Number of members	71	4	66	334	23
Number of depositing members	53	4	49	283	23
Average age of depositing members	50.7	44.0	43.8	44.5	45.4
Average length of service of depositing members	11.9	10.8	7.9	8.7	9.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	414	207	516	401	438
Name	Hidalgo & Cameron Counties ID #9	Hidalgo County	Hidalgo Co. AD	Hidalgo Co. DD #1	Hidalgo Co. ID #2
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 135,806	\$ 15,159,999	\$ 461,750	\$ 410,534	\$ 469,896
Members	2,461,912	130,774,636	7,402,074	4,309,513	2,901,960
Total	2,597,718	145,934,635	7,863,824	4,720,047	3,371,856
2 Actuarial present value of future normal cost contributions	215,017	26,286,250	1,253,357	1,342,106	345,724
3 Actuarial accrued liability [line 1 - line 2]	2,382,701	119,648,385	6,610,467	3,377,941	3,026,132
4 Actuarial value of assets	2,347,260	102,983,246	6,063,197	3,008,110	2,623,133
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 35,441	\$ 16,665,139	\$ 547,270	\$ 369,831	\$ 402,999
Required employer rates for 2005					
Normal cost	3.84%	5.91%	6.56%	8.36%	4.68%
UAAL or (OAAL)	3.16	1.88	2.34	1.44	4.24
Total required rate	7.00%	7.79%	8.90%	9.80%	8.92%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.5	20.0	20.0	20.0	20.0
Number of annuitants	25	305	9	22	23
Number of members	39	2,758	94	89	43
Number of depositing members	38	2,264	77	77	40
Average age of depositing members	49.4	38.9	43.4	47.4	46.4
Average length of service of depositing members	13.0	6.7	12.4	7.7	13.4

Number	486	674	208	209	643
Name	Hidalgo Co. ID #6	High Plains Underground WCD #1	Hill County	Hockley County	Homestead MUD—El Paso Co.
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 60,103	\$ 0	\$ 959,491	\$ 1,353,231	\$ 0
Members	1,327,098	289,302	8,112,472	10,063,470	179,140
Total	1,387,201	289,302	9,071,963	11,416,701	179,140
2 Actuarial present value of future normal cost contributions	183,402	127,176	1,366,852	1,306,454	93,244
3 Actuarial accrued liability [line 1 - line 2]	1,203,799	162,126	7,705,111	10,110,247	85,896
4 Actuarial value of assets	1,157,801	130,950	6,529,116	8,024,830	134,591
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 45,998	\$ 31,176	\$ 1,175,995	\$ 2,085,417	\$ (48,695)
Required employer rates for 2005					
Normal cost	4.95%	2.76%	4.59%	5.65%	3.72%
UAAL or (OAAL)	2.05	0.38	1.86	5.47	(2.83)
Total required rate	7.00%	3.14%	6.45%	11.12%	0.89%
Elected rate	N/A	4.00%	N/A	N/A	5.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	4.2	3.3	20.0	20.0	0.0
Number of annuitants	6	0	51	56	0
Number of members	25	18	220	133	17
Number of depositing members	23	16	167	110	8
Average age of depositing members	46.7	49.7	46.7	46.4	39.4
Average length of service of depositing members	13.7	12.7	8.6	11.0	3.7

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	210	211	661	557	212
Name	Hood County	Hopkins County	Hopkins Co. AD	Horizon Regional MUD	Houston County
Plan type	Variable	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 914,243	\$ 1,079,326	\$ 0	\$ 25,964	\$ 247,692
Members	9,769,044	10,777,244	173,088	0	3,553,560
Total	10,683,287	11,856,570	173,088	25,964	3,801,252
2 Actuarial present value of future normal cost contributions	2,087,786	2,187,991	65,803	0	655,783
3 Actuarial accrued liability [line 1 - line 2]	8,595,501	9,668,579	107,285	25,964	3,145,469
4 Actuarial value of assets	7,731,832	8,177,111	114,530	38,018	3,142,909
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 863,669	\$ 1,491,468	\$ (7,245)	\$ (12,054)	\$ 2,560
Required employer rates for 2005					
Normal cost	4.77%	6.46%	5.04%	0.00%	4.40%
UAAL or (OAAL)	0.92	2.28	(0.53)	0.00	(0.01)
Total required rate	5.69%	8.74%	4.51%	0.00%	4.39%
Elected rate	N/A	N/A	7.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	0.0	0.0	30.0
Number of annuitants	32	55	0	3	42
Number of members	289	233	12	0	135
Number of depositing members	226	172	9	0	101
Average age of depositing members	45.6	43.9	50.1	0.0	45.9
Average length of service of depositing members	6.8	8.2	11.3	0.0	6.3

Number	694	213	214	215	216
Name	Houston Co. AD	Howard County	Hudspeth County	Hunt County	Hutchinson County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 2,675,122	\$ 299,499	\$ 2,100,712	\$ 1,445,655
Members	140,381	10,462,979	2,114,129	20,411,412	12,079,742
Total	140,381	13,138,101	2,413,628	22,512,124	13,525,397
2 Actuarial present value of future normal cost contributions	78,237	1,634,109	400,634	4,065,899	1,565,799
3 Actuarial accrued liability [line 1 - line 2]	62,144	11,503,992	2,012,994	18,446,225	11,959,598
4 Actuarial value of assets	28,678	8,929,315	1,984,786	15,768,846	10,878,551
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 33,466	\$ 2,574,677	\$ 28,208	\$ 2,677,379	\$ 1,081,047
Required employer rates for 2005					
Normal cost	4.55%	5.44%	3.91%	6.48%	5.68%
UAAL or (OAAL)	1.55	4.47	0.07	2.16	2.16
Total required rate	6.10%	9.91%	3.98%	8.64%	7.84%
Elected rate	7.00%	N/A	5.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	8.5	20.0	0.8	20.0	20.0
Number of annuitants	0	74	26	78	67
Number of members	8	200	95	408	155
Number of depositing members	8	153	67	306	129
Average age of depositing members	46.5	45.0	44.2	43.8	49.3
Average length of service of depositing members	12.0	8.9	7.0	7.5	10.7

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	217	218	592	219	441
Name	Irion County	Jack County	Jack Co. AD	Jackson County	Jackson Co. County-Wide DD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 116,391	\$ 798,776	\$ 49,575	\$ 905,345	\$ 181,106
Members	2,160,884	4,107,452	249,232	7,921,337	626,522
Total	2,277,275	4,906,228	298,807	8,826,682	807,628
2 Actuarial present value of future normal cost contributions	281,273	640,161	34,877	1,037,721	160,995
3 Actuarial accrued liability [line 1 - line 2]	1,996,002	4,266,067	263,930	7,788,961	646,633
4 Actuarial value of assets	1,981,846	3,649,397	224,695	7,019,043	628,067
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 14,156	\$ 616,670	\$ 39,235	\$ 769,918	\$ 18,566
Required employer rates for 2005					
Normal cost	7.18%	5.53%	3.65%	5.05%	9.54%
UAAL or (OAAL)	0.13	2.63	3.33	2.28	0.80
Total required rate	7.31%	8.16%	6.98%	7.33%	10.34%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	10	25	2	61	5
Number of members	39	90	6	133	9
Number of depositing members	29	67	5	107	8
Average age of depositing members	49.1	47.0	43.3	46.4	50.6
Average length of service of depositing members	9.0	8.3	9.9	11.2	7.0

Number	220	657	221	222	404
Name	Jasper County	Jasper Co. WCID #1	Jeff Davis County	Jefferson County	Jefferson Co. DD #3
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 2,582,353	\$ 0	\$ 95,425	\$ 19,610,820	\$ 55,910
Members	12,022,390	185,987	761,778	146,263,363	727,603
Total	14,604,743	185,987	857,203	165,874,183	783,513
2 Actuarial present value of future normal cost contributions	2,088,574	56,063	141,976	22,931,253	67,695
3 Actuarial accrued liability [line 1 - line 2]	12,516,169	129,924	715,227	142,942,930	715,818
4 Actuarial value of assets	8,531,920	94,989	676,963	116,833,336	645,164
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 3,984,249	\$ 34,935	\$ 38,264	\$ 26,109,594	\$ 70,654
Required employer rates for 2005					
Normal cost	7.33%	4.39%	5.56%	6.33%	4.39%
UAAL or (OAAL)	6.79	2.26	0.91	4.30	3.85
Total required rate	14.12%	6.65%	6.47%	10.63%	8.24%
Elected rate	N/A	7.00%	7.00%	N/A	8.50%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	14.4	9.1	20.0	17.1
Number of annuitants	62	0	11	443	5
Number of members	180	5	27	1,385	10
Number of depositing members	150	5	19	1,131	8
Average age of depositing members	47.0	44.1	45.1	43.9	48.0
Average length of service of depositing members	9.9	15.9	7.4	11.8	12.7

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	408	405	451	706	223
Name	Jefferson Co. DD #6	Jefferson Co. DD #7	Jefferson Co. WCID #10	Jefferson Co. Waterway ND	Jim Hogg County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,859,465	\$ 1,275,459	\$ 259,578	\$ 0	\$ 541,237
Members	9,303,013	13,599,235	263,770	149,412	3,403,733
Total	11,162,478	14,874,694	523,348	149,412	3,944,970
2 Actuarial present value of future normal cost contributions	1,885,725	1,508,423	140,002	98,949	574,714
3 Actuarial accrued liability [line 1 - line 2]	9,276,753	13,366,271	383,346	50,463	3,370,256
4 Actuarial value of assets	8,153,108	11,131,786	481,844	17,332	2,858,612
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,123,645	\$ 2,234,485	\$ (98,498)	\$ 33,131	\$ 511,644
Required employer rates for 2005					
Normal cost	7.68%	5.39%	5.51%	8.81%	3.16%
UAAL or (OAAL)	2.76	4.82	(3.27)	0.78	1.57
Total required rate	10.44%	10.21%	2.24%	9.59%	4.73%
Elected rate	N/A	N/A	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	30.0	20.0	5.6
Number of annuitants	21	45	4	0	41
Number of members	75	77	11	10	165
Number of depositing members	73	73	8	5	137
Average age of depositing members	44.7	45.5	38.8	53.8	45.0
Average length of service of depositing members	11.3	15.9	3.2	8.4	8.7

Number	680	656	641	224	225
Name	Jim Hogg Co. AD	Jim Hogg Co. FD #2	Jim Hogg Co. WCID #2	Jim Wells County	Johnson County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 0	\$ 4,167	\$ 1,515,650	\$ 3,060,678
Members	60,950	26,133	333,640	13,001,875	27,186,409
Total	60,950	26,133	337,807	14,517,525	30,247,087
2 Actuarial present value of future normal cost contributions	42,546	9,554	61,254	2,010,346	5,081,313
3 Actuarial accrued liability [line 1 - line 2]	18,404	16,579	276,553	12,507,179	25,165,774
4 Actuarial value of assets	16,922	18,969	222,149	11,521,181	22,743,964
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,482	\$ (2,390)	\$ 54,404	\$ 985,998	\$ 2,421,810
Required employer rates for 2005					
Normal cost	5.25%	3.01%	3.78%	5.71%	5.89%
UAAL or (OAAL)	0.06	(0.50)	2.09	1.28	1.22
Total required rate	5.31%	2.51%	5.87%	6.99%	7.11%
Elected rate	7.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.3	30.0	20.0	20.0	20.0
Number of annuitants	0	0	1	70	140
Number of members	3	2	11	264	699
Number of depositing members	3	2	10	213	504
Average age of depositing members	42.4	58.9	50.9	47.0	43.7
Average length of service of depositing members	5.9	5.7	21.9	9.4	6.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	584	226	496	227	524
Name	Johnson Co. Fresh WSD #1	Jones County	Jones Co. AD	Karnes County	Karnes Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 44,222	\$ 939,906	\$ 44,853	\$ 739,417	\$ 49,272
Members	284,812	5,044,808	638,453	4,909,461	275,429
Total	329,034	5,984,714	683,306	5,648,878	324,701
2 Actuarial present value of future normal cost contributions	101,581	728,044	66,020	879,246	66,355
3 Actuarial accrued liability [line 1 - line 2]	227,453	5,256,670	617,286	4,769,632	258,346
4 Actuarial value of assets	216,482	4,285,241	561,013	4,151,346	237,091
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 10,971	\$ 971,429	\$ 56,273	\$ 618,286	\$ 21,255
Required employer rates for 2005					
Normal cost	3.89%	5.90%	5.25%	5.72%	4.71%
UAAL or (OAAL)	(0.11)	3.83	3.00	2.25	1.58
Total required rate	3.78%	9.73%	8.25%	7.97%	6.29%
Elected rate	9.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	20.0
Number of annuitants	3	48	2	54	2
Number of members	11	137	6	154	5
Number of depositing members	8	87	5	108	5
Average age of depositing members	42.1	45.5	53.1	45.2	41.0
Average length of service of depositing members	5.7	7.3	12.1	8.2	11.2

Number	455	228	662	671	229
Name	Karnes Co. HD	Kaufman County	Kaufman Co. AD	Kendall AD	Kendall County
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 513,951	\$ 2,323,395	\$ 46,924	\$ 0	\$ 512,941
Members	5,362,498	18,740,580	806,478	369,516	7,090,878
Total	5,876,449	21,063,975	853,402	369,516	7,603,819
2 Actuarial present value of future normal cost contributions	1,080,737	3,307,051	224,968	166,700	1,422,497
3 Actuarial accrued liability [line 1 - line 2]	4,795,712	17,756,924	628,434	202,816	6,181,322
4 Actuarial value of assets	4,919,932	16,711,335	419,121	159,280	5,317,469
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (124,220)	\$ 1,045,589	\$ 209,313	\$ 43,536	\$ 863,853
Required employer rates for 2005					
Normal cost	5.30%	6.19%	5.24%	5.61%	4.50%
UAAL or (OAAL)	0.70	0.86	3.39	0.98	1.34
Total required rate	6.00%	7.05%	8.63%	6.59%	5.84%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	20.0
Number of annuitants	16	71	2	0	36
Number of members	88	436	23	17	217
Number of depositing members	79	301	21	14	165
Average age of depositing members	44.3	44.5	46.2	50.5	45.2
Average length of service of depositing members	8.8	7.5	10.1	8.8	7.6

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	619	230	231	594	232
Name	Kendall Co. WCID #1	Kenedy County	Kent County	Kent Co. Tax AD	Kerr County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 157,295	\$ 257,399	\$ 42,293	\$ 1,240,506
Members	466,422	3,792,463	3,146,234	93,616	16,740,673
Total	466,422	3,949,758	3,403,633	135,909	17,981,179
2 Actuarial present value of future normal cost contributions	64,877	795,229	491,358	28,576	3,085,142
3 Actuarial accrued liability [line 1 - line 2]	401,545	3,154,529	2,912,275	107,333	14,896,037
4 Actuarial value of assets	341,578	2,176,031	2,512,108	78,864	13,000,396
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 59,967	\$ 978,498	\$ 400,167	\$ 28,469	\$ 1,895,641
Required employer rates for 2005					
Normal cost	4.58%	9.27%	5.07%	8.11%	5.91%
UAAL or (OAAL)	2.88	7.17	2.23	6.46	1.70
Total required rate	7.46%	16.44%	7.30%	14.57%	7.61%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	0	14	28	3	70
Number of members	6	61	81	2	384
Number of depositing members	6	42	59	2	287
Average age of depositing members	48.0	45.0	50.3	53.3	44.3
Average length of service of depositing members	16.4	9.0	8.2	8.4	7.6

Number	653	233	234	235	579
Name	Kerr Emerg. 911 Net.	Kimble County	King County	Kinney County	Kinney Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 105,058	\$ 104,558	\$ 123,473	\$ 43,733
Members	180,589	1,209,996	1,244,760	2,241,646	66,312
Total	180,589	1,315,054	1,349,318	2,365,119	110,045
2 Actuarial present value of future normal cost contributions	84,854	295,499	150,618	386,456	21,697
3 Actuarial accrued liability [line 1 - line 2]	95,735	1,019,555	1,198,700	1,978,663	88,348
4 Actuarial value of assets	121,683	1,057,201	1,180,996	2,072,948	60,105
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (25,948)	\$ (37,646)	\$ 17,704	\$ (94,285)	\$ 28,243
Required employer rates for 2005					
Normal cost	5.41%	4.77%	4.97%	6.48%	4.62%
UAAL or (OAAL)	(2.29)	(0.31)	0.29	(0.66)	3.71
Total required rate	3.12%	4.46%	5.26%	5.82%	8.33%
Elected rate	7.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	30.0	20.0	30.0	20.0
Number of annuitants	0	20	10	11	2
Number of members	6	50	20	63	3
Number of depositing members	4	37	16	47	3
Average age of depositing members	41.7	46.7	51.2	47.1	55.3
Average length of service of depositing members	3.0	7.3	11.0	8.0	4.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	236	237	519	241	540
Name	Kleberg County	Knox County	Knox Co. AD	La Salle County	Laguna Madre WD—Cameron Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 4,079,149	\$ 65,522	\$ 10,932	\$ 418,264	\$ 451,612
Members	17,421,993	1,265,692	206,423	3,639,944	4,853,867
Total	21,501,142	1,331,214	217,355	4,058,208	5,305,479
2 Actuarial present value of future normal cost contributions	3,043,542	163,659	16,574	575,574	877,871
3 Actuarial accrued liability [line 1 - line 2]	18,457,600	1,167,555	200,781	3,482,634	4,427,608
4 Actuarial value of assets	17,734,848	1,401,423	199,092	3,223,726	3,301,973
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 722,752	\$ (233,868)	\$ 1,689	\$ 258,908	\$ 1,125,635
Required employer rates for 2005					
Normal cost	6.71%	4.21%	5.81%	7.49%	6.58%
UAAL or (OAAL)	0.78	(2.44)	0.19	1.73	5.42
Total required rate	7.49%	1.77%	6.00%	9.22%	12.00%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	20.0
Number of annuitants	102	15	1	16	15
Number of members	377	47	6	74	75
Number of depositing members	266	38	4	55	66
Average age of depositing members	42.0	55.6	60.8	41.9	44.0
Average length of service of depositing members	8.0	9.8	13.6	7.7	14.8

Number	514	238	239	240	650
Name	Lakeway MUD—Travis Co.	Lamar County	Lamb County	Lampasas County	Lampasas Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 209,015	\$ 1,379,278	\$ 721,723	\$ 531,637	\$ 0
Members	1,655,783	12,950,796	6,294,681	5,832,832	232,063
Total	1,864,798	14,330,074	7,016,404	6,364,469	232,063
2 Actuarial present value of future normal cost contributions	360,855	2,299,820	879,945	1,117,354	93,834
3 Actuarial accrued liability [line 1 - line 2]	1,503,943	12,030,254	6,136,459	5,247,115	138,229
4 Actuarial value of assets	1,338,688	10,717,895	5,300,803	4,009,154	90,790
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 165,255	\$ 1,312,359	\$ 835,656	\$ 1,237,961	\$ 47,439
Required employer rates for 2005					
Normal cost	4.93%	6.79%	5.41%	7.75%	6.93%
UAAL or (OAAL)	1.91	1.90	2.55	4.08	3.03
Total required rate	6.84%	8.69%	7.96%	11.83%	9.96%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	4	57	39	30	0
Number of members	26	234	117	115	7
Number of depositing members	21	185	89	87	6
Average age of depositing members	40.3	44.7	47.4	48.9	43.6
Average length of service of depositing members	8.8	8.1	9.2	7.9	11.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	439	242	243	244	468
Name	Lavaca—Navidad River Auth.—Jackson Co.	Lavaca County	Lee County	Leon County	Leon Co. CAD
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 379,278	\$ 701,125	\$ 490,235	\$ 168,098	\$ 0
Members	4,396,441	12,255,092	6,089,877	3,772,978	450,730
Total	4,775,719	12,956,217	6,580,112	3,941,076	450,730
2 Actuarial present value of future normal cost contributions	894,239	1,638,622	664,064	733,643	48,687
3 Actuarial accrued liability [line 1 - line 2]	3,881,480	11,317,595	5,916,048	3,207,433	402,043
4 Actuarial value of assets	3,454,948	9,860,665	5,043,313	3,540,266	495,563
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 426,532	\$ 1,456,930	\$ 872,735	\$ (332,833)	\$ (93,520)
Required employer rates for 2005					
Normal cost	6.36%	5.37%	4.05%	4.38%	3.84%
UAAL or (OAAL)	4.34	2.49	2.94	(1.09)	(3.65)
Total required rate	10.70%	7.86%	6.99%	3.29%	0.19%
Elected rate	N/A	N/A	8.00%	7.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	6.8	20.0	12.6	0.0	30.0
Number of annuitants	11	47	28	30	0
Number of members	69	213	107	120	8
Number of depositing members	49	168	88	99	5
Average age of depositing members	39.3	46.0	46.5	46.6	49.1
Average length of service of depositing members	7.1	12.0	12.1	6.4	13.1

Number	245	481	246	695	247
Name	Liberty County	Liberty Co. CAD	Limestone County	Limestone Co. AD	Lipscomb County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 3,751,766	\$ 238,667	\$ 669,149	\$ 0	\$ 327,410
Members	25,391,323	1,795,739	8,965,355	174,927	3,060,831
Total	29,143,089	2,034,406	9,634,504	174,927	3,388,241
2 Actuarial present value of future normal cost contributions	4,315,236	431,401	1,489,561	93,166	398,251
3 Actuarial accrued liability [line 1 - line 2]	24,827,853	1,603,005	8,144,943	81,761	2,989,990
4 Actuarial value of assets	19,189,906	1,640,138	8,048,053	35,837	2,660,581
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 5,637,947	\$ (37,133)	\$ 96,890	\$ 45,924	\$ 329,409
Required employer rates for 2005					
Normal cost	7.96%	8.27%	5.26%	6.22%	5.32%
UAAL or (OAAL)	4.81	(0.33)	0.04	1.98	2.32
Total required rate	12.77%	7.94%	5.30%	8.20%	7.64%
Elected rate	N/A	N/A	7.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	0.3	20.0	20.0
Number of annuitants	100	5	46	0	29
Number of members	392	44	205	8	66
Number of depositing members	305	28	159	8	46
Average age of depositing members	45.7	44.7	46.5	48.2	49.9
Average length of service of depositing members	8.8	7.4	8.6	15.3	8.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	431	248	591	249	654
Name	Livingston HD	Live Oak County	Live Oak Co. AD	Llano County	Llano Co. Hosp. Auth.*
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 570,381	\$ 828,629	\$ 88,020	\$ 527,102	\$ 82,381
Members	146,702	4,561,522	445,856	6,976,983	722,375
Total	717,083	5,390,151	533,876	7,504,085	804,756
2 Actuarial present value of future normal cost contributions	0	754,247	97,910	1,057,715	0
3 Actuarial accrued liability [line 1 - line 2]	717,083	4,635,904	435,966	6,446,370	804,756
4 Actuarial value of assets	1,279,265	3,592,062	324,579	5,602,724	1,317,607
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (562,182)	\$ 1,043,842	\$ 111,387	\$ 843,646	\$ (512,851)
Required employer rates for 2005					
Normal cost	0.00%	6.07%	5.65%	5.71%	0.00%
UAAL or (OAAL)	0.00	4.23	5.87	1.96	0.00
Total required rate	0.00%	10.30%	11.52%	7.67%	0.00%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	0.0
Number of annuitants	16	37	2	48	21
Number of members	7	105	14	156	112
Number of depositing members	0	87	7	127	0
Average age of depositing members	0.0	45.3	40.7	49.6	0.0
Average length of service of depositing members	0.0	8.3	5.5	8.5	0.0

Number	436	250	513	499	251
Name	Llano Mem. Hosp.	Loving County	Loving Co. AD	Lubbock CAD	Lubbock County
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 971,991	\$ 227,090	\$ 19,593	\$ 471,569	\$ 9,052,822
Members	2,612,349	1,697,953	35,758	6,667,112	63,937,084
Total	3,584,340	1,925,043	55,351	7,138,681	72,989,906
2 Actuarial present value of future normal cost contributions	0	133,117	25,596	858,872	11,135,658
3 Actuarial accrued liability [line 1 - line 2]	3,584,340	1,791,926	29,755	6,279,809	61,854,248
4 Actuarial value of assets	3,649,038	1,463,398	11,796	5,938,992	51,844,938
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (64,698)	\$ 328,528	\$ 17,959	\$ 340,817	\$ 10,009,310
Required employer rates for 2005					
Normal cost	0.00%	6.14%	7.87%	6.62%	6.01%
UAAL or (OAAL)	0.00	7.14	5.95	1.80	2.64
Total required rate	0.00%	13.28%	13.82%	8.42%	8.65%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	20.0
Number of annuitants	36	10	2	15	215
Number of members	72	19	1	68	1,141
Number of depositing members	0	15	1	53	873
Average age of depositing members	0.0	55.6	47.0	45.2	42.3
Average length of service of depositing members	0.0	16.3	6.9	12.3	7.6

*See footnote B on page 154

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	425	558	647	639	252
Name	Lubbock Co. WCID #1	Lubbock ECD	Lubbock Reese Redev. Auth.	Lumberton MUD	Lynn County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 51,555	\$ 0	\$ 0	\$ 0	\$ 114,159
Members	410,972	598,476	252,752	637,044	1,270,007
Total	462,527	598,476	252,752	637,044	1,384,166
2 Actuarial present value of future normal cost contributions	137,500	129,506	78,723	259,550	216,240
3 Actuarial accrued liability [line 1 - line 2]	325,027	468,970	174,029	377,494	1,167,926
4 Actuarial value of assets	478,961	448,465	299,359	340,585	1,330,315
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (153,934)	\$ 20,505	\$ (125,330)	\$ 36,909	\$ (162,389)
Required employer rates for 2005					
Normal cost	8.05%	5.23%	2.98%	3.55%	2.92%
UAAL or (OAAL)	(3.83)	0.74	(2.98)	0.43	(1.33)
Total required rate	4.22%	5.97%	0.00%	3.98%	1.59%
Elected rate	N/A	N/A	3.00%	N/A	6.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	0.0	20.0	0.0
Number of annuitants	6	0	0	2	16
Number of members	15	10	14	38	65
Number of depositing members	12	6	8	27	51
Average age of depositing members	48.3	44.9	48.2	37.3	45.6
Average length of service of depositing members	5.3	6.5	3.9	5.1	6.8

Number	497	442	630	500	256
Name	Lynn Co. AD	Lynn Co. HD	Macedonia-Eylau MUD—Bowie Co.	Mackenzie MWA—Briscoe Co.	Madison County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 14,299	\$ 836,600	\$ 0	\$ 45,976	\$ 374,584
Members	96,001	3,476,372	441,083	838,251	1,817,634
Total	110,300	4,312,972	441,083	884,227	2,192,218
2 Actuarial present value of future normal cost contributions	22,763	675,912	73,770	18,879	318,225
3 Actuarial accrued liability [line 1 - line 2]	87,537	3,637,060	367,313	865,348	1,873,993
4 Actuarial value of assets	87,358	3,499,762	339,155	908,523	1,481,752
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 179	\$ 137,298	\$ 28,158	\$ (43,175)	\$ 392,241
Required employer rates for 2005					
Normal cost	4.93%	4.96%	3.70%	4.23%	4.00%
UAAL or (OAAL)	(0.01)	0.69	0.84	(3.68)	1.86
Total required rate	4.92%	5.65%	4.54%	0.55%	5.86%
Elected rate	N/A	N/A	8.00%	9.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	2.0	0.0	20.0
Number of annuitants	1	16	0	3	25
Number of members	2	92	8	5	101
Number of depositing members	2	70	7	4	73
Average age of depositing members	54.9	42.6	44.6	59.2	52.3
Average length of service of depositing members	9.6	5.9	13.0	20.7	8.6

ACTUARIAL SECTION

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	596	257	675	658	258
Name	Madison Co. AD	Marion County	Marion Co. AD	Marshall-Harrison Co. Health Dist.	Martin County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 486,794	\$ 0	\$ 605	\$ 636,138
Members	196,720	3,799,100	147,361	154,800	4,015,206
Total	196,720	4,285,894	147,361	155,405	4,651,344
2 Actuarial present value of future normal cost contributions	22,075	558,675	107,900	49,504	508,038
3 Actuarial accrued liability [line 1 - line 2]	174,645	3,727,219	39,461	105,901	4,143,306
4 Actuarial value of assets	149,860	3,698,279	43,957	130,611	3,494,463
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 24,785	\$ 28,940	\$ (4,496)	\$ (24,710)	\$ 648,843
Required employer rates for 2005					
Normal cost	2.49%	6.96%	5.46%	6.45%	6.15%
UAAL or (OAAL)	1.73	0.03	(0.43)	(2.04)	4.35
Total required rate	4.22%	6.99%	5.03%	4.41%	10.50%
Elected rate	N/A	N/A	7.13%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	0.0	30.0	20.0
Number of annuitants	0	28	0	1	27
Number of members	8	84	7	12	75
Number of depositing members	5	65	7	5	52
Average age of depositing members	48.4	49.1	44.2	53.1	48.4
Average length of service of depositing members	20.0	8.4	4.2	6.2	9.5

Number	595	259	260	678	440
Name	Martin Co. AD	Mason County	Matagorda County	Matagorda Co. DD	Matagorda Co. HD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 9,412	\$ 71,281	\$ 1,986,898	\$ 0	\$ 2,537,668
Members	114,990	1,636,751	20,755,862	239,204	15,381,970
Total	124,402	1,708,032	22,742,760	239,204	17,919,638
2 Actuarial present value of future normal cost contributions	20,164	244,869	2,632,290	114,579	2,028,584
3 Actuarial accrued liability [line 1 - line 2]	104,238	1,463,163	20,110,470	124,625	15,891,054
4 Actuarial value of assets	101,895	1,378,857	15,679,965	88,368	17,384,031
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 2,343	\$ 84,306	\$ 4,430,505	\$ 36,257	\$ (1,492,977)
Required employer rates for 2005					
Normal cost	3.57%	5.18%	6.41%	7.49%	4.05%
UAAL or (OAAL)	0.08	0.89	5.62	1.52	(1.78)
Total required rate	3.65%	6.07%	12.03%	9.01%	2.27%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	6.8	20.0	20.0	30.0
Number of annuitants	1	22	89	0	97
Number of members	3	62	306	8	350
Number of depositing members	3	37	219	8	240
Average age of depositing members	51.1	49.5	45.0	49.6	44.3
Average length of service of depositing members	11.2	7.5	9.5	13.0	8.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	677	261	453	452	253
Name	Matagorda Co. ND #1	Maverick County	Maverick Co. WCID #1	McCamey CHD—Upton Co.	McCulloch County
Plan type	Variable	Variable	Fixed	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 1,029,059	\$ 185,315	\$ 102,350	\$ 336,869
Members	182,079	9,125,871	1,683,387	1,134,326	1,736,819
Total	182,079	10,154,930	1,868,702	1,236,676	2,073,688
2 Actuarial present value of future normal cost contributions	128,745	1,952,655	149,097	147,861	280,991
3 Actuarial accrued liability [line 1 - line 2]	53,334	8,202,275	1,719,605	1,088,815	1,792,697
4 Actuarial value of assets	61,100	7,845,561	1,572,720	1,774,045	1,990,148
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (7,766)	\$ 356,714	\$ 146,885	\$ (685,230)	\$ (197,451)
Required employer rates for 2005					
Normal cost	10.42%	5.10%	2.35%	16.19%	5.39%
UAAL or (OAAL)	(0.49)	0.52	2.65	(9.19)	(1.70)
Total required rate	9.93%	5.62%	5.00%	7.00%	3.69%
Elected rate	N/A	N/A	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	10.4	0.0	0.0
Number of annuitants	0	34	16	9	18
Number of members	9	297	46	10	53
Number of depositing members	6	215	37	3	40
Average age of depositing members	58.2	41.7	46.5	52.6	44.9
Average length of service of depositing members	5.1	7.2	11.2	17.1	6.9

Number	512	254	491	679	255
Name	McCulloch Co. AD	McLennan County	McLennan Co. AD	McLennan Co. WCID #2	McMullen County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 14,715,561	\$ 889,894	\$ 0	\$ 93,381
Members	443,067	91,670,487	5,259,416	49,751	2,211,862
Total	443,067	106,386,048	6,149,310	49,751	2,305,243
2 Actuarial present value of future normal cost contributions	54,638	16,630,895	567,265	35,042	178,123
3 Actuarial accrued liability [line 1 - line 2]	388,429	89,755,153	5,582,045	14,709	2,127,120
4 Actuarial value of assets	394,610	70,316,177	4,669,551	12,254	1,771,441
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (6,181)	\$ 19,438,976	\$ 912,494	\$ 2,455	\$ 355,679
Required employer rates for 2005					
Normal cost	6.81%	8.15%	6.38%	3.02%	4.52%
UAAL or (OAAL)	(0.65)	5.07	6.01	0.24	4.65
Total required rate	6.16%	13.22%	12.39%	3.26%	9.17%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	0	266	17	0	14
Number of members	4	1,030	43	3	38
Number of depositing members	4	820	39	3	35
Average age of depositing members	41.8	43.9	50.1	44.0	52.2
Average length of service of depositing members	14.2	9.8	14.4	5.9	14.3

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	701	262	705	535	599
Name	Meadowlakes MUD	Medina County	Medina Co. 911 Dist.	Medina Co. AD	Med. Arts Hosp.—Dawson Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 770,885	\$ 0	\$ 21,343	\$ 366,646
Members	155,480	7,810,355	63,763	935,949	2,949,260
Total	155,480	8,581,240	63,763	957,292	3,315,906
2 Actuarial present value of future normal cost contributions	127,970	1,436,336	57,338	91,927	319,134
3 Actuarial accrued liability [line 1 - line 2]	27,510	7,144,904	6,425	865,365	2,996,772
4 Actuarial value of assets	19,184	6,663,684	4,180	785,879	3,441,979
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 8,326	\$ 481,220	\$ 2,245	\$ 79,486	\$ (445,207)
Required employer rates for 2005					
Normal cost	4.94%	5.10%	6.54%	4.38%	2.20%
UAAL or (OAAL)	0.64	0.76	0.41	2.86	(2.20)
Total required rate	5.58%	5.86%	6.95%	7.24%	0.00%
Elected rate	N/A	7.00%	N/A	N/A	1.70%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	6.0	20.0	20.0	6.8
Number of annuitants	0	54	0	1	17
Number of members	7	233	2	14	115
Number of depositing members	6	187	2	9	66
Average age of depositing members	43.1	43.3	44.1	48.2	48.8
Average length of service of depositing members	10.3	6.4	4.2	16.7	12.6

Number	419	263	669	492	264
Name	Mem. Med. Center—Calhoun Co.	Menard County	Mid. Rio Grande Dev. Council	Midland CAD	Midland County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 832,693	\$ 143,468	\$ 0	\$ 93,460	\$ 6,569,778
Members	10,806,163	1,475,856	5,489,893	5,198,070	47,180,228
Total	11,638,856	1,619,324	5,489,893	5,291,530	53,750,006
2 Actuarial present value of future normal cost contributions	2,237,249	231,109	2,500,075	422,089	5,795,342
3 Actuarial accrued liability [line 1 - line 2]	9,401,607	1,388,215	2,989,818	4,869,441	47,954,664
4 Actuarial value of assets	10,510,221	1,240,224	2,355,313	4,759,935	40,573,770
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (1,108,614)	\$ 147,991	\$ 634,505	\$ 109,506	\$ 7,380,894
Required employer rates for 2005					
Normal cost	5.27%	5.70%	8.71%	7.21%	5.31%
UAAL or (OAAL)	(1.25)	2.13	1.70	1.08	3.41
Total required rate	4.02%	7.83%	10.41%	8.29%	8.72%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	36	10	0	4	162
Number of members	292	46	160	28	728
Number of depositing members	180	29	129	24	555
Average age of depositing members	45.9	47.8	43.1	51.7	43.7
Average length of service of depositing members	6.0	10.4	8.3	17.5	8.7

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	570	265	266	617	267
Name	Midland ECD	Milam County	Mills County	Mills Co. AD	Mitchell County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 984,543	\$ 208,081	\$ 0	\$ 403,876
Members	395,139	8,404,345	1,647,883	70,859	4,121,612
Total	395,139	9,388,888	1,855,964	70,859	4,525,488
2 Actuarial present value of future normal cost contributions	61,396	1,244,779	323,789	18,409	506,586
3 Actuarial accrued liability [line 1 - line 2]	333,743	8,144,109	1,532,175	52,450	4,018,902
4 Actuarial value of assets	313,460	7,202,833	1,458,611	86,884	3,467,515
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 20,283	\$ 941,276	\$ 73,564	\$ (34,434)	\$ 551,387
Required employer rates for 2005					
Normal cost	5.69%	6.04%	5.40%	3.14%	5.12%
UAAL or (OAAL)	1.48	2.04	0.52	(2.51)	2.68
Total required rate	7.17%	8.08%	5.92%	0.63%	7.80%
Elected rate	N/A	9.00%	6.00%	4.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	11.4	15.8	0.0	20.0
Number of annuitants	0	56	22	0	35
Number of members	4	181	51	6	76
Number of depositing members	3	139	40	4	64
Average age of depositing members	45.0	48.4	47.8	56.8	48.8
Average length of service of depositing members	12.1	8.8	7.3	5.0	10.0

Number	484	268	504	605	269
Name	Mitchell Co. AD	Montague County	Montague Co. Tax AD	Montgomery CAD	Montgomery County
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 18,089	\$ 940,000	\$ 69,819	\$ 389,199	\$ 14,480,577
Members	221,164	7,054,602	739,452	6,379,335	129,135,127
Total	239,253	7,994,602	809,271	6,768,534	143,615,704
2 Actuarial present value of future normal cost contributions	62,245	1,114,299	74,881	1,074,031	24,990,267
3 Actuarial accrued liability [line 1 - line 2]	177,008	6,880,303	734,390	5,694,503	118,625,437
4 Actuarial value of assets	189,807	5,220,668	697,624	3,889,806	102,230,373
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (12,799)	\$ 1,659,635	\$ 36,766	\$ 1,804,697	\$ 16,395,064
Required employer rates for 2005					
Normal cost	9.59%	6.72%	6.00%	7.03%	6.73%
UAAL or (OAAL)	(1.28)	4.86	4.80	8.14	2.27
Total required rate	8.31%	11.58%	10.80%	15.17%	9.00%
Elected rate	N/A	N/A	N/A	17.50%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	5.3	11.8	20.0
Number of annuitants	1	53	2	9	272
Number of members	4	141	9	79	1,864
Number of depositing members	4	96	6	63	1,455
Average age of depositing members	59.1	46.5	47.7	47.2	43.4
Average length of service of depositing members	8.4	8.4	15.1	12.4	8.5

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	667	651	696	270	412
Name	Montgomery Co. ECD	Montgomery Co. ESD #1	Montgomery Co. ESD #3	Moore County	Moore Co. HD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 0	\$ 0	\$ 1,620,090	\$ 672,321
Members	1,014,337	468,004	112,220	10,990,062	10,710,801
Total	1,014,337	468,004	112,220	12,610,152	11,383,122
2 Actuarial present value of future normal cost contributions	287,185	297,471	74,472	1,844,718	2,365,891
3 Actuarial accrued liability [line 1 - line 2]	727,152	170,533	37,748	10,765,434	9,017,231
4 Actuarial value of assets	359,776	186,147	18,950	8,976,327	10,599,321
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 367,376	\$ (15,614)	\$ 18,798	\$ 1,789,107	\$ (1,582,090)
Required employer rates for 2005					
Normal cost	4.07%	6.01%	2.02%	6.15%	5.02%
UAAL or (OAAL)	3.77	(0.55)	0.57	3.39	(1.52)
Total required rate	7.84%	5.46%	2.59%	9.54%	3.50%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	20.0	20.0	30.0
Number of annuitants	0	0	0	44	32
Number of members	28	9	15	161	459
Number of depositing members	24	9	15	131	245
Average age of depositing members	46.3	32.5	31.8	44.7	42.2
Average length of service of depositing members	6.5	4.5	5.3	9.3	5.4

Number	271	273	515	274	572
Name	Morris County	Nacogdoches County	Navarro CAD	Navarro County	Newton CAD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,197,971	\$ 1,661,831	\$ 65,311	\$ 1,426,194	\$ 13,285
Members	5,301,082	17,605,916	1,247,696	21,330,430	917,829
Total	6,499,053	19,267,747	1,313,007	22,756,624	931,114
2 Actuarial present value of future normal cost contributions	511,673	2,776,997	119,882	3,628,003	124,594
3 Actuarial accrued liability [line 1 - line 2]	5,987,380	16,490,750	1,193,125	19,128,621	806,520
4 Actuarial value of assets	5,079,251	14,582,645	1,096,228	17,232,042	689,598
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 908,129	\$ 1,908,105	\$ 96,897	\$ 1,896,579	\$ 116,922
Required employer rates for 2005					
Normal cost	3.76%	6.02%	6.53%	6.31%	6.63%
UAAL or (OAAL)	4.13	1.97	2.87	1.73	4.50
Total required rate	7.89%	7.99%	9.40%	8.04%	11.13%
Elected rate	N/A	N/A	10.58%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	10.1	20.0	20.0
Number of annuitants	42	67	2	67	1
Number of members	92	351	11	309	10
Number of depositing members	70	261	10	263	10
Average age of depositing members	47.3	42.9	52.4	44.9	49.4
Average length of service of depositing members	9.7	7.9	14.2	9.4	13.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	275	510	276	556	415
Name	Newton County	Newton Co. Mem. Hosp.	Nolan County	North Cent. Tex. MWA	North Plains HD
Plan type	Variable	Fixed	Variable	Fixed	Fixed
1 Actuarial present value of future benefits					
Annuitants	\$ 541,561	\$ 48,851	\$ 1,137,569	\$ 90,493	\$ 619,846
Members	3,103,605	5,667	6,273,579	758,121	20,991
Total	3,645,166	54,518	7,411,148	848,614	640,837
2 Actuarial present value of future normal cost contributions	529,288	0	888,384	79,200	0
3 Actuarial accrued liability [line 1 - line 2]	3,115,878	54,518	6,522,764	769,414	640,837
4 Actuarial value of assets	3,123,173	50,978	5,420,501	654,318	1,235,180
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (7,295)	\$ 3,540	\$ 1,102,263	\$ 115,096	\$ (594,343)
Required employer rates for 2005					
Normal cost	4.94%	0.00%	5.52%	3.86%	0.00%
UAAL or (OAAL)	(0.17)	0.00	3.31	5.84	0.00
Total required rate	4.77%	0.00%	8.83%	9.70%	0.00%
Elected rate	7.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	0.0	20.0	11.1	0.0
Number of annuitants	28	5	44	3	19
Number of members	95	1	122	11	25
Number of depositing members	79	0	99	9	0
Average age of depositing members	47.0	0.0	47.6	47.6	0.0
Average length of service of depositing members	7.4	0.0	8.1	14.5	0.0

Number	646	562	277	683	400
Name	North Tex. Tollway Auth.	Northeast Tex. MWD	Nueces County	Nueces Co. AD	Nueces Co. DD #2
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 228,652	\$ 56,199	\$ 19,200,173	\$ 3,289	\$ 68,913
Members	24,875,470	995,718	134,898,916	1,937,423	546,645
Total	25,104,122	1,051,917	154,099,089	1,940,712	615,558
2 Actuarial present value of future normal cost contributions	13,081,128	185,423	17,446,595	976,766	84,747
3 Actuarial accrued liability [line 1 - line 2]	12,022,994	866,494	136,652,494	963,946	530,811
4 Actuarial value of assets	11,178,635	814,418	123,803,763	559,361	527,530
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 844,359	\$ 52,076	\$ 12,848,731	\$ 404,585	\$ 3,281
Required employer rates for 2005					
Normal cost	8.12%	4.05%	6.04%	6.74%	3.21%
UAAL or (OAAL)	0.42	0.86	2.59	1.73	0.19
Total required rate	8.54%	4.91%	8.63%	8.47%	3.40%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	22	1	431	1	9
Number of members	672	16	1,688	66	20
Number of depositing members	615	15	1,243	65	16
Average age of depositing members	43.2	49.4	43.9	47.7	43.6
Average length of service of depositing members	4.1	12.7	10.1	12.8	9.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	416	450	538	278	279
Name	Nueces Co. WCID #3	Nueces Co. WCID #4	Nueces River Auth.—Uvalde Co.	Ochiltree County	Oldham County
Plan type	Variable	Fixed	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 121,547	\$ 125,619	\$ 6,327	\$ 780,124	\$ 427,265
Members	2,404,974	2,060,049	528,240	5,144,002	2,450,708
Total	2,526,521	2,185,668	534,567	5,924,126	2,877,973
2 Actuarial present value of future normal cost contributions	226,253	261,031	43,312	615,307	376,709
3 Actuarial accrued liability [line 1 - line 2]	2,300,268	1,924,637	491,255	5,308,819	2,501,264
4 Actuarial value of assets	1,991,422	1,897,773	519,711	4,587,143	2,359,176
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 308,846	\$ 26,864	\$ (28,456)	\$ 721,676	\$ 142,088
Required employer rates for 2005					
Normal cost	4.12%	5.55%	2.95%	5.38%	6.52%
UAAL or (OAAL)	3.83	1.45	1.05	3.28	1.45
Total required rate	7.95%	7.00%	4.00%	8.66%	7.97%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	2.9	0.0	20.0	20.0
Number of annuitants	8	4	1	40	21
Number of members	25	17	4	88	41
Number of depositing members	21	17	3	64	33
Average age of depositing members	44.5	44.1	53.6	48.1	47.6
Average length of service of depositing members	14.3	14.8	17.5	9.8	9.8

Number	517	280	490	421	665
Name	Oldham Co. AD	Orange County	Orange Co. AD	Orange Co. DD	Orange Co. ESD #1
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 6,472,036	\$ 21,772	\$ 763,161	\$ 0
Members	278,139	40,688,984	2,629,465	4,619,375	121,002
Total	278,139	47,161,020	2,651,237	5,382,536	121,002
2 Actuarial present value of future normal cost contributions	8,974	6,797,768	179,447	1,016,801	56,325
3 Actuarial accrued liability [line 1 - line 2]	269,165	40,363,252	2,471,790	4,365,735	64,677
4 Actuarial value of assets	262,639	34,298,932	2,537,209	3,761,110	49,935
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 6,526	\$ 6,064,320	\$ (65,419)	\$ 604,625	\$ 14,742
Required employer rates for 2005					
Normal cost	3.86%	6.68%	7.44%	7.24%	2.74%
UAAL or (OAAL)	0.58	3.15	(1.35)	2.94	0.74
Total required rate	4.44%	9.83%	6.09%	10.18%	3.48%
Elected rate	9.00%	N/A	N/A	11.35%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	1.1	20.0	30.0	11.0	20.0
Number of annuitants	0	161	1	15	0
Number of members	4	478	18	62	6
Number of depositing members	3	412	15	49	6
Average age of depositing members	59.7	44.0	54.0	44.7	38.0
Average length of service of depositing members	18.6	10.2	15.6	7.9	7.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	660	631	281	282	283
Name	Orange Co. Nav. & Port Dist.	Orange Co. WCID #1	Palo Pinto County	Panola County	Parker County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 18,413	\$ 36,655	\$ 961,652	\$ 2,481,933	\$ 2,086,730
Members	403,803	879,849	10,440,842	16,074,980	23,643,771
Total	422,216	916,504	11,402,494	18,556,913	25,730,501
2 Actuarial present value of future normal cost contributions	78,373	198,947	1,479,136	2,897,506	4,726,093
3 Actuarial accrued liability [line 1 - line 2]	343,843	717,557	9,923,358	15,659,407	21,004,408
4 Actuarial value of assets	285,271	765,989	8,557,028	9,149,899	18,697,388
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 58,572	\$ (48,432)	\$ 1,366,330	\$ 6,509,508	\$ 2,307,020
Required employer rates for 2005					
Normal cost	4.25%	3.79%	5.90%	8.82%	6.22%
UAAL or (OAAL)	2.25	(0.94)	2.49	10.88	1.49
Total required rate	6.50%	2.85%	8.39%	19.70%	7.71%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	20.0
Number of annuitants	1	2	43	94	69
Number of members	5	27	180	208	530
Number of depositing members	5	25	142	167	361
Average age of depositing members	52.0	45.0	47.1	45.1	43.5
Average length of service of depositing members	11.0	11.4	9.1	9.1	7.5

Number	284	285	494	673	707
Name	Parmer County	Pecos County	Pecos Co. AD	Permian Reg. Med Ctr.	Pineywoods GCD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 576,998	\$ 3,792,322	\$ 26,753	\$ 8,824	\$ 0
Members	2,851,042	24,854,181	401,961	8,082,993	87,385
Total	3,428,040	28,646,503	428,714	8,091,817	87,385
2 Actuarial present value of future normal cost contributions	394,036	4,709,973	44,066	4,643,875	77,840
3 Actuarial accrued liability [line 1 - line 2]	3,034,004	23,936,530	384,648	3,447,942	9,545
4 Actuarial value of assets	2,459,667	22,023,561	446,458	2,510,161	4,903
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 574,337	\$ 1,912,969	\$ (61,810)	\$ 937,781	\$ 4,642
Required employer rates for 2005					
Normal cost	5.26%	5.95%	7.11%	6.78%	10.30%
UAAL or (OAAL)	3.50	1.19	(3.97)	0.75	0.43
Total required rate	8.76%	7.14%	3.14%	7.53%	10.73%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	30.0	20.0	20.0
Number of annuitants	29	140	2	3	0
Number of members	82	525	5	324	2
Number of depositing members	54	393	3	280	2
Average age of depositing members	49.2	44.3	53.6	41.8	48.4
Average length of service of depositing members	9.0	7.5	13.1	5.1	1.1

ACTUARIAL SECTION

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	697	286	676	449	620
Name	Polk CAD	Polk County	Port of Bay City Auth.	Port of Beaumont ND	Port of Corpus Christi Auth.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 2,228,106	\$ 0	\$ 798,698	\$ 3,972,359
Members	343,502	16,982,580	93,675	5,088,862	13,297,669
Total	343,502	19,210,686	93,675	5,887,560	17,270,028
2 Actuarial present value of future normal cost contributions	238,102	3,607,298	81,155	472,007	1,824,605
3 Actuarial accrued liability [line 1 - line 2]	105,400	15,603,388	12,520	5,415,553	15,445,423
4 Actuarial value of assets	59,925	16,034,570	10,863	4,409,992	10,728,469
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 45,475	\$ (431,182)	\$ 1,657	\$ 1,005,561	\$ 4,716,954
Required employer rates for 2005					
Normal cost	8.12%	7.04%	9.05%	3.98%	3.84%
UAAL or (OAAL)	1.11	(0.37)	0.28	5.69	5.78
Total required rate	9.23%	6.67%	9.33%	9.67%	9.62%
Elected rate	N/A	N/A	N/A	12.00%	11.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	20.0	10.4	13.8
Number of annuitants	0	69	0	21	60
Number of members	15	343	2	38	171
Number of depositing members	15	261	2	35	137
Average age of depositing members	43.3	43.7	29.8	47.9	49.1
Average length of service of depositing members	5.8	7.8	3.7	15.5	12.5

Number	622	287	489	560	626
Name	Port of Port Arthur ND	Potter County	Potter Co. AD*	Potter-Randall Co. ECD	Presidio AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 391,558	\$ 6,960,811	\$ 536,452	\$ 0	\$ 0
Members	1,285,280	56,934,693	1,764,842	603,351	84,927
Total	1,676,838	63,895,504	2,301,294	603,351	84,927
2 Actuarial present value of future normal cost contributions	258,260	8,937,976	0	240,479	18,403
3 Actuarial accrued liability [line 1 - line 2]	1,418,578	54,957,528	2,301,294	362,872	66,524
4 Actuarial value of assets	1,286,739	47,121,610	2,237,766	311,069	64,911
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 131,839	\$ 7,835,918	\$ 63,528	\$ 51,803	\$ 1,613
Required employer rates for 2005					
Normal cost	4.29%	6.44%	0.00%	12.36%	1.96%
UAAL or (OAAL)	1.43	2.93	0.00	1.85	0.16
Total required rate	5.72%	9.37%	0.00%	14.21%	2.12%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	0.0	20.0	20.0
Number of annuitants	3	169	16	0	0
Number of members	19	706	21	8	5
Number of depositing members	19	555	0	6	4
Average age of depositing members	49.9	41.8	0.0	51.8	35.4
Average length of service of depositing members	9.2	9.3	0.0	6.0	9.0

*See footnote C on page 154

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	288	289	537	290	564
Name	Presidio County	Rains County	Rains Co. AD	Randall County	Randall Co. AD*
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 135,316	\$ 205,937	\$ 17,321	\$ 2,935,478	\$ 322,081
Members	2,673,893	1,688,598	400,243	30,412,277	6,093,254
Total	2,809,209	1,894,535	417,564	33,347,755	6,415,335
2 Actuarial present value of future normal cost contributions	605,004	368,416	111,327	6,127,074	836,595
3 Actuarial accrued liability [line 1 - line 2]	2,204,205	1,526,119	306,237	27,220,681	5,578,740
4 Actuarial value of assets	2,244,248	1,902,560	344,724	24,323,718	4,932,476
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (40,043)	\$ (376,441)	\$ (38,487)	\$ 2,896,963	\$ 646,264
Required employer rates for 2005					
Normal cost	5.71%	5.08%	8.72%	6.65%	7.53%
UAAL or (OAAL)	(0.21)	(2.60)	(1.49)	1.64	4.14
Total required rate	5.50%	2.48%	7.23%	8.29%	11.67%
Elected rate	6.00%	7.00%	N/A	N/A	12.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	0.0	30.0	20.0	16.8
Number of annuitants	11	15	1	83	10
Number of members	94	89	15	452	48
Number of depositing members	62	59	7	366	43
Average age of depositing members	39.7	48.6	43.8	42.2	47.2
Average length of service of depositing members	6.2	5.3	2.6	8.5	15.4

Number	406	291	445	292	505
Name	Rankin CHD—Upton Co.	Reagan County	Reagan HD	Real County	Red Bluff WPCD—Reeves Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 446,883	\$ 463,509	\$ 230,861	\$ 373,972	\$ 30,266
Members	1,473,516	4,652,968	1,807,770	1,934,645	156,157
Total	1,920,399	5,116,477	2,038,631	2,308,617	186,423
2 Actuarial present value of future normal cost contributions	305,775	812,355	234,175	375,774	51,279
3 Actuarial accrued liability [line 1 - line 2]	1,614,624	4,304,122	1,804,456	1,932,843	135,144
4 Actuarial value of assets	1,715,016	3,428,655	1,515,861	1,919,454	98,760
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (100,392)	\$ 875,467	\$ 288,595	\$ 13,389	\$ 36,384
Required employer rates for 2005					
Normal cost	6.23%	6.67%	5.71%	8.76%	4.98%
UAAL or (OAAL)	(1.42)	4.42	5.08	0.16	2.82
Total required rate	4.81%	11.09%	10.79%	8.92%	7.80%
Elected rate	N/A	11.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	15	25	11	17	6
Number of members	26	76	31	47	4
Number of depositing members	20	59	23	34	4
Average age of depositing members	46.0	43.5	48.1	48.0	50.5
Average length of service of depositing members	7.9	9.4	10.1	9.1	5.0

*See footnote C on page 154

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	435	293	294	588	295
Name	Red River Auth.—Wichita Co.	Red River County	Reeves County	Reeves Co. HD	Refugio County
Plan type	Fixed	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 362,327	\$ 454,406	\$ 1,452,655	\$ 50,227	\$ 395,500
Members	1,869,345	3,498,025	22,421,502	5,056,949	5,895,915
Total	2,231,672	3,952,431	23,874,157	5,107,176	6,291,415
2 Actuarial present value of future normal cost contributions	421,629	630,884	6,478,145	913,823	748,750
3 Actuarial accrued liability [line 1 - line 2]	1,810,043	3,321,547	17,396,012	4,193,353	5,542,665
4 Actuarial value of assets	2,207,153	3,167,288	17,729,860	5,519,998	4,877,237
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (397,110)	\$ 154,259	\$ (333,848)	\$ (1,326,645)	\$ 665,428
Required employer rates for 2005					
Normal cost	5.90%	6.31%	6.06%	3.08%	4.64%
UAAL or (OAAL)	1.10	0.83	(0.32)	2.92	2.21
Total required rate	7.00%	7.14%	5.74%	6.00%	6.85%
Elected rate	N/A	N/A	7.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	0.0	0.0	20.0
Number of annuitants	9	24	49	7	52
Number of members	32	103	696	216	134
Number of depositing members	26	71	510	137	102
Average age of depositing members	41.7	43.0	40.9	44.2	46.5
Average length of service of depositing members	7.7	5.5	5.5	7.8	9.1

Number	543	296	480	297	698
Name	Refugio Co. DD #1	Roberts County	Roberts Co. AD	Robertson County	Rockwall CAD
Plan type	Fixed	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 72,913	\$ 212,361	\$ 0	\$ 653,000	\$ 0
Members	200,230	1,816,958	264,204	5,789,166	450,641
Total	273,143	2,029,319	264,204	6,442,166	450,641
2 Actuarial present value of future normal cost contributions	51,440	226,183	0	1,150,885	206,322
3 Actuarial accrued liability [line 1 - line 2]	221,703	1,803,136	264,204	5,291,281	244,319
4 Actuarial value of assets	195,769	1,697,914	272,233	5,071,931	89,169
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 25,934	\$ 105,222	\$ (8,029)	\$ 219,350	\$ 155,150
Required employer rates for 2005					
Normal cost	3.91%	5.53%	0.00%	5.33%	4.55%
UAAL or (OAAL)	3.09	1.24	0.00	0.53	2.56
Total required rate	7.00%	6.77%	0.00%	5.86%	7.11%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	7.0	20.0	0.0	20.0	20.0
Number of annuitants	6	20	0	34	0
Number of members	10	46	2	120	16
Number of depositing members	8	33	0	99	15
Average age of depositing members	39.5	50.9	0.0	45.2	45.5
Average length of service of depositing members	5.5	9.0	0.0	8.0	7.3

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	298	299	300	612	301
Name	Rockwall County	Runnels County	Rusk County	Rusk Co. AD	Sabine County
Plan type	Variable	Variable	Variable	Fixed	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,106,012	\$ 282,480	\$ 1,830,118	\$ 22,319	\$ 152,805
Members	13,863,829	5,093,752	14,304,571	395,576	2,312,484
Total	14,969,841	5,376,232	16,134,689	417,895	2,465,289
2 Actuarial present value of future normal cost contributions	3,079,631	562,487	2,147,399	246,261	428,319
3 Actuarial accrued liability [line 1 - line 2]	11,890,210	4,813,745	13,987,290	171,634	2,036,970
4 Actuarial value of assets	9,698,723	4,339,815	12,511,405	170,332	2,512,908
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 2,191,487	\$ 473,930	\$ 1,475,885	\$ 1,302	\$ (475,938)
Required employer rates for 2005					
Normal cost	6.28%	4.46%	5.11%	5.49%	5.48%
UAAL or (OAAL)	2.10	1.74	1.67	1.51	(2.26)
Total required rate	8.38%	6.20%	6.78%	7.00%	3.22%
Elected rate	N/A	N/A	N/A	N/A	3.75%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	0.0	0.0
Number of annuitants	41	42	91	1	16
Number of members	273	108	295	9	76
Number of depositing members	208	92	233	9	59
Average age of depositing members	44.3	51.2	46.1	46.9	48.3
Average length of service of depositing members	6.9	10.6	8.6	3.0	6.7

Number	568	302	303	553	304
Name	Sabine Pass Port Auth.	San Augustine County	San Jacinto County	San Jacinto Co. CAD	San Patricio County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 16,116	\$ 132,188	\$ 683,885	\$ 59,999	\$ 2,928,632
Members	334,099	2,220,477	5,091,145	529,196	33,028,682
Total	350,215	2,352,665	5,775,030	589,195	35,957,314
2 Actuarial present value of future normal cost contributions	38,408	318,102	800,279	168,495	4,791,768
3 Actuarial accrued liability [line 1 - line 2]	311,807	2,034,563	4,974,751	420,700	31,165,546
4 Actuarial value of assets	259,407	2,182,206	4,554,962	470,399	29,181,929
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 52,400	\$ (147,643)	\$ 419,789	\$ (49,699)	\$ 1,983,617
Required employer rates for 2005					
Normal cost	4.13%	5.04%	5.48%	7.16%	5.59%
UAAL or (OAAL)	3.40	(1.07)	1.11	(1.40)	1.17
Total required rate	7.53%	3.97%	6.59%	5.76%	6.76%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	30.0	20.0	30.0	20.0
Number of annuitants	3	9	47	4	122
Number of members	8	72	175	32	609
Number of depositing members	7	53	118	13	455
Average age of depositing members	51.3	48.1	48.3	38.6	44.3
Average length of service of depositing members	12.8	6.5	6.2	2.9	9.1

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	495	426	422	305	306
Name	San Patricio Co. AD	San Patricio Co. DD	San Patricio MWD	San Saba County	Schleicher County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 79,427	\$ 1,203,221	\$ 191,998	\$ 168,738	\$ 142,832
Members	1,114,670	2,713,174	2,548,774	2,420,771	3,218,566
Total	1,194,097	3,916,395	2,740,772	2,589,509	3,361,398
2 Actuarial present value of future normal cost contributions	103,933	87,982	584,705	325,375	462,097
3 Actuarial accrued liability [line 1 - line 2]	1,090,164	3,828,413	2,156,067	2,264,134	2,899,301
4 Actuarial value of assets	1,099,801	2,886,043	1,808,148	2,130,808	2,742,129
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (9,637)	\$ 942,370	\$ 347,919	\$ 133,326	\$ 157,172
Required employer rates for 2005					
Normal cost	6.33%	2.08%	4.96%	6.28%	7.16%
UAAL or (OAAL)	(0.41)	14.02	2.06	1.29	1.44
Total required rate	5.92%	16.10%	7.02%	7.57%	8.60%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	20.0
Number of annuitants	3	10	9	20	12
Number of members	12	18	34	50	42
Number of depositing members	12	18	31	36	36
Average age of depositing members	49.8	47.7	45.0	49.9	47.6
Average length of service of depositing members	13.8	15.7	8.1	8.5	11.4

Number	307	308	470	309	627
Name	Scurry County	Shackelford County	Shackelford Co. AD	Shelby County	Shelby Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 2,866,485	\$ 188,261	\$ 50,089	\$ 857,850	\$ 7,297
Members	20,010,380	1,695,514	331,089	4,813,447	252,039
Total	22,876,865	1,883,775	381,178	5,671,297	259,336
2 Actuarial present value of future normal cost contributions	3,277,264	244,790	24,344	924,854	31,586
3 Actuarial accrued liability [line 1 - line 2]	19,599,601	1,638,985	356,834	4,746,443	227,750
4 Actuarial value of assets	18,890,851	1,540,331	342,681	3,992,163	211,939
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 708,750	\$ 98,654	\$ 14,153	\$ 754,280	\$ 15,811
Required employer rates for 2005					
Normal cost	5.52%	5.43%	3.67%	5.37%	2.13%
UAAL or (OAAL)	0.59	1.23	1.79	2.09	0.67
Total required rate	6.11%	6.66%	5.46%	7.46%	2.80%
Elected rate	N/A	N/A	N/A	N/A	4.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	4.0
Number of annuitants	148	9	1	44	1
Number of members	472	46	6	117	13
Number of depositing members	321	34	3	93	7
Average age of depositing members	44.6	49.0	44.0	44.9	49.0
Average length of service of depositing members	6.6	8.1	13.1	7.8	12.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	523	310	469	311	555
Name	Shelby Co. Gen. Hosp.	Sherman County	Sherman Co. AD	Smith County	Smith Co. 911 Comm. Dist.
Plan type	Fixed	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 153,332	\$ 453,123	\$ 30,318	\$ 8,423,057	\$ 5,662
Members	0	3,943,155	364,987	48,240,464	1,217,268
Total	153,332	4,396,278	395,305	56,663,521	1,222,930
2 Actuarial present value of future normal cost contributions	0	468,055	23,162	7,869,513	490,371
3 Actuarial accrued liability [line 1 - line 2]	153,332	3,928,223	372,143	48,794,008	732,559
4 Actuarial value of assets	147,064	2,933,562	330,809	38,999,640	695,115
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 6,268	\$ 994,661	\$ 41,334	\$ 9,794,368	\$ 37,444
Required employer rates for 2005					
Normal cost	0.00%	8.41%	3.88%	5.93%	6.60%
UAAL or (OAAL)	0.00	7.47	4.00	3.59	0.28
Total required rate	0.00%	15.88%	7.88%	9.52%	6.88%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	20.0	20.0	20.0	20.0
Number of annuitants	11	23	2	197	1
Number of members	0	59	4	920	37
Number of depositing members	0	41	4	684	33
Average age of depositing members	0.0	52.6	52.9	42.2	37.7
Average length of service of depositing members	0.0	10.1	18.2	8.3	3.1

Number	606	632	312	507	699
Name	Smith Co. AD	Smith Co. Public Health Dist.	Somervell County	Somervell Co. CAD	Somervell Co. Water Dist.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 78,392	\$ 52,512	\$ 1,364,312	\$ 61,182	\$ 0
Members	3,592,792	3,952,520	11,209,836	181,198	75,952
Total	3,671,184	4,005,032	12,574,148	242,380	75,952
2 Actuarial present value of future normal cost contributions	569,762	1,259,231	2,380,236	100,034	62,367
3 Actuarial accrued liability [line 1 - line 2]	3,101,422	2,745,801	10,193,912	142,346	13,585
4 Actuarial value of assets	2,996,265	2,890,323	8,875,948	176,469	10,356
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 105,157	\$ (144,522)	\$ 1,317,964	\$ (34,123)	\$ 3,229
Required employer rates for 2005					
Normal cost	6.58%	5.16%	8.15%	8.23%	5.49%
UAAL or (OAAL)	0.06	(0.35)	2.44	(2.11)	0.26
Total required rate	6.64%	4.81%	10.59%	6.12%	5.75%
Elected rate	14.00%	N/A	N/A	7.00%	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.1	30.0	20.0	0.0	1.8
Number of annuitants	1	8	38	2	0
Number of members	49	175	165	10	2
Number of depositing members	35	131	138	5	2
Average age of depositing members	44.4	44.9	44.9	44.9	44.5
Average length of service of depositing members	11.5	5.0	7.8	1.7	1.6

ACTUARIAL SECTION

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	645	313	536	314	315
Name	South Tex. Dev. Council	Starr County	Starr Co. AD	Stephens County	Sterling County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 23,168	\$ 2,088,138	\$ 91,079	\$ 485,564	\$ 335,233
Members	1,207,906	11,130,316	1,092,690	4,771,459	2,145,193
Total	1,231,074	13,218,454	1,183,769	5,257,023	2,480,426
2 Actuarial present value of future normal cost contributions	161,058	1,808,704	197,092	462,096	352,067
3 Actuarial accrued liability [line 1 - line 2]	1,070,016	11,409,750	986,677	4,794,927	2,128,359
4 Actuarial value of assets	750,631	8,193,496	885,603	4,173,460	2,218,115
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 319,385	\$ 3,216,254	\$ 101,074	\$ 621,467	\$ (89,756)
Required employer rates for 2005					
Normal cost	3.63%	3.07%	6.47%	6.12%	6.62%
UAAL or (OAAL)	4.54	3.27	3.13	3.76	(0.65)
Total required rate	8.17%	6.34%	9.60%	9.88%	5.97%
Elected rate	N/A	N/A	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	0.0
Number of annuitants	1	79	3	21	28
Number of members	32	631	18	51	91
Number of depositing members	22	440	15	44	45
Average age of depositing members	48.3	41.9	40.9	50.7	51.6
Average length of service of depositing members	15.5	9.0	9.9	12.9	6.6

Number	316	458	539	317	573
Name	Stonewall County	Stonewall Mem. HD	Stratford HD—Sherman Co.	Sutton County	Sutton Co. HD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 237,547	\$ 176,667	\$ 35,503	\$ 576,993	\$ 29,656
Members	1,391,918	1,100,235	806,977	4,905,849	979,769
Total	1,629,465	1,276,902	842,480	5,482,842	1,009,425
2 Actuarial present value of future normal cost contributions	161,988	132,007	239,703	775,715	208,675
3 Actuarial accrued liability [line 1 - line 2]	1,467,477	1,144,895	602,777	4,707,127	800,750
4 Actuarial value of assets	1,451,789	1,320,459	747,499	4,724,709	1,178,699
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 15,688	\$ (175,564)	\$ (144,722)	\$ (17,582)	\$ (377,949)
Required employer rates for 2005					
Normal cost	4.83%	1.96%	3.55%	5.62%	3.55%
UAAL or (OAAL)	0.16	(1.58)	(1.41)	(0.16)	(3.05)
Total required rate	4.99%	0.38%	2.14%	5.46%	0.50%
Elected rate	6.00%	N/A	N/A	7.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	1.5	30.0	30.0	0.0	30.0
Number of annuitants	12	10	3	23	4
Number of members	48	62	78	86	61
Number of depositing members	34	41	47	65	31
Average age of depositing members	51.9	42.8	40.6	44.2	42.6
Average length of service of depositing members	9.7	5.1	3.3	10.5	5.6

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	318	460	534	607	319
Name	Swisher County	Swisher Co. AD	Swisher Mem. HD	Tarrant AD	Tarrant County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 612,858	\$ 30,057	\$ 71,766	\$ 2,140,786	\$ 56,712,068
Members	2,435,387	609,651	1,400,252	20,976,051	488,758,438
Total	3,048,245	639,708	1,472,018	23,116,837	545,470,506
2 Actuarial present value of future normal cost contributions	412,466	45,084	330,178	2,465,347	86,086,130
3 Actuarial accrued liability [line 1 - line 2]	2,635,779	594,624	1,141,840	20,651,490	459,384,376
4 Actuarial value of assets	2,297,152	569,685	1,373,875	17,424,959	385,506,171
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 338,627	\$ 24,939	\$ (232,035)	\$ 3,226,531	\$ 73,878,205
Required employer rates for 2005					
Normal cost	6.36%	6.85%	2.03%	4.70%	6.71%
UAAL or (OAAL)	2.77	2.24	(0.68)	3.68	3.05
Total required rate	9.13%	9.09%	1.35%	8.38%	9.76%
Elected rate	N/A	N/A	N/A	11.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	30.0	7.6	20.0
Number of annuitants	34	3	12	33	1,011
Number of members	67	5	129	231	4,884
Number of depositing members	49	4	83	193	4,057
Average age of depositing members	50.2	54.2	46.2	49.2	44.8
Average length of service of depositing members	6.8	15.3	5.5	13.2	10.1

Number	545	574	320	321	322
Name	Tarrant Co. 911 EAD	Tax AD of Cottle Co.	Taylor County	Terrell County	Terry County
Plan type	Variable	Fixed	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 684	\$ 4,502,840	\$ 194,370	\$ 702,750
Members	1,951,456	72,947	41,649,014	1,501,870	5,627,603
Total	1,951,456	73,631	46,151,854	1,696,240	6,330,353
2 Actuarial present value of future normal cost contributions	351,470	9,492	4,577,986	252,402	805,534
3 Actuarial accrued liability [line 1 - line 2]	1,599,986	64,139	41,573,868	1,443,838	5,524,819
4 Actuarial value of assets	1,730,501	61,208	32,983,353	1,097,438	4,502,782
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (130,515)	\$ 2,931	\$ 8,590,515	\$ 346,400	\$ 1,022,037
Required employer rates for 2005					
Normal cost	4.67%	5.24%	3.99%	4.80%	4.48%
UAAL or (OAAL)	(1.15)	1.76	4.10	4.04	2.72
Total required rate	3.52%	7.00%	8.09%	8.84%	7.20%
Elected rate	7.00%	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	0.0	7.6	20.0	20.0	20.0
Number of annuitants	0	1	121	17	54
Number of members	16	2	688	34	123
Number of depositing members	14	2	557	32	106
Average age of depositing members	47.8	53.1	44.2	48.0	47.8
Average length of service of depositing members	9.4	16.4	9.7	9.9	7.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	402	437	354	634	323
Name	Terry Mem. HD	Tex. Assoc. of Counties	TCDRS	Tex. Eastern 911 Net.	Throckmorton County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,606,341	\$ 209,832	\$ 1,421,648	\$ 0	\$ 199,268
Members	7,127,642	14,905,118	9,591,717	195,814	1,099,992
Total	8,733,983	15,114,950	11,013,365	195,814	1,299,260
2 Actuarial present value of future normal cost contributions	980,573	3,100,073	2,478,812	62,095	126,582
3 Actuarial accrued liability [line 1 - line 2]	7,753,410	12,014,877	8,534,553	133,719	1,172,678
4 Actuarial value of assets	8,718,139	10,967,834	7,296,349	151,785	989,079
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (964,729)	\$ 1,047,043	\$ 1,238,204	\$ (18,066)	\$ 183,599
Required employer rates for 2005					
Normal cost	3.97%	7.67%	7.09%	5.51%	4.07%
UAAL or (OAAL)	(1.82)	1.26	1.99	(1.80)	3.26
Total required rate	2.15%	8.93%	9.08%	3.71%	7.33%
Elected rate	N/A	N/A	9.50%	10.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	14.7	0.0	20.0
Number of annuitants	43	6	9	0	11
Number of members	259	143	114	4	37
Number of depositing members	142	111	83	4	28
Average age of depositing members	44.2	48.3	43.3	49.9	51.4
Average length of service of depositing members	8.0	9.3	6.6	8.3	7.6

Number	324	501	325	601	326
Name	Titus County	Titus Co. Fresh WSD	Tom Green County	Travis CAD	Travis County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,029,366	\$ 76,221	\$ 4,506,530	\$ 522,460	\$ 40,149,471
Members	9,827,582	780,271	32,718,358	10,130,527	488,680,603
Total	10,856,948	856,492	37,224,888	10,652,987	528,830,074
2 Actuarial present value of future normal cost contributions	1,579,455	108,285	4,980,629	1,155,424	95,635,158
3 Actuarial accrued liability [line 1 - line 2]	9,277,493	748,207	32,244,259	9,497,563	433,194,916
4 Actuarial value of assets	9,102,875	759,715	27,522,827	8,069,466	385,469,400
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 174,618	\$ (11,508)	\$ 4,721,432	\$ 1,428,097	\$ 47,725,516
Required employer rates for 2005					
Normal cost	7.43%	5.11%	4.82%	3.68%	7.38%
UAAL or (OAAL)	0.38	(0.53)	2.35	3.41	2.12
Total required rate	7.81%	4.58%	7.17%	7.09%	9.50%
Elected rate	N/A	7.00%	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	20.0
Number of annuitants	29	3	145	16	604
Number of members	166	11	786	140	5,090
Number of depositing members	120	10	600	108	4,048
Average age of depositing members	44.3	52.2	42.1	47.1	42.4
Average length of service of depositing members	9.2	10.9	7.9	12.5	9.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	666	549	659	633	327
Name	Travis Co. WCID—Point Venture	Travis Co. WCID #18	Tri-Co. SUD	Trinity Bay Cons. Dist.	Trinity County
Plan type	Variable	Fixed	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 14,773	\$ 2,176	\$ 0	\$ 238,005	\$ 539,782
Members	115,976	130,862	120,391	1,965,890	3,452,466
Total	130,749	133,038	120,391	2,203,895	3,992,248
2 Actuarial present value of future normal cost contributions	81,773	0	60,060	223,237	395,346
3 Actuarial accrued liability [line 1 - line 2]	48,976	133,038	60,331	1,980,658	3,596,902
4 Actuarial value of assets	36,946	148,981	60,298	1,296,753	2,909,974
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 12,030	\$ (15,943)	\$ 33	\$ 683,905	\$ 686,928
Required employer rates for 2005					
Normal cost	3.67%	0.00%	3.73%	2.85%	5.12%
UAAL or (OAAL)	0.85	0.00	(0.07)	5.11	4.26
Total required rate	4.52%	0.00%	3.66%	7.96%	9.38%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	30.0	20.0	20.0
Number of annuitants	1	1	0	4	27
Number of members	5	3	7	40	72
Number of depositing members	4	0	7	36	56
Average age of depositing members	38.5	0.0	45.1	46.8	48.4
Average length of service of depositing members	3.4	0.0	4.5	14.5	10.8

Number	328	471	561	329	330
Name	Tyler County	Tyler Co. AD	United ID—Hidalgo Co.	Upshur County	Upton County
Plan type	Variable	Fixed	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 970,670	\$ 19,609	\$ 133,046	\$ 1,981,781	\$ 499,751
Members	6,823,224	788,623	1,040,577	13,264,417	5,445,926
Total	7,793,894	808,232	1,173,623	15,246,198	5,945,677
2 Actuarial present value of future normal cost contributions	1,170,839	138,852	219,068	2,612,291	762,295
3 Actuarial accrued liability [line 1 - line 2]	6,623,055	669,380	954,555	12,633,907	5,183,382
4 Actuarial value of assets	6,180,225	900,353	1,083,102	11,132,368	4,470,720
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 442,830	\$ (230,973)	\$ (128,547)	\$ 1,501,539	\$ 712,662
Required employer rates for 2005					
Normal cost	6.65%	7.63%	3.77%	6.98%	4.77%
UAAL or (OAAL)	1.32	(0.63)	3.23	2.06	2.39
Total required rate	7.97%	7.00%	7.00%	9.04%	7.16%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	0.0	20.0	20.0
Number of annuitants	48	2	12	63	43
Number of members	131	11	42	239	99
Number of depositing members	108	10	36	196	76
Average age of depositing members	46.3	53.1	47.1	45.0	45.1
Average length of service of depositing members	9.2	11.0	7.7	7.7	9.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	682	331	332	663	586
Name	Upton Co. AD	Uvalde County	Val Verde County	Valley MUD #2—Cameron Co.	Valwood Imp. Auth.—Dallas Co.
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 1,088,357	\$ 1,274,880	\$ 3,581	\$ 0
Members	117,769	11,537,795	16,351,761	189,652	544,552
Total	117,769	12,626,152	17,626,641	193,233	544,552
2 Actuarial present value of future normal cost contributions	69,817	1,909,203	2,432,871	59,907	105,788
3 Actuarial accrued liability [line 1 - line 2]	47,952	10,716,949	15,193,770	133,326	438,764
4 Actuarial value of assets	43,310	9,768,755	13,557,510	102,546	414,723
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 4,642	\$ 948,194	\$ 1,636,260	\$ 30,780	\$ 24,041
Required employer rates for 2005					
Normal cost	7.83%	6.28%	6.60%	2.21%	3.22%
UAAL or (OAAL)	0.27	1.48	2.09	0.89	0.63
Total required rate	8.10%	7.76%	8.69%	3.10%	3.85%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	20.0
Number of annuitants	0	38	46	1	0
Number of members	5	217	263	12	9
Number of depositing members	5	176	206	12	8
Average age of depositing members	55.3	45.9	44.7	46.3	44.8
Average length of service of depositing members	16.1	9.0	10.3	12.0	11.4

Number	333	672	420	334	423
Name	Van Zandt County	Van Zandt Co. AD	Velasco DD—Brazoria Co.	Victoria County	Victoria Co. DD #3
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,083,376	\$ 0	\$ 427,358	\$ 5,404,049	\$ 27,996
Members	9,587,297	337,020	3,680,875	48,316,738	649,572
Total	10,670,673	337,020	4,108,233	53,720,787	677,568
2 Actuarial present value of future normal cost contributions	1,519,472	123,627	324,151	8,268,535	18,000
3 Actuarial accrued liability [line 1 - line 2]	9,151,201	213,393	3,784,082	45,452,252	659,568
4 Actuarial value of assets	8,112,474	187,535	3,369,773	39,191,192	651,493
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,038,727	\$ 25,858	\$ 414,309	\$ 6,261,060	\$ 8,075
Required employer rates for 2005					
Normal cost	5.35%	5.87%	3.37%	6.26%	2.82%
UAAL or (OAAL)	1.60	0.61	5.23	2.71	0.54
Total required rate	6.95%	6.48%	8.60%	8.97%	3.36%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	10.9	20.0	20.0
Number of annuitants	61	0	13	111	2
Number of members	287	20	23	731	6
Number of depositing members	188	14	22	531	4
Average age of depositing members	44.6	51.5	43.2	42.2	57.9
Average length of service of depositing members	6.3	10.9	16.1	9.3	21.8

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	637	335	336	337	565
Name	Victoria Co. WCID # 1	Walker County	Waller County	Ward County	Ward Co. CAD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 2,793,207	\$ 1,562,900	\$ 2,142,319	\$ 0
Members	108,037	19,308,351	12,950,677	9,121,432	390,848
Total	108,037	22,101,558	14,513,577	11,263,751	390,848
2 Actuarial present value of future normal cost contributions	34,891	3,883,760	2,074,135	1,670,651	40,877
3 Actuarial accrued liability [line 1 - line 2]	73,146	18,217,798	12,439,442	9,593,100	349,971
4 Actuarial value of assets	81,991	15,306,505	11,495,740	8,079,276	361,604
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (8,845)	\$ 2,911,293	\$ 943,702	\$ 1,513,824	\$ (11,633)
Required employer rates for 2005					
Normal cost	4.66%	6.13%	5.22%	6.56%	4.14%
UAAL or (OAAL)	(1.11)	2.25	1.14	3.20	(0.85)
Total required rate	3.55%	8.38%	6.36%	9.76%	3.29%
Elected rate	N/A	N/A	7.00%	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	10.6	20.0	30.0
Number of annuitants	0	87	90	80	0
Number of members	4	451	283	164	8
Number of depositing members	3	300	194	133	4
Average age of depositing members	50.8	42.2	44.4	44.6	46.6
Average length of service of depositing members	10.6	7.1	9.1	7.8	12.5

Number	444	338	339	604	443
Name	Ward Mem. Hosp.	Washington County	Webb County	Webb Co. AD	West Cent. Tex. COG
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 954,487	\$ 1,195,494	\$ 5,058,391	\$ 67,544	\$ 1,777,259
Members	6,211,109	10,822,187	78,559,951	1,910,817	7,734,272
Total	7,165,596	12,017,681	83,618,342	1,978,361	9,511,531
2 Actuarial present value of future normal cost contributions	1,260,725	2,195,139	17,830,085	323,388	1,780,136
3 Actuarial accrued liability [line 1 - line 2]	5,904,871	9,822,542	65,788,257	1,654,973	7,731,395
4 Actuarial value of assets	6,566,404	8,468,939	61,170,816	1,511,122	7,002,300
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ (661,533)	\$ 1,353,603	\$ 4,617,441	\$ 143,851	\$ 729,095
Required employer rates for 2005					
Normal cost	5.78%	5.61%	6.18%	3.53%	8.30%
UAAL or (OAAL)	(2.02)	1.84	0.89	1.11	1.87
Total required rate	3.76%	7.45%	7.07%	4.64%	10.17%
Elected rate	N/A	N/A	N/A	N/A	11.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	30.0	20.0	20.0	20.0	11.5
Number of annuitants	34	53	189	3	26
Number of members	151	235	1,570	68	109
Number of depositing members	85	181	1,269	39	78
Average age of depositing members	40.0	42.4	40.9	40.9	44.3
Average length of service of depositing members	5.3	7.7	9.0	7.6	8.3

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	410	454	688	340	621
Name	West Cent. Tex. MWD	West Jefferson Co. MWD	West Nueces—Las Moras Soil & WCD #236	Wharton County	Wharton Co. WCID #1
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 283,914	\$ 144,594	\$ 0	\$ 2,704,370	\$ 0
Members	1,245,708	990,460	36,466	17,478,946	50,627
Total	1,529,622	1,135,054	36,466	20,183,316	50,627
2 Actuarial present value of future normal cost contributions	229,958	132,777	26,050	2,719,907	4,641
3 Actuarial accrued liability [line 1 - line 2]	1,299,664	1,002,277	10,416	17,463,409	45,986
4 Actuarial value of assets	1,164,805	842,216	7,247	14,391,750	51,295
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 134,859	\$ 160,061	\$ 3,169	\$ 3,071,659	\$ (5,309)
Required employer rates for 2005					
Normal cost	5.65%	5.93%	5.21%	5.66%	3.82%
UAAL or (OAAL)	1.89	5.93	0.88	3.72	(1.42)
Total required rate	7.54%	11.86%	6.09%	9.38%	2.40%
Elected rate	N/A	N/A	N/A	N/A	5.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	0.0
Number of annuitants	11	6	0	108	0
Number of members	25	10	2	266	4
Number of depositing members	21	8	2	222	2
Average age of depositing members	49.6	43.3	38.2	46.4	61.7
Average length of service of depositing members	8.9	13.6	5.1	11.1	19.0

Number	341	476	427	342	446
Name	Wheeler County	Wheeler Co. AD	White River MWD—Dickens Co.	Wichita County	Wichita Co. WID #2
Plan type	Variable	Variable	Fixed	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 509,702	\$ 34,442	\$ 99,557	\$ 3,415,865	\$ 121,601
Members	2,990,889	348,377	1,149,838	35,071,447	2,033,987
Total	3,500,591	382,819	1,249,395	38,487,312	2,155,588
2 Actuarial present value of future normal cost contributions	425,269	31,226	116,168	4,701,698	164,466
3 Actuarial accrued liability [line 1 - line 2]	3,075,322	351,593	1,133,227	33,785,614	1,991,122
4 Actuarial value of assets	2,477,301	337,059	1,195,669	28,195,460	1,662,386
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 598,021	\$ 14,534	\$ (62,442)	\$ 5,590,154	\$ 328,736
Required employer rates for 2005					
Normal cost	5.51%	7.45%	3.73%	5.58%	4.57%
UAAL or (OAAL)	4.31	1.30	3.27	3.25	6.36
Total required rate	9.82%	8.75%	7.00%	8.83%	10.93%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	0.0	20.0	20.0
Number of annuitants	28	2	3	141	9
Number of members	62	3	11	635	16
Number of depositing members	51	3	11	457	13
Average age of depositing members	48.8	59.6	47.1	43.7	49.0
Average length of service of depositing members	8.9	16.6	13.7	9.7	18.0

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	559	655	343	530	344
Name	Wichita-Wilbarger 911 Dist.	Wickson Creek SUD—Brazos Co.	Wilbarger County	Wilbarger Co. HD	Willacy County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 7,693	\$ 0	\$ 1,021,568	\$ 491,882	\$ 705,994
Members	663,271	497,788	6,628,197	5,862,824	5,773,267
Total	670,964	497,788	7,649,765	6,354,706	6,479,261
2 Actuarial present value of future normal cost contributions	87,565	171,949	795,635	788,275	891,239
3 Actuarial accrued liability [line 1 - line 2]	583,399	325,839	6,854,130	5,566,431	5,588,022
4 Actuarial value of assets	501,976	239,172	5,696,799	5,709,706	5,454,715
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 81,423	\$ 86,667	\$ 1,157,331	\$ (143,275)	\$ 133,307
Required employer rates for 2005					
Normal cost	8.42%	5.22%	5.45%	2.47%	5.86%
UAAL or (OAAL)	3.58	2.42	3.90	(0.55)	0.38
Total required rate	12.00%	7.64%	9.35%	1.92%	6.24%
Elected rate	N/A	N/A	N/A	5.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	0.0	20.0
Number of annuitants	1	0	36	19	33
Number of members	5	12	94	178	160
Number of depositing members	5	11	85	135	115
Average age of depositing members	58.0	37.2	49.3	43.9	43.3
Average length of service of depositing members	12.1	7.6	10.7	8.0	8.9

Number	575	652	345	608	346
Name	Willacy Co. AD	Willacy Co. Housing Auth.	Williamson County	Williamson Co. AD	Wilson County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 0	\$ 0	\$ 6,081,621	\$ 629,814	\$ 767,824
Members	400,590	87,426	101,674,601	5,789,838	6,636,854
Total	400,590	87,426	107,756,222	6,419,652	7,404,678
2 Actuarial present value of future normal cost contributions	45,685	36,178	27,286,747	1,331,424	1,280,022
3 Actuarial accrued liability [line 1 - line 2]	354,905	51,248	80,469,475	5,088,228	6,124,656
4 Actuarial value of assets	298,574	52,379	67,186,267	3,843,351	5,456,951
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 56,331	\$ (1,131)	\$ 13,283,208	\$ 1,244,877	\$ 667,705
Required employer rates for 2005					
Normal cost	5.60%	5.43%	7.86%	7.24%	5.40%
UAAL or (OAAL)	4.19	(0.23)	2.03	4.80	1.49
Total required rate	9.79%	5.20%	9.89%	12.04%	6.89%
Elected rate	N/A	6.00%	N/A	N/A	7.00%
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	20.0	20.0	17.7
Number of annuitants	0	0	135	12	38
Number of members	5	7	1,684	87	201
Number of depositing members	5	5	1,355	60	148
Average age of depositing members	45.8	47.3	42.0	45.1	44.5
Average length of service of depositing members	13.6	10.1	6.9	8.7	7.4

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	479	347	533	348	493
Name	Wilson Co. AD	Winkler County	Winkler Co. AD	Wise County	Wise Co. AD
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 71,940	\$ 2,452,958	\$ 25,265	\$ 1,413,991	\$ 42,010
Members	996,245	9,724,888	163,554	17,087,018	969,773
Total	1,068,185	12,177,846	188,819	18,501,009	1,011,783
2 Actuarial present value of future normal cost contributions	162,437	1,442,470	49,179	4,050,571	229,407
3 Actuarial accrued liability [line 1 - line 2]	905,748	10,735,376	139,640	14,450,438	782,376
4 Actuarial value of assets	857,427	9,232,089	124,717	12,707,535	961,871
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 48,321	\$ 1,503,287	\$ 14,923	\$ 1,742,903	\$ (179,495)
Required employer rates for 2005					
Normal cost	6.28%	5.67%	7.92%	6.92%	6.02%
UAAL or (OAAL)	1.33	3.14	1.99	1.42	(2.72)
Total required rate	7.61%	8.81%	9.91%	8.34%	3.30%
Elected rate	N/A	N/A	N/A	N/A	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	20.0	20.0	20.0	30.0
Number of annuitants	3	89	2	56	4
Number of members	15	183	5	370	23
Number of depositing members	12	147	3	295	16
Average age of depositing members	48.3	44.3	50.4	43.0	40.4
Average length of service of depositing members	10.9	7.8	10.2	6.7	8.1

Number	349	700	350	351	352
Name	Wood County	Wood Co. AD	Yoakum County	Young County	Zapata County
Plan type	Variable	Variable	Variable	Variable	Variable
1 Actuarial present value of future benefits					
Annuitants	\$ 1,703,922	\$ 0	\$ 4,578,475	\$ 1,208,094	\$ 760,733
Members	12,751,221	328,355	16,251,105	7,381,900	14,777,284
Total	14,455,143	328,355	20,829,580	8,589,994	15,538,017
2 Actuarial present value of future normal cost contributions	2,278,645	182,435	2,205,572	980,200	3,173,433
3 Actuarial accrued liability [line 1 - line 2]	12,176,498	145,920	18,624,008	7,609,794	12,364,584
4 Actuarial value of assets	10,213,280	56,896	14,630,486	6,541,979	13,102,263
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 1,963,218	\$ 89,024	\$ 3,993,522	\$ 1,067,815	\$ (737,679)
Required employer rates for 2005					
Normal cost	6.27%	6.04%	5.08%	5.41%	7.44%
UAAL or (OAAL)	2.94	2.48	4.51	3.10	(0.82)
Total required rate	9.21%	8.52%	9.59%	8.51%	6.62%
Elected rate	9.67%	9.00%	N/A	N/A	7.36%
Years (beginning in 2005) required to amortize the UAAL or OAAL	15.8	13.5	20.0	20.0	0.0
Number of annuitants	81	0	100	51	29
Number of members	227	13	286	131	365
Number of depositing members	184	12	238	104	310
Average age of depositing members	45.7	42.5	45.3	46.8	41.4
Average length of service of depositing members	8.7	10.5	8.2	9.3	7.9

ACTUARIAL VALUATION RESULTS BY EMPLOYER As of Dec. 31, 2003

Number	649	353	566
Name	Zapata Co. AD	Zavala County	Zavala Co. AD
Plan type	Variable	Variable	Fixed
1 Actuarial present value of future benefits			
Annuitants	\$ 0	\$ 1,052,480	\$ 45,426
Members	149,512	3,716,072	327,698
Total	149,512	4,768,552	373,124
2 Actuarial present value of future normal cost contributions	45,702	575,673	62,147
3 Actuarial accrued liability [line 1 - line 2]	103,810	4,192,879	310,977
4 Actuarial value of assets	76,327	4,480,350	366,309
5 Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)] [line 3 - line 4]	\$ 27,483	\$ (287,471)	\$ (55,332)
Required employer rates for 2005			
Normal cost	3.43%	7.91%	3.80%
UAAL or (OAAL)	1.72	(1.74)	3.20
Total required rate	5.15%	6.17%	7.00%
Elected rate	N/A	7.00%	N/A
Years (beginning in 2005) required to amortize the UAAL or OAAL	20.0	0.0	0.0
Number of annuitants	0	15	1
Number of members	7	72	8
Number of depositing members	7	53	7
Average age of depositing members	42.8	44.9	46.0
Average length of service of depositing members	15.4	7.7	10.2

Explanatory Notes

Bolded text in the notes below indicates a reference to a specific line in the Actuarial Valuation Results by Employer section.

- If an **elected rate** is shown, the **years (beginning in 2005) required to amortize the UAAL or OAAL** (amortization period) reflects the elected contribution rate and the calculated **UAAL** rate for 2005 reflects a 20-year amortization period (30-year amortization period if there is an **overfunded actuarial accrued liability** amount).
- If an **elected rate** is shown, but it is less than the **total required rate** for 2005, the TCDRS Act requires the employer to contribute at the higher required rate.
- Plans with a **total required rate** for 2005 or an **elected rate** greater than 11.00%, the statutory maximum rate, have adopted a waiver. Variable-rate plans that have not adopted a waiver and have a calculated rate greater than 11.00% are shown with an amortization period of infinity.
- For fixed-rate plans, if the **years (beginning in 2005) required to amortize the UAAL or OAAL** (amortization period) are greater than 30 years, the **total required rate** for 2005 does not provide an adequate financing arrangement.
- For variable-rate plans that have an OAAL, an amortization period of 30 years indicates that the employer is using the overfunded amount to reduce the normal cost rate over a period of 30 years. If this type of plan has an amortization period of zero, it indicates that the plan is contributing at a rate in excess of the required rate. Fixed-rate plans that have an OAAL also have an amortization period of zero.

Further discussion is provided in the following Footnotes for Selected Participating Employers.

FOOTNOTES FOR SELECTED PARTICIPATING EMPLOYERS

A:

The unfunded actuarial accrued liability contribution rate shown in the actuarial valuation results for the Ector County and Ector County Hospital District plans were determined considering the commitment by the Ector County Hospital District to assume the obligation within the Ector County plan attributable to services performed by certain hospital district employees while they were county employees. This commitment is being carried out by an annual transfer of employer contributions from the hospital district's account in the Subdivision Accumulation Fund (SAF) to the county's account in the SAF. Under the current funding arrangement, it is not expected that transfers will be sufficient to pay off the assumed obligation. Accordingly, the adjustment to the Ector County plan is set equal to the present value of the expected future transfer payments.

B:

The Llano County Hospital Authority plan assumed the obligations of the inactive Llano Memorial Hospital plan. The obligation is attributable to services performed by the former Memorial Hospital employees before they became employees of the Hospital Authority. This commitment is being carried out by an annual transfer from the Hospital Authority's account in the SAF to Memorial Hospital's account in the SAF.

C:

The Randall County Appraisal District plan assumed the obligations of the inactive Potter County Appraisal District plan. The obligation is attributable to services performed by the former Potter County A.D. employees before they became employees of Randall County A.D. This commitment will be carried out by transfers from the Randall County A.D. account in the SAF to the Potter County A.D. account in the SAF.

D:

During 2000, Galveston County consolidated the SAF account for the inactive Mainland Hospital plan into its own SAF account. Under this funding arrangement, all obligations and benefits for members of the former hospital plan remain the same as they were before the consolidation, but are included for reporting and funding purposes in the Galveston County obligations. This consolidation prevented a further reduction in benefits to the members of the inactive Mainland Hospital plan.

E:

For the 2003 valuation, there are no fixed-rate plans with an inadequate financing arrangement (i.e., an amortization period in excess of 30 years shown in the actuarial valuation results).

F:

For the 2003 valuation, there were no variable-rate plans with inadequate financing arrangements (i.e., the required contribution rate exceeds 11% and the employer has not elected a waiver of the TCDRS maximum rate).

The following definitions include excerpts from a list adopted in 1994 by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to TCDRS and include terms used exclusively by TCDRS. Defined terms are capitalized in this glossary.

Accrued Benefit

The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.

Actuarial Accrued Liability

That portion, as determined by a particular actuarial cost method, of the Actuarial Present Value of pension plan benefits and expenses that is not provided for by future Normal Costs.

Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, termination, disablement and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.

Actuarial Gain (Loss)

A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular actuarial cost method.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.

Actuarial Valuation

The determination, as of a Valuation Date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets and related Actuarial Present Values for a pension plan.

Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.

Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Average Age of Contributing Members

The average attained age as of the Valuation Date, weighted by the average monthly deposit for the year preceding the Valuation Date.

Average Length of Service of Contributing Members

The average length of total credited service in TCDRS as of the Valuation Date, weighted by the average monthly deposit for the year preceding the Valuation Date.

Current Service Benefits

Benefits attributable to the member's accumulated deposits and usually a matching amount provided by the employer.

Employer Contribution Rate

The sum of the Normal Cost Contribution Rate and the Unfunded Actuarial Accrued Liability Contribution Rate. Both rates are expressed as a percentage of compensation. The calculated Employer Contribution Rate will go into effect one year after the Valuation Date.

Entry-Age Actuarial Cost Method

An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a Valuation Date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

Fixed-Rate Plan

A plan of retirement, death and disability benefits for which the employer adopts an employee deposit rate (4%, 5%, 6% or 7%), which also becomes the Employer Contribution Rate. The actuary determines the plan of benefits that can be adequately financed by the commitment of the employer to contribute the same amount as the member employees. The plan of benefits, adopted at plan inception and when benefit increases are adopted, is limited by statute to

GLOSSARY OF ACTUARIAL TERMS

benefits that allow the Unfunded Actuarial Accrued Liability to be amortized over a period of no more than 20 years. If a plan has had adverse experience (predominantly actuarial losses over time), the law has provisions that allow the employer to contribute at a rate above the employee deposit rate or to reduce benefits accruing in the future.

Multiple Matching Benefits

Benefits attributable to an amount provided by the employer as a percentage of the member's accumulated deposits in excess of the Current Service Benefit matching amount.

Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses that is allocated to a valuation year by the actuarial cost method.

Normal Cost Contribution Rate

A rate equal to the Actuarial Present Value at hire of Projected Benefits divided by the Actuarial Present Value at hire of anticipated future compensation. It is calculated for each contributing member, and the average is determined, weighted by compensation.

Plan Year

A 12-month period beginning Jan. 1 and ending Dec. 31.

Prior Service Benefits

Benefits attributable to an amount provided by the employer for service rendered by an employee prior to the date of participation of the employer in TCDRS.

Projected Benefits

Those pension plan benefit amounts that are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.

Overfunded Actuarial Accrued Liability (OAAL)

The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability. Standard actuarial terminology defines this as the "Funding Excess." TCDRS uses the term "Overfunded Actuarial Accrued Liability."

Unfunded Actuarial Accrued Liability (UAAL)

The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.

Unfunded Actuarial Accrued Liability Contribution Rate

Variable-rate plans: The level percent of covered payroll to amortize the Unfunded Actuarial Accrued Liability over an open period of 20 years. If the plan has an Overfunded Actuarial Accrued Liability, it is amortized over an open period of 30 years as a negative Unfunded Actuarial Accrued Liability, and the resulting negative Unfunded Actuarial Accrued Liability Contribution Rate is offset against the Normal Cost Contribution Rate.

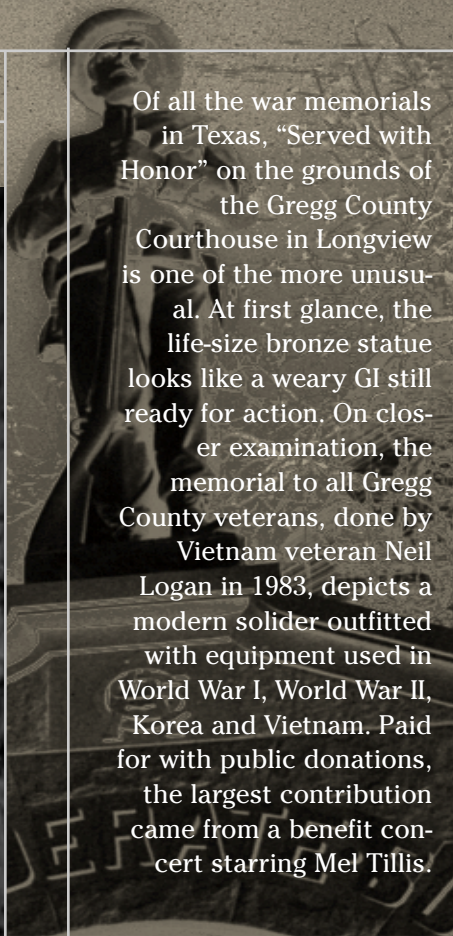
Fixed-rate plans: The fixed Employer Contribution Rate minus the Normal Cost Contribution Rate.

Valuation Date

The date upon which the Normal Cost, Actuarial Accrued Liability and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.

Variable-Rate Plan

A plan of retirement, death and disability benefits adopted by the employer for which the actuary annually determines the Employer Contribution Rate so that the rate is expected to remain approximately level as a percent of the employer's covered payroll from year to year. If there are predominantly actuarial gains over time, the rate will decrease from year to year. Conversely, predominantly actuarial losses over time will cause the rate to increase from year to year.



Of all the war memorials in Texas, "Served with Honor" on the grounds of the Gregg County Courthouse in Longview is one of the more unusual. At first glance, the life-size bronze statue looks like a weary GI still ready for action. On closer examination, the memorial to all Gregg County veterans, done by Vietnam veteran Neil Logan in 1983, depicts a modern soldier outfitted with equipment used in World War I, World War II, Korea and Vietnam. Paid for with public donations, the largest contribution came from a benefit concert starring Mel Tillis.



Statistical Section

In the first two decades of the 1900s, communities around the state raised funds for memorials to Confederate soldiers. Many of the more than 50 Civil War memorials were placed on county courthouse lawns, such as this one above a gate in Denton. Typical of the figures, the soldier is at parade rest facing south. Some of the statues were ordered from catalogues through dealers, but Frank Teich's Llano quarry was responsible for nearly two-thirds of the monuments. Ironically, the oldest Civil War monument in the state is in Comfort and is the only one outside of a Southern cemetery dedicated to the North.

The American doughboy statue at the Llano County Courthouse in Llano was one of many public monuments created by Frank Teich. An immigrant from Germany in 1878, Teich worked as a stonecutter throughout the Midwest before coming to Texas to be a superintendent on the construction of the state capitol. He settled in Llano where he found a large source of high-quality stone. Often called the father of the Texas granite industry, Teich was operating 10 quarries and five finishing plants in Llano by 1935. His sculptures can be seen at the Capitol and on courthouse lawns around the state.



SUMMARY FINANCIAL DATA

TABLE 1: REVENUES BY SOURCE

Year	Employee Deposits	Employer Contributions		Net Investment Income	Miscellaneous	Total
		Dollars	% of Annual Covered Payroll			
1998	\$ 170,573,346	\$ 195,998,879	7.80%	\$ 712,584,377	\$ 1,468,661	\$ 1,080,625,263
1999	184,276,393	249,038,681	9.19	93,065,829	1,594,117	527,975,020
2000	195,266,734	255,470,236	8.91	687,848,475	1,808,005	1,140,393,450
2001	208,517,277	270,644,950	8.84	238,488,998	1,766,188	719,417,413
2002	224,387,814	291,313,309	8.87	110,578,992	1,765,891	628,046,006
2003	235,662,740	315,637,689	9.17	1,793,165,259	1,827,396	2,346,293,084

TABLE 2: EXPENSES BY TYPE

Year	Benefits Paid to Annuitants	Withdrawals Paid to Terminated Employees	Administrative Expenses	Miscellaneous	Total
1998	\$ 177,499,514	\$ 58,546,490	\$ 6,532,111	\$ 168,313	\$ 242,746,428
1999	200,117,106	60,857,742	7,034,098	183,782	268,192,728
2000	218,504,691	64,857,527	7,368,849	214,085	290,945,152
2001	246,881,133	61,976,126	8,135,163	243,342	317,235,764
2002	273,660,986	54,517,833	8,379,382	233,155	336,791,356
2003	309,355,897	56,998,095	9,831,601	337,147	376,522,740

FIGURE 1: REVENUES BY SOURCE — 2003

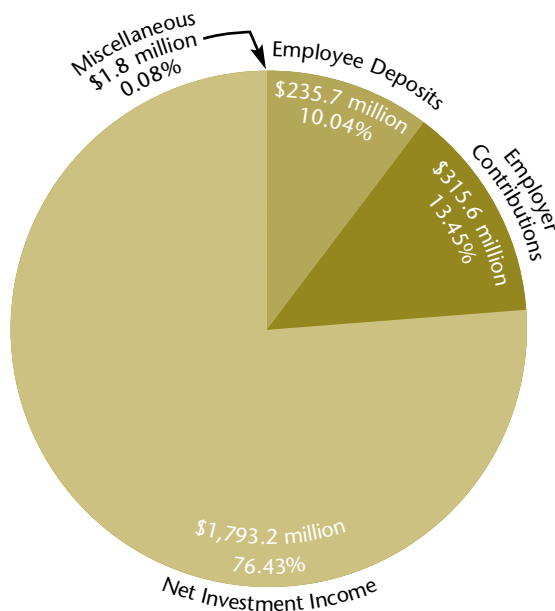


FIGURE 2: EXPENSES BY TYPE — 2003

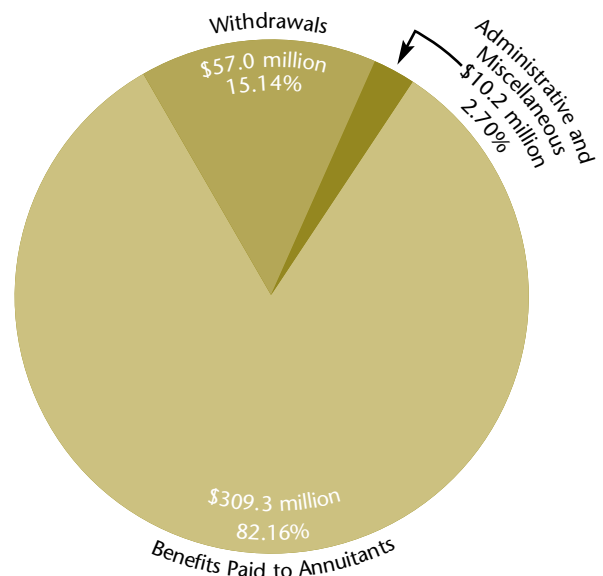
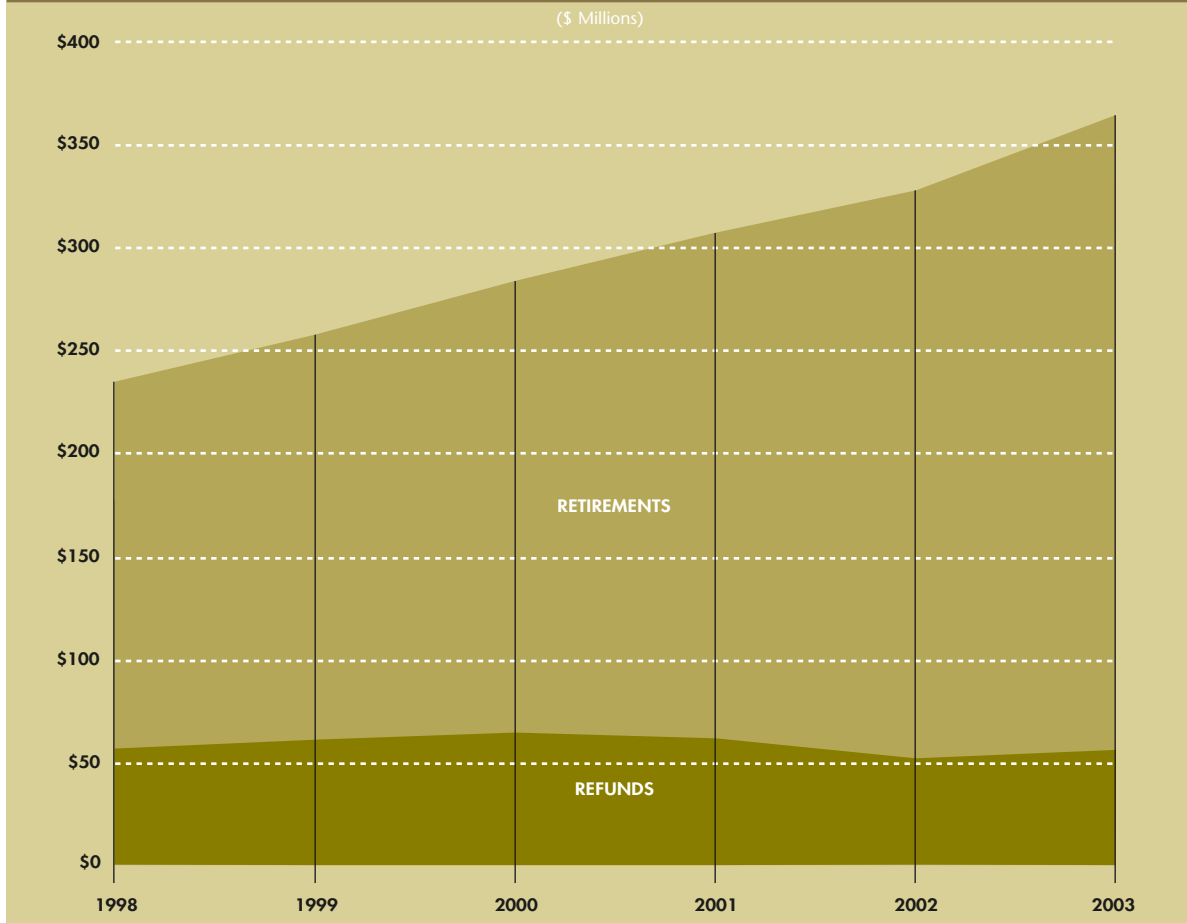


TABLE 3: BENEFIT EXPENSES BY TYPE

Year	Retirements		Refunds		Total Benefit Payments
	Service	Disability	Withdrawals	Death	
1998	\$ 170,577,101 ¹	\$ 6,923,652	\$ 57,352,923	\$ 1,192,328	\$ 236,046,004
1999	192,332,893	7,784,213	59,646,578	1,211,164	260,974,848
2000	210,095,346	8,409,345	64,007,655	849,872	283,362,218
2001	237,686,898	9,194,235	61,063,274	912,852	308,857,259
2002	263,809,988	9,850,998	53,802,941	714,892	328,178,819
2003	298,828,066	10,527,831	56,608,902	389,193	366,353,992

¹ Includes \$1,239 of Distributive Benefit payments.

FIGURE 3: BENEFIT EXPENSES BY TYPE



PLAN BENEFIT INFORMATION

TABLE 4: AVERAGE BENEFIT PAYMENTS

This schedule reports the number of annuitants and average monthly benefit grouped by years of credited service and year of retirement.

	Years of Credited Service						
	0-5	5-10	10-15	15-20	20-25	25-30	30+
1998							
Number of Annuitants	80	311	468	354	302	200	123
Average Monthly Benefit	\$ 193	395	697	1,106	1,521	2,176	2,585
1999							
Number of Annuitants	56	301	440	332	258	145	102
Average Monthly Benefit	\$ 166	407	666	1,065	1,655	2,138	2,034
2000							
Number of Annuitants	73	310	425	409	318	230	114
Average Monthly Benefit	\$ 180	409	705	1,187	1,640	2,212	2,804
2001							
Number of Annuitants	62	248	456	357	352	210	106
Average Monthly Benefit	\$ 168	416	685	1,211	1,696	2,481	2,553
2002							
Number of Annuitants	174	362	480	404	473	235	147
Average Monthly Benefit	\$ 211	479	794	1,235	1,804	2,712	3,041
2003							
Number of Annuitants	160	355	463	403	390	223	130
Average Monthly Benefit	\$ 216	521	875	1,235	1,836	2,530	3,445

FIGURE 4: NUMBER OF ANNUITANTS GROUPED BY AGE

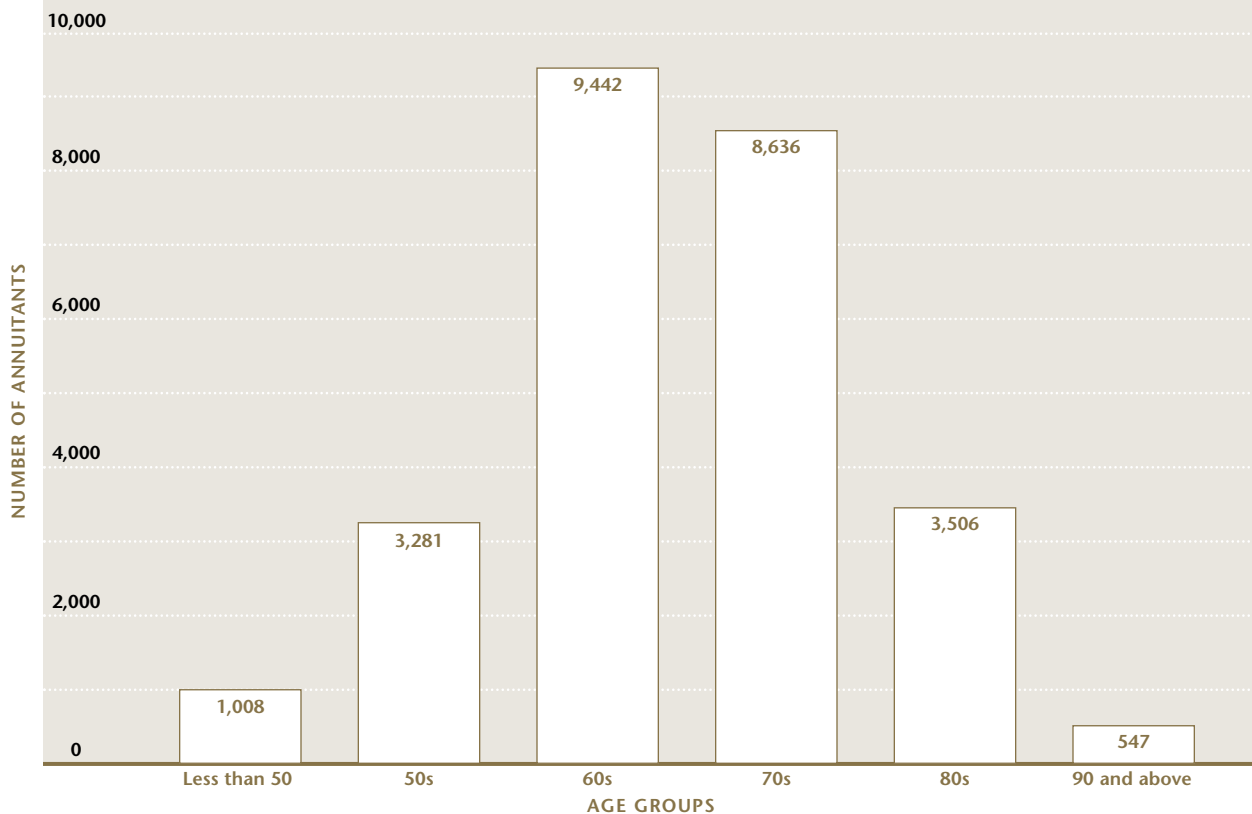


TABLE 5: ANNUITANTS BY TYPE OF BENEFIT

Amount of Monthly Benefit	Annuitants				Retirement Option Selected							
	Retiree	Beneficiary	Life Only	100% to Beneficiary	100% to Beneficiary With Pop-Up	75% to Beneficiary	50% to Beneficiary	25% to Beneficiary	15-Year Guarantee	10-Year Guarantee	5-Year Guarantee	
\$ 0-499	6,927	2,394	3,026	3,396	205	252	685	205	730	557	265	
500 - 999	6,412	1,159	2,698	2,549	216	217	597	130	593	360	211	
1,000 - 1,499	3,520	437	1,324	1,277	156	168	351	95	318	161	107	
1,500 - 1,999	2,028	206	728	698	85	110	236	73	150	88	66	
2,000 - 2,499	1,286	97	436	457	54	59	176	22	105	42	32	
2,500 - 2,999	676	53	245	215	34	46	79	14	49	31	16	
3,000 - 3,499	446	38	154	145	27	31	49	11	39	19	9	
3,500 - 3,999	273	11	93	91	11	15	32	8	21	5	8	
4,000 - 4,499	154	3	39	47	11	16	22	4	7	7	4	
4,500 - 4,999	78	8	26	23	3	4	12	4	8	5	1	
5,000 - 5,499	65	2	17	18	5	8	14	0	2	1	2	
5,500 - 5,999	32	3	8	12	1	4	3	1	3	3	0	
6,000 & Over	104	8	28	31	6	10	11	7	13	6	0	
Subtotals	22,001	4,419	8,822	8,959	814	940	2,267	574	2,038	1,285	721	
Totals	26,420				26,420							

RETIREMENT PAYMENT OPTIONS

All retirement payment options pay the retiree a monthly benefit for life and, in the event of premature death, guarantee that the total benefit paid will equal, at a minimum, the total accumulated contributions of the retiree.

Life Only

Payments cease upon the death of the retiree.

100% to Beneficiary

At the death of the retiree, the beneficiary will receive 100% of the monthly amount paid to the retiree throughout the beneficiary's life.

100% to Beneficiary With Pop-Up

If the beneficiary survives the retiree, monthly payments equal to 100% of the monthly amount paid to the retiree continue to the beneficiary for life. If the retiree outlives the beneficiary, the monthly payment amount will increase ("pop-up") after the beneficiary's death to the higher amount of the Life-Only option.

75% to Beneficiary

At the death of the retiree, the beneficiary will

receive three-fourths of the retiree's monthly payment throughout the beneficiary's life.

50% to Beneficiary

At the death of the retiree, the beneficiary will receive one-half of the retiree's monthly payment throughout the beneficiary's life.

15-Year Guarantee

If the retiree dies within 15 years of retirement, the beneficiary will receive the same monthly payment as the retiree for the balance of the 15-year period, at which time payments cease.

10-Year Guarantee

If the retiree dies within 10 years of retirement, the beneficiary will receive the same monthly payment as the retiree for the balance of the 10-year period, at which time payments cease.

5-Year Guarantee

If the retiree dies within five years of retirement, the beneficiary will receive the same monthly payment as the retiree for the balance of the five-year period, at which time payments cease.

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
638	Acton MUD	10.00%	4%	1.50	100%	10	80	
615	Alamo Area COG	12.00%	4%	2.00	70%	10	80	
100	Anderson County	18.20%	7%	1.60	105%	8	75	Yes
691	Anderson Co. CAD	12.00%	6%	1.00	0%	10	80	
101	Andrews County	21.00%	7%	2.00	170%	8	75	
102	Angelina County	19.25%	7%	1.75	135%	8	75	
502	Angelina Co. AD	21.00%	7%	2.00	150%	10	75	
684	Angelina/Nacogdoches Co. WCID #1	12.50%	5%	1.50	10%	10	80	
576	Angleton DD	15.75%	7%	1.25	110%	8	75	
614	Aquilla WSD—Hill Co.	13.80%	6%	1.30	115%	10	75	
103	Aransas County	20.30%	7%	1.90	120%	10	75	
459	Aransas Co. AD	22.75%	7%	2.25	150%	10	75	Yes
668	Aransas Co. ND #1	15.00%	5%	2.00	10%	10	75	
104	Archer County	15.75%	7%	1.25	115%	8	75	
503	Archer Co. AD	22.75%	7%	2.25	150%	10	80	
105	Armstrong County	17.50%	7%	1.50	110%	8	80	
106	Atascosa County	16.50%	6%	1.75	135%	8	75	
551	Atascosa Co. AD	19.25%	7%	1.75	140%	8	75	
107	Austin County	17.50%	7%	1.50	125%	8	75	
461	Austin Co. AD	22.75%	7%	2.25	160%	8	75	
597	Bacliff MUD	10.00%	4%	1.50	100%	10	80	
108	Bailey County	14.00%	7%	1.00	115%	8	80	
109	Bandera County	21.00%	7%	2.00	150%	8	75	
110	Bastrop County	23.10%	7%	2.30	140%	8	75	
111	Baylor County	17.50%	7%	1.50	125%	8	75	
685	Baylor Co. AD	14.00%	7%	1.00	10%	8	75	
613	Bayview ID #11	14.00%	7%	1.00	20%	10	80	
690	Bayview MUD	8.00%	4%	1.00	0%	10	80	
112	Bee County	19.25%	7%	1.75	135%	8	75	
113	Bell County	22.75%	7%	2.25	165%	8	75	
506	Bell Co. AD	17.50%	7%	1.50	150%	8	75	
418	Bell Co. WCID #1	12.00%	6%	1.00	110%	10	80	
708	Benbrook Water & Sewer Auth.	15.75%	7%	1.25	0%	10	80	
472	Bexar AD	19.25%	7%	1.75	150%	10	75	
114	Bexar County	21.00%	7%	2.00	155%	8	75	Yes
544	Bexar Co. WCID #10	12.00%	6%	1.00	70%	10	80	
616	Bistone MWSD—Limestone Co.	19.25%	7%	1.75	25%	10	80	
115	Blanco County	17.50%	7%	1.50	125%	8	75	
116	Borden County	16.10%	7%	1.30	105%	10	75	
525	Borden Co. AD	14.00%	7%	1.00	100%	10	80	
117	Bosque County	11.50%	5%	1.30	115%	8	75	
521	Bosque Co. CAD	21.00%	7%	2.00	150%	8	80	
118	Bowie County	21.00%	7%	2.00	165%	10	75	
119	Brazoria County	21.00%	7%	2.00	130%	8	75	
508	Brazoria Co. AD	18.20%	7%	1.60	150%	10	80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent CPI-Based COLA Pct.	Most Recent Annuitant Flat-Rate COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
					Yes			07/95	07/95	Active & Retired	638
		2004	3%	Yes	Yes			01/92	01/92		615
		2004	3%		Yes	Yes	Yes	01/68	01/96		100
					Yes	Yes	Yes	01/03	01/03		691
					Yes	Yes	Yes	01/68	01/98	Active Only	101
1999	40%	2003	5%	Yes	Yes	Yes	Yes	01/77	01/92		102
		2004	3%		Yes			03/82	01/97	Active & Retired	502
								07/02	07/02		684
					Yes			07/89	01/92	Active Only	576
1999	40%							11/91	01/99	Active Only	614
					Yes	Yes		01/69	01/96		103
								11/80	01/98		459
				Yes				01/01	01/01	Active Only	668
					Yes			12/75	01/97		104
								03/82	01/97		503
					Yes			02/73	01/95	Active & Retired	105
		2000	4%		Yes	Yes		06/71	01/95		106
								10/86	01/93	Active & Retired	551
					Yes			01/68	01/93	Active Only	107
								11/80	01/95		461
								01/91		Active & Retired	597
					Yes			10/71	01/99		108
2001	50%	2000	6%		Yes	Yes		01/68	01/92	Active & Retired	109
					Yes			01/68	01/98		110
					Yes			01/72	01/95	Active Only	111
								07/02	07/02	Active Only	685
								10/91	01/01	Active Only	613
								10/02	10/02		690
1999	30%				Yes	Yes		01/73	01/95	Active & Retired	112
					Yes	Yes	Yes	01/68	01/93		113
					Yes			03/82	01/95		506
					Yes			01/72	01/03	Active Only	418
					Yes			10/03	10/03	Active Only	708
					Yes			02/81	01/99		472
1998	30%	2002	2%	Yes	Yes	Yes	Yes	01/68	01/93		114
								01/86		Active Only	544
					Yes			01/92	01/92	Active Only	616
1995	80%				Yes			02/81	01/92	Active & Retired	115
					Yes		Yes	09/70	01/95		116
								07/83			525
2002	30%				Yes	Yes		03/74	01/95	Active Only	117
								01/83	01/00		521
					Yes	Yes	Yes	11/70	01/95	Active & Retired	118
					Yes	Yes	Yes	01/68	01/98		119
								05/82	01/04		508

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
413	Brazoria Co. CRD #3	22.75%	7%	2.25	115%	8	75	Yes
424	Brazoria Co. DD #4	24.50%	7%	2.50	70%	8	75	Yes
681	Brazoria Co. DD #5	10.00%	5%	1.00	10%	10	80	
120	Brazos County	22.75%	7%	2.25	120%	8	75	
689	Brazos Co. AD	24.50%	7%	2.50	0%	8	75	Yes
600	Brazos Co. ECD	21.00%	7%	2.00	150%	8	75	
121	Brewster County	19.25%	7%	1.75	135%	8	75	
581	Brewster Co. AD	14.00%	7%	1.00	40%	10	80	
122	Briscoe County	15.75%	7%	1.25	20%	8	75	
123	Brooks County	24.50%	7%	2.50	175%	8	75	
554	Brookshire-Katy DD	10.40%	4%	1.60	110%	10	80	
522	Brookshire MWD	17.50%	7%	1.50	150%	10	80	Yes
124	Brown County	15.00%	5%	2.00	150%	8	75	
702	Brownsville ID	14.00%	7%	1.00	10%	8	80	
642	Brushy Creek MUD—Williamson Co.	12.00%	4%	2.00	150%	8	80	Yes
125	Burleson County	15.75%	7%	1.25	100%	8	75	
126	Burnet County	19.25%	7%	1.75	140%	8	75	Yes
609	Burnet Co. AD	14.00%	7%	1.00	100%	10	80	
127	Caldwell County	12.50%	5%	1.50	125%	8	75	
128	Calhoun County	19.25%	7%	1.75	95%	8	75	
709	Calhoun Co. AD	13.50%	6%	1.25	0%	10	80	
129	Callahan County	12.60%	6%	1.10	65%	8	75	
542	Callahan Co. AD	14.00%	7%	1.00	105%	10	80	
130	Cameron County	21.00%	7%	2.00	160%	8	75	
618	Cameron Co. AD	15.00%	6%	1.50	125%	8	75	
692	Cameron Co. DD #1	14.00%	7%	1.00	10%	10	80	
664	Cameron Co. DD #3	14.00%	7%	1.00	0%	10	80	
686	Cameron Co. DD #5	14.00%	7%	1.00	10%	10	75	
462	Cameron Co. ID #2	14.00%	7%	1.00	25%	10	80	
590	Cameron Co. ID #6	14.00%	7%	1.00	10%	10	80	
670	Camp CAD	14.00%	7%	1.00	0%	10	80	
131	Camp County	19.25%	7%	1.75	135%	8	75	
132	Carson County	15.75%	7%	1.25	110%	8	75	
133	Cass County	17.50%	7%	1.50	150%	8	75	
610	Cass Co. AD	17.50%	7%	1.50	45%	8	75	
134	Castro County	21.00%	7%	2.00	150%	8	75	
635	CAD of Johnson Co.	21.00%	7%	2.00	30%	8	75	
602	CAD of Taylor Co.	14.00%	7%	1.00	100%	10	80	
648	Cent. WCID—Angelina Co.	12.00%	6%	1.00	50%	8	80	
135	Chambers County	20.30%	7%	1.90	145%	8	75	
531	Chambers Co. AD	24.50%	7%	2.50	135%	10	75	Yes
548	Chambers Co. Public HD	15.00%	5%	2.00	150%	10	75	
136	Cherokee County	17.50%	7%	1.50	145%	8	75	
137	Childress County	10.00%	5%	1.00	100%	8	80	
511	Childress Co. AD	8.00%	4%	1.00	150%	10	80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant COLA Pct.	Most Recent Annuitant Flat-Rate COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
					Yes			03/70	01/95	Active Only	413
1995	30%	2004	4%		Yes			05/72	01/95	Active & Retired	424
				Yes				04/02	04/02		681
		2000	3%		Yes	Yes	Yes	01/68	01/98		120
				Yes				10/02	10/02		689
					Yes			01/91	01/02		600
1995	50%	2003	3%		Yes			08/69	01/92	Active Only	121
								01/90	01/04	Active Only	581
1994	40%				Yes			01/86	01/92	Active & Retired	122
				Yes	Yes	Yes		02/68	01/96	Active & Retired	123
								02/87			554
				Yes				04/83	01/02	Active & Retired	522
					Yes			01/71	01/93		124
								04/03	04/03		702
		2004	6%					10/96	10/96		642
				Yes	Yes			01/81	01/92	Active & Retired	125
2003	40%			Yes	Yes			01/72	01/92	Active & Retired	126
								07/91			609
					Yes	Yes		10/80	01/92		127
					Yes	Yes		01/70	01/96	Active Only	128
					Yes			01/04	01/04		709
				Yes	Yes			07/82	01/95	Active & Retired	129
					Yes			01/86	01/92		542
					Yes	Yes	Yes	01/69	01/97		130
					Yes			04/92	04/92		618
								01/03	01/03		692
				Yes				07/00	07/00		664
								07/02	07/02		686
		2004	10%	Yes				12/80	01/04		462
								05/90	01/00		590
				Yes				01/01	01/01		670
		2004	4%	Yes	Yes			01/74	01/95		131
1995	30%				Yes			01/68	01/92	Active Only	132
					Yes			01/68	01/95		133
					Yes			07/91	01/98	Active Only	610
					Yes			03/71	01/93		134
					Yes			01/95	01/95		635
		2000	4%					04/91	01/99	Active & Retired	602
								01/98	01/98		648
					Yes	Yes	Yes	01/68	01/98	Active Only	135
				Yes	Yes			01/85	01/93		531
								08/86	01/96		548
					Yes	Yes	Yes	01/68	01/96		136
								10/96	10/96		137
								05/82	01/01		511

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
582	Childress Co. HD	15.75%	7%	1.25	75%	8	75	
138	Clay County	14.70%	7%	1.10	140%	10	80	
485	Clay Co. AD	21.00%	7%	2.00	150%	10	80	
703	Coastal Bend GCD	14.00%	7%	1.00	100%	8	75	
139	Cochran County	17.50%	7%	1.50	125%	10	80	
477	Cochran Co. AD	16.10%	7%	1.30	115%	8	80	
140	Coke County	15.40%	7%	1.20	85%	10	80	
141	Coleman County	15.75%	7%	1.25	110%	8	75	Yes
142	Collin County	24.50%	7%	2.50	175%	8	75	
457	Collin Co. CAD	21.00%	7%	2.00	150%	8	75	
143	Collingsworth County	14.00%	7%	1.00	50%	8	75	
144	Colorado County	17.50%	7%	1.50	125%	8	75	Yes
623	Comal AD	21.00%	7%	2.00	80%	8	75	Yes
145	Comal County	21.00%	7%	2.00	150%	8	75	
146	Comanche County	12.50%	5%	1.50	125%	8	75	
147	Concho County	21.00%	7%	2.00	135%	8	75	
636	Concho Co. HD	9.00%	4%	1.25	50%	8	75	
148	Cooke County	16.80%	6%	1.80	120%	8	75	
487	Cooke Co. AD	22.75%	7%	2.25	160%	8	75	
149	Coryell County	19.25%	7%	1.75	135%	8	75	
150	Cottle County	14.00%	7%	1.00	40%	8	80	
151	Crane County	17.50%	7%	1.50	125%	8	75	
152	Crockett County	16.80%	7%	1.40	160%	10	80	
409	Crockett Co. WCID #1	15.75%	7%	1.25	110%	10	80	
153	Crosby County	14.00%	7%	1.00	115%	8	80	
532	Crosby Co. AD	15.75%	7%	1.25	110%	10	75	
603	Crosby MUD	17.50%	7%	1.50	120%	10	75	
710	Cross Roads SUD	10.00%	5%	1.00	25%	10	80	
154	Culberson County	16.80%	7%	1.40	120%	8	75	
550	Culberson HD	12.00%	4%	2.00	150%	8	75	
155	Dallam County	15.75%	7%	1.25	130%	8	80	
467	Dallas CAD	24.50%	7%	2.50	175%	10	80	Yes
156	Dallas County	21.00%	7%	2.00	150%	10	80	
430	Dallas Co. Park Cities MUD	19.25%	7%	1.75	110%	10	80	
687	Dallas Co. WCID #6	10.00%	5%	1.00	0%	8	75	Yes
157	Dawson County	15.75%	7%	1.25	110%	8	80	
463	Dawson Co. CAD	21.00%	7%	2.00	150%	10	80	
158	Deaf Smith County	19.25%	7%	1.75	140%	8	75	
578	Deaf Smith Co. HD	8.00%	4%	1.00	55%	8	75	Yes
159	Delta County	15.75%	7%	1.25	110%	8	75	
583	Denco Area 911 Dist.—Denton Co.	15.75%	7%	1.25	105%	8	75	
482	Denton CAD	21.00%	6%	2.50	175%	8	75	
160	Denton County	22.40%	7%	2.20	160%	8	75	Yes
161	Dewitt County	15.75%	7%	1.25	80%	8	75	
466	DeWitt Co. AD	18.20%	7%	1.60	130%	10	80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent Annuitant CPI-Based COLA Year Pct.		Most Recent Annuitant Flat-Rate COLA Year Pct.		Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable-Rate Plan Date	Supplemental Death Benefits	Employer Number
					Yes			01/90	01/02		582
					Yes			08/70			138
					Yes			05/81	01/92	Active & Retired	485
								04/03	04/03		703
1994	80%				Yes	Yes		06/79	01/92	Active & Retired	139
								03/81	01/99	Active & Retired	477
					Yes		Yes	01/68	01/04		140
					Yes			05/73	01/93		141
1999	80%	2004	8%	Yes	Yes	Yes	Yes	01/70	01/92	Active & Retired	142
		2003	3%	Yes	Yes			11/80	01/95		457
					Yes			11/93	11/93	Active Only	143
		2002	1%		Yes	Yes		03/68	01/92		144
2004	50%			Yes	Yes			01/93	01/93		623
2004	50%				Yes	Yes	Yes	03/75	01/92	Active & Retired	145
2004	80%				Yes	Yes	Yes	10/84	01/92	Active & Retired	146
					Yes			01/68	01/96		147
					Yes			01/95	01/95	Active & Retired	636
					Yes			04/72	01/95		148
1995	80%	2002	6%		Yes			07/81	01/92		487
1998	50%	2004	1%		Yes	Yes	Yes	04/75	01/95	Active & Retired	149
								03/89	01/95		150
		2001	1%		Yes	Yes	Yes	04/68	01/95	Active & Retired	151
					Yes	Yes		01/68	01/04		152
					Yes			10/68	01/00	Active & Retired	409
					Yes		Yes	01/77	01/98	Active & Retired	153
								04/85	01/00	Active & Retired	532
								04/91	01/00		603
								01/04	01/04	Active Only	710
				Yes				02/81	01/96	Active & Retired	154
					Yes			08/86	01/95		550
					Yes			07/68	01/98		155
2004	80%				Yes			01/81	01/92		467
					Yes	Yes	Yes	01/68			156
					Yes			03/74	01/95		430
				Yes				07/02	07/02		687
2000	40%	2004	5%	Yes	Yes	Yes	Yes	01/76	01/92	Active & Retired	157
								12/80			463
					Yes			12/69	01/92	Active Only	158
				Yes				08/89	01/01		578
								01/87	01/95	Active & Retired	159
								01/90	01/95		583
2004	80%				Yes			04/81	01/93	Active Only	482
2004	80%				Yes	Yes	Yes	01/68	01/95	Active Only	160
					Yes	Yes		01/68	01/98	Active & Retired	161
								01/81			466

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
162	Dickens County	17.50%	7%	1.50	110%	8	75	
163	Dimmit County	21.00%	7%	2.00	65%	8	80	
164	Donley County	14.00%	7%	1.00	110%	10	80	
165	Duval County	8.00%	4%	1.00	95%	10	80	
166	Eastland County	21.00%	7%	2.00	150%	8	75	Yes
593	Eastland Co. AD	17.50%	7%	1.50	90%	10	75	
167	Ector County	24.50%	7%	2.50	210%	8	75	
580	Ector Co. HD	22.75%	7%	2.25	0%	10	75	
628	Edwards CAD	10.00%	5%	1.00	100%	8	80	
168	Edwards County	15.00%	6%	1.50	35%	8	75	
170	El Paso County	24.50%	7%	2.50	175%	8	75	Yes
567	El Paso Co. 911 Dist.	21.00%	7%	2.00	150%	8	75	Yes
541	El Paso Co. HD	14.00%	5%	1.80	140%	8	75	
169	Ellis County	22.75%	7%	2.25	150%	8	75	Yes
624	ECD of Ector Co.	22.75%	7%	2.25	160%	8	75	
171	Erath County	19.25%	7%	1.75	140%	8	75	Yes
172	Falls County	19.25%	7%	1.75	135%	8	75	
563	Falls Co. AD	14.00%	7%	1.00	85%	10	80	
173	Fannin County	21.00%	7%	2.00	150%	8	75	
644	Fannin Co. AD	8.00%	4%	1.00	20%	10	80	
174	Fayette County	17.50%	7%	1.50	120%	8	75	
175	Fisher County	15.40%	7%	1.20	100%	8	75	
432	Fisher Co. HD	12.00%	4%	2.00	155%	10	80	
176	Floyd County	17.50%	7%	1.50	125%	8	75	
474	Fort Bend CAD	21.00%	7%	2.00	150%	10	80	
178	Fort Bend County	21.00%	7%	2.00	165%	8	75	
179	Franklin County	20.30%	7%	1.90	145%	8	75	
180	Freestone County	17.50%	7%	1.50	135%	8	75	
693	Freestone Co. AD	19.25%	7%	1.75	0%	10	80	
181	Frio County	18.00%	6%	2.00	150%	8	75	
509	Frio Co. AD	18.00%	6%	2.00	150%	8	75	
182	Gaines County	17.50%	7%	1.50	125%	10	80	
546	Galveston CAD	24.50%	7%	2.50	175%	8	75	
183	Galveston County	21.00%	7%	2.00	160%	8	75	
547	Galveston Co. Consol. DD	21.00%	7%	2.00	120%	8	75	Yes
464	Galveston Co. DD #1	21.00%	7%	2.00	150%	8	75	
433	Galveston Co. DD #2	21.00%	7%	2.00	135%	8	75	Yes
589	Galveston Co. ECD	24.50%	7%	2.50	135%	8	75	Yes
407	Galveston Co. WCID #1	21.00%	7%	2.00	150%	8	75	
473	Garza CAD	18.20%	7%	1.60	130%	10	80	
184	Garza County	18.20%	7%	1.60	125%	8	75	
185	Gillespie County	17.50%	7%	1.50	115%	8	75	
186	Glasscock County	15.75%	7%	1.25	125%	8	75	
187	Goliad County	17.50%	7%	1.50	120%	8	75	
188	Gonzales County	15.75%	7%	1.25	110%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
					Yes			07/77	01/95	Active & Retired	162
					Yes			03/91	01/97		163
								06/88			164
1998	30%	2003	2%		Yes	Yes	Yes	11/92	11/92		165
					Yes			01/74	01/92	Active & Retired	166
				Yes				09/90	01/96	Active & Retired	593
					Yes	Yes	Yes	12/68	01/95		167
					Yes			12/89	01/03	Active Only	580
					Yes			07/93	07/93		628
					Yes			10/93	10/93		168
1999	80%	2002	3%		Yes	Yes	Yes	01/71	01/94		170
					Yes			11/88	01/92	Active Only	567
					Yes			10/85	01/97		541
1992	30%	2004	2%		Yes	Yes	Yes	01/68	01/92	Active Only	169
					Yes			01/93	01/93		624
					Yes		Yes	07/68	01/96	Active Only	171
2001	30%	2004	2%		Yes			12/70	01/95	Active Only	172
		2004	0%					01/88	01/01	Active Only	563
					Yes			01/68	01/92	Active Only	173
								04/97	04/97	Active & Retired	644
2004	50%				Yes			01/68	01/97		174
					Yes			10/74	01/95	Active & Retired	175
2002	30%				Yes			03/75	01/92		432
					Yes			01/71	01/96	Active Only	176
								02/81		Active & Retired	474
2003	50%	2004	2%		Yes	Yes	Yes	01/72	01/98		178
								01/81	01/97	Active & Retired	179
1995	30%				Yes	Yes	Yes	01/73	01/95	Active & Retired	180
								01/03	01/03		693
1998	30%	2001	3%		Yes	Yes		01/68	01/93	Active & Retired	181
								05/82	01/98	Active Only	509
					Yes	Yes		01/69	01/92		182
1995	80%	2004	3%		Yes			05/86	01/95	Active Only	546
		2001	2%		Yes	Yes	Yes	05/73	01/96		183
2004	80%			Yes	Yes			07/86	01/96	Active & Retired	547
				Yes				01/81	01/96		464
				Yes	Yes			10/75	01/00		433
				Yes				05/90	01/97		589
2004	60%	2000	3%		Yes			05/68	01/94	Active & Retired	407
								02/81	01/96		473
					Yes			10/79	01/96	Active Only	184
		2004	3%	Yes	Yes			12/80	01/99		185
1994	80%				Yes		Yes	02/80	01/92	Active & Retired	186
					Yes	Yes		01/77	01/95		187
		2004	2%		Yes	Yes		11/85	01/97		188

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
498	Gonzales Co. AD	21.00%	7%	2.00	135%	10	75	
189	Gray County	17.50%	7%	1.50	125%	8	75	
518	Gray Co. AD	21.00%	7%	2.00	150%	8	75	
190	Grayson County	22.75%	7%	2.25	160%	8	75	
475	Grayson Co.AD	19.25%	7%	1.75	150%	8	75	
528	Greater Harris Co. 911 Emerg. Net.	22.75%	7%	2.25	115%	8	75	
429	Greenbelt MIWA—Donley Co.	17.50%	7%	1.50	125%	10	80	Yes
191	Gregg County	18.90%	7%	1.70	135%	8	75	
192	Grimes County	17.50%	7%	1.50	105%	8	75	Yes
483	Grimes Co. AD	21.00%	7%	2.00	150%	10	75	
193	Guadalupe County	21.00%	7%	2.00	150%	8	75	Yes
587	Guadalupe Co. AD	15.75%	7%	1.25	100%	8	75	
526	Gulf Coast WA—Galveston Co.	17.50%	7%	1.50	150%	10	80	
194	Hale County	18.20%	7%	1.60	130%	8	75	
195	Hall County	17.50%	7%	1.50	125%	8	75	
196	Hamilton County	15.00%	6%	1.50	110%	8	75	Yes
197	Hansford County	15.40%	7%	1.20	105%	8	75	
585	Hansford Co. HD	9.00%	4%	1.25	80%	8	75	
198	Hardeman County	16.80%	7%	1.40	80%	8	75	
199	Hardin County	17.50%	7%	1.50	155%	8	75	
527	Hardin Co. AD	21.00%	7%	2.00	130%	8	75	
571	Harlingen ID Cameron Co. #1	10.00%	5%	1.00	25%	10	80	
200	Harris County	22.40%	7%	2.20	160%	8	75	
598	Harris Co. AD	15.75%	7%	1.25	110%	8	75	
569	Harris Co. WCID #1	14.00%	7%	1.00	35%	8	75	
625	Harris Co. WCID #50	11.25%	5%	1.25	15%	8	75	
201	Harrison County	19.60%	7%	1.80	135%	8	75	
202	Hartley County	19.25%	7%	1.75	135%	8	75	
520	Hartley Co. AD	19.60%	7%	1.80	150%	10	80	
203	Haskell County	15.75%	7%	1.25	110%	8	75	
552	Haskell Mem. HD	10.00%	5%	1.00	25%	10	80	
204	Hays County	22.75%	7%	2.25	175%	8	75	
205	Hemphill County	19.25%	7%	1.75	135%	8	80	
640	Hemphill Co. AD	15.75%	7%	1.25	100%	10	80	
529	Hemphill Co. HD	23.10%	7%	2.30	130%	10	80	
206	Henderson County	22.75%	7%	2.25	155%	8	75	
704	Henderson Co. AD	14.00%	7%	1.00	25%	10	80	
414	Hidalgo & Cameron Counties ID #9	14.00%	7%	1.00	50%	10	80	
207	Hidalgo County	21.00%	7%	2.00	160%	8	75	Yes
516	Hidalgo Co. AD	21.00%	7%	2.00	150%	10	80	
401	Hidalgo Co. DD #1	22.75%	7%	2.25	110%	10	80	Yes
438	Hidalgo Co. ID #2	15.75%	7%	1.25	110%	10	80	
486	Hidalgo Co. ID #6	17.50%	7%	1.50	40%	10	80	
674	High Plains Underground WCD #1	10.00%	5%	1.00	0%	8	80	
208	Hill County	15.00%	6%	1.50	125%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
								01/82	01/95		498
					Yes	Yes		01/70	01/96	Active Only	189
2002	80%			Yes	Yes			01/83	01/96		518
					Yes	Yes		01/68	01/94	Active Only	190
								03/81	01/99	Active & Retired	475
								09/84	01/96	Active & Retired	528
					Yes			01/74	01/92		429
		2002	2%	Yes	Yes	Yes	Yes	01/68	01/96		191
2003	40%				Yes	Yes		06/70	01/96	Active & Retired	192
								04/81	01/03		483
2004	50%	2001	3%	Yes	Yes	Yes		05/74	01/92		193
								04/90	01/96		587
								03/84	01/03	Active & Retired	526
2004	70%				Yes			01/69	01/98	Active Only	194
1996	50%				Yes			01/70	01/92		195
1998	50%	2003	4%		Yes			10/77	01/92	Active Only	196
					Yes			01/72	01/98		197
								01/90	01/98		585
					Yes			12/72	01/96		198
2004	0%	2004	0%		Yes	Yes		12/68	01/95	Active Only	199
					Yes			07/84	01/96	Active Only	527
								01/89			571
					Yes	Yes		01/68	01/95	Active & Retired	200
2004	0%	2004	0%		Yes			01/91	01/94	Active & Retired	598
				Yes				01/89	01/95	Active Only	569
		2004	6%	Yes	Yes			01/93	01/93	Active & Retired	625
1998	30%	2002	2%		Yes	Yes	Yes	01/69	01/95	Active Only	201
				Yes	Yes			06/68	01/95	Active Only	202
								01/83			520
1994	30%				Yes			03/81	01/93		203
								11/86			552
2002	60%	2003	2%		Yes	Yes		01/71	01/95		204
2003	50%			Yes	Yes	Yes		01/76	01/93	Active Only	205
								07/96	07/96	Active & Retired	640
								09/84		Active Only	529
		2003	3%		Yes	Yes	Yes	01/68	01/95	Active Only	206
								07/03	07/03		704
					Yes			07/70			414
		2004	3%	Yes	Yes	Yes		01/68	01/98		207
				Yes				11/82	01/03		516
		2004	3%	Yes	Yes			01/68	01/98		401
					Yes			04/76	01/92		438
				Yes	Yes			07/81			486
				Yes				01/02	01/02		674
2000	80%	2002	4%		Yes			07/75	01/92	Active & Retired	208

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
209	Hockley County	17.50%	7%	1.50	135%	8	80	
643	Homestead MUD—El Paso Co.	10.00%	5%	1.00	100%	8	75	
210	Hood County	15.60%	6%	1.60	125%	8	75	Yes
211	Hopkins County	21.00%	7%	2.00	160%	8	75	
661	Hopkins Co. AD	15.75%	7%	1.25	0%	8	75	
212	Houston County	16.10%	7%	1.30	115%	8	75	
694	Houston Co. AD	15.75%	7%	1.25	0%	10	80	
213	Howard County	17.50%	7%	1.50	135%	8	75	Yes
214	Hudspeth County	13.75%	5%	1.75	135%	10	75	
215	Hunt County	21.00%	7%	2.00	155%	8	75	
216	Hutchinson County	17.50%	7%	1.50	125%	8	75	
217	Irion County	21.00%	7%	2.00	150%	8	75	
218	Jack County	18.20%	7%	1.60	100%	8	75	
592	Jack Co. AD	14.00%	7%	1.00	100%	10	80	
219	Jackson County	17.50%	7%	1.50	125%	10	80	
441	Jackson Co. County-Wide DD	24.50%	7%	2.50	135%	10	80	
220	Jasper County	22.75%	7%	2.25	160%	8	75	
657	Jasper Co. WCID #1	15.75%	7%	1.25	10%	10	80	
221	Jeff Davis County	17.50%	7%	1.50	115%	10	75	
222	Jefferson County	19.25%	7%	1.75	135%	8	75	
404	Jefferson Co. DD #3	14.70%	7%	1.10	60%	10	80	
408	Jefferson Co. DD #6	22.75%	7%	2.25	160%	8	75	
405	Jefferson Co. DD #7	17.50%	7%	1.50	125%	8	75	
451	Jefferson Co. WCID #10	17.50%	7%	1.50	135%	8	75	
706	Jefferson Co. Waterway ND	19.25%	7%	1.75	0%	8	75	
223	Jim Hogg County	11.25%	5%	1.25	105%	8	80	
680	Jim Hogg Co. AD	14.00%	7%	1.00	10%	10	80	
656	Jim Hogg Co. FD #2	8.00%	4%	1.00	0%	8	75	
641	Jim Hogg Co. WCID #2	13.50%	6%	1.25	15%	10	80	
224	Jim Wells County	18.00%	6%	2.00	150%	8	75	Yes
225	Johnson County	21.00%	7%	2.00	155%	8	75	Yes
584	Johnson Co. Fresh WSD #1	14.00%	7%	1.00	70%	8	80	
226	Jones County	19.25%	7%	1.75	135%	8	75	
496	Jones Co. AD	16.10%	7%	1.30	145%	10	80	
227	Karnes County	17.50%	7%	1.50	125%	8	75	
524	Karnes Co. AD	15.60%	6%	1.60	110%	10	80	
455	Karnes Co. HD	18.00%	6%	2.00	150%	12	0	
228	Kaufman County	21.00%	7%	2.00	150%	8	75	
662	Kaufman Co. AD	17.50%	7%	1.50	40%	10	75	
671	Kendall AD	15.00%	5%	2.00	10%	8	75	
229	Kendall County	15.00%	6%	1.50	125%	8	75	
619	Kendall Co. WCID #1	15.75%	7%	1.25	85%	10	80	
230	Kenedy County	24.50%	7%	2.50	15%	8	75	
231	Kent County	15.75%	7%	1.25	110%	8	75	
594	Kent Co. Tax AD	17.50%	7%	1.50	135%	10	80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant COLA Pct.	Most Recent Annuitant Flat-Rate COLA Year	Most Recent Annuitant COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
1992	50%				Yes	Yes		09/68	01/92	Active Only	209
								10/96	10/96		643
2001	50%	2004	3%					10/84	01/95	Active Only	210
2004	40%	2003	3%		Yes			01/68	01/93		211
								01/00	01/00		661
					Yes	Yes		01/68	01/95		212
								01/03	01/03		694
2002	30%			Yes	Yes		Yes	01/69	01/92	Active & Retired	213
					Yes			02/72	01/92		214
					Yes			11/70	01/01		215
					Yes	Yes	Yes	01/70	01/95	Active & Retired	216
1995	30%				Yes			05/77	01/95		217
1995	30%				Yes			12/76	01/95		218
								07/90	01/04		592
					Yes	Yes	Yes	01/68	01/92		219
					Yes			09/76	01/92		441
2002	50%				Yes	Yes	Yes	01/79	01/92	Active & Retired	220
								01/99	01/99		657
					Yes	Yes		05/68	01/96		221
1999	30%	2002	3%		Yes	Yes		01/68	01/97		222
				Yes	Yes			02/68	01/03		404
1998	80%	2002	2%		Yes			06/68	01/92	Active & Retired	408
					Yes			03/68	01/97	Active & Retired	405
		2000	4%		Yes			01/79	01/99	Active & Retired	451
								07/03	07/03		706
					Yes	Yes		10/84	01/98	Active & Retired	223
								04/02	04/02		680
								01/99	01/99		656
								10/96	10/96		641
					Yes	Yes		03/72	01/96	Active & Retired	224
					Yes	Yes	Yes	01/68	01/93		225
		2004	3%		Yes			01/90	01/96	Active Only	584
		2003	3%		Yes			03/68	01/93		226
		2003	5%					01/82	01/95	Active & Retired	496
1994	50%			Yes	Yes	Yes		03/74	01/92		227
								09/83	01/98		524
					Yes			01/80			455
		2001	3%		Yes	Yes	Yes	01/68	01/99	Active & Retired	228
								01/00	01/00		662
				Yes				04/01	04/01		671
1994	80%	2000	2%	Yes	Yes			06/82	01/94		229
					Yes			04/92	04/92		619
1998	80%				Yes			01/84	01/96	Active Only	230
1995	70%				Yes			07/72	01/92	Active & Retired	231
					Yes			10/90	01/93		594

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
232	Kerr County	20.30%	7%	1.90	145%	8	75	
653	Kerr Emerg. 911 Net.	14.00%	7%	1.00	100%	8	75	
233	Kimble County	15.40%	7%	1.20	105%	8	75	Yes
234	King County	15.00%	6%	1.50	130%	8	75	
235	Kinney County	21.00%	7%	2.00	150%	8	75	Yes
579	Kinney Co. AD	14.00%	7%	1.00	100%	10	75	
236	Kleberg County	22.75%	7%	2.25	180%	8	75	
237	Knox County	14.00%	7%	1.00	50%	8	75	
519	Knox Co. AD	15.00%	5%	2.00	150%	10	80	
241	La Salle County	24.50%	7%	2.50	165%	8	75	Yes
540	Laguna Madre WD—Cameron Co.	21.00%	7%	2.00	40%	8	75	
514	Lakeway MUD—Travis Co.	17.50%	7%	1.50	115%	8	80	
238	Lamar County	22.40%	7%	2.20	160%	8	75	
239	Lamb County	17.50%	7%	1.50	140%	8	75	
240	Lampasas County	22.75%	7%	2.25	150%	8	75	Yes
650	Lampasas Co. AD	21.00%	7%	2.00	10%	10	80	
439	Lavaca-Navidad River Auth.—Jackson Co.	20.30%	7%	1.90	165%	10	80	
242	Lavaca County	17.50%	7%	1.50	125%	8	75	
243	Lee County	12.50%	5%	1.50	135%	8	75	
244	Leon County	14.70%	7%	1.10	105%	8	75	Yes
468	Leon Co. CAD	14.00%	7%	1.00	100%	10	80	
245	Liberty County	24.50%	7%	2.50	175%	8	75	Yes
481	Liberty Co. CAD	22.75%	7%	2.25	160%	8	75	
246	Limestone County	17.50%	7%	1.50	125%	8	75	
695	Limestone Co. AD	19.25%	7%	1.75	0%	10	75	
247	Lipscomb County	16.10%	7%	1.30	115%	8	75	
248	Live Oak County	19.25%	7%	1.75	135%	8	75	Yes
591	Live Oak Co. AD	17.50%	7%	1.50	125%	10	80	Yes
249	Llano County	18.20%	7%	1.60	85%	8	75	Yes
250	Loving County	17.50%	7%	1.50	125%	8	75	
513	Loving Co. AD	17.50%	7%	1.50	110%	8	75	
499	Lubbock CAD	21.00%	7%	2.00	150%	10	75	Yes
251	Lubbock County	21.00%	7%	2.00	165%	8	75	Yes
425	Lubbock Co. WCID #1	21.00%	7%	2.00	125%	8	75	
558	Lubbock ECD	15.00%	5%	2.00	150%	10	80	
647	Lubbock Reese Redev. Auth.	10.00%	5%	1.00	0%	8	75	
639	Lumberton MUD	12.50%	5%	1.50	0%	8	80	
252	Lynn County	10.50%	5%	1.10	100%	8	75	
497	Lynn Co. AD	11.25%	5%	1.25	110%	8	80	
442	Lynn Co. HD	16.50%	6%	1.75	200%	8	75	
630	Macedonia-Eylau MUD—Bowie Co.	14.00%	7%	1.00	65%	10	75	
500	Mackenzie MWA—Briscoe Co.	14.00%	7%	1.00	150%	10	75	Yes
256	Madison County	13.50%	6%	1.25	110%	8	75	
596	Madison Co. AD	9.00%	4%	1.25	40%	10	80	
257	Marion County	21.00%	7%	2.00	150%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
					Yes			10/70	01/96	Active Only	232
					Yes			07/98	07/98	Active Only	653
1996	30%				Yes			11/72	01/96	Active Only	233
					Yes			09/69	01/95	Active Only	234
1993	80%				Yes	Yes		07/69	01/92		235
					Yes			10/89	01/93		579
1996	30%			Yes	Yes	Yes		01/68	01/92		236
								01/82	01/95		237
								01/83	01/00		519
				Yes	Yes	Yes	Yes	01/68	01/97	Active & Retired	241
1998	50%	2002	5%					10/85	01/96		540
		2001	5%	Yes				10/82	01/01	Active Only	514
					Yes			01/68	01/95		238
					Yes			12/68	01/92		239
2004	50%				Yes			02/74	01/95		240
				Yes				04/98	04/98	Active & Retired	650
					Yes			06/76		Active Only	439
2001	60%	2003	3%		Yes	Yes	Yes	07/70	01/92	Active & Retired	242
		2002	4%		Yes			01/70	01/96		243
				Yes	Yes			01/71	01/95	Active & Retired	244
					Yes			01/81	01/94		468
1992	30%			Yes	Yes	Yes	Yes	01/70	01/92	Active & Retired	245
					Yes			03/81	01/94	Active & Retired	481
		2001	3%	Yes	Yes		Yes	10/77	01/95	Active & Retired	246
				Yes				01/03	01/03		695
				Yes	Yes	Yes		11/72	01/95	Active Only	247
1995	80%			Yes	Yes	Yes		01/76	01/95	Active & Retired	248
								06/90	01/00		591
					Yes			12/74	01/95		249
2004	80%			Yes	Yes			01/75	01/92	Active & Retired	250
2004	80%			Yes	Yes			08/82	01/92	Active & Retired	513
				Yes				01/82	01/04		499
					Yes	Yes	Yes	08/68	01/99		251
				Yes	Yes			01/73	01/99	Active & Retired	425
					Yes			10/87	01/92		558
								01/98	01/98		647
								01/96	01/96		639
				Yes	Yes			01/78	01/95		252
		2004	3%		Yes			12/81	01/93		497
					Yes			01/77	01/95		442
					Yes			08/93	08/93	Active & Retired	630
					Yes			01/82	01/99		500
2004	30%				Yes	Yes		01/90	01/92		256
				Yes				01/91	01/03	Active Only	596
					Yes			04/68	01/95	Active & Retired	257

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
675	Marion Co. AD	14.00%	7%	1.00	10%	8	75	
658	Marshall-Harrison Co. Health Dist.	17.50%	7%	1.50	0%	10	80	
258	Martin County	21.00%	7%	2.00	150%	10	80	
595	Martin Co. AD	12.00%	6%	1.00	30%	10	80	
259	Mason County	15.75%	7%	1.25	55%	8	75	
260	Matagorda County	21.00%	7%	2.00	125%	8	75	
678	Matagorda Co. DD	21.00%	7%	2.00	0%	8	75	
440	Matagorda Co. HD	15.60%	6%	1.60	130%	8	75	
677	Matagorda Co. ND #1	21.00%	7%	2.00	0%	8	75	
261	Maverick County	16.25%	5%	2.25	160%	8	75	
453	Maverick Co. WCID #1	10.00%	5%	1.00	100%	12	0	
253	McCulloch County	18.20%	7%	1.60	100%	8	75	
512	McCulloch Co. AD	21.00%	7%	2.00	150%	10	80	Yes
254	McLennan County	24.50%	7%	2.50	60%	8	75	
491	McLennan Co. AD	19.25%	7%	1.75	150%	10	75	
679	McLennan Co. WCID #2	8.00%	4%	1.00	10%	10	80	
255	McMullen County	14.70%	7%	1.10	75%	8	80	
701	Meadowlakes MUD	14.00%	7%	1.00	0%	10	80	
262	Medina County	16.80%	6%	1.80	110%	8	75	
705	Medina Co. 911 Dist.	15.00%	6%	1.50	0%	10	80	
535	Medina Co. AD	15.00%	6%	1.50	125%	10	80	
419	Mem. Med. Center—Calhoun Co.	17.50%	7%	1.50	110%	8	75	
263	Menard County	17.50%	7%	1.50	115%	10	75	
669	Mid. Rio Grande Dev. Council	24.50%	7%	2.50	10%	8	75	Yes
492	Midland CAD	21.00%	7%	2.00	150%	10	80	
264	Midland County	19.25%	7%	1.75	155%	8	75	
570	Midland ECD	17.50%	7%	1.50	125%	8	75	
265	Milam County	19.25%	7%	1.75	135%	8	75	
266	Mills County	17.50%	7%	1.50	95%	8	75	
617	Mills Co. AD	9.00%	4%	1.25	110%	10	80	
267	Mitchell County	16.80%	7%	1.40	120%	8	75	
484	Mitchell Co. AD	19.25%	7%	1.75	135%	10	80	
268	Montague County	21.00%	7%	2.00	125%	8	75	
504	Montague Co. Tax AD	18.90%	7%	1.70	150%	10	80	
605	Montgomery CAD	21.00%	7%	2.00	150%	8	75	
269	Montgomery County	21.00%	6%	2.50	185%	8	75	
667	Montgomery Co. ECD	14.00%	7%	1.00	100%	8	75	
651	Montgomery Co. ESD #1	15.75%	7%	1.25	110%	8	75	
696	Montgomery Co. ESD #3	8.00%	4%	1.00	0%	10	80	
270	Moore County	18.90%	7%	1.70	135%	8	75	
412	Moore Co. HD	18.90%	7%	1.70	115%	8	75	
271	Morris County	14.00%	7%	1.00	140%	10	80	
273	Nacogdoches County	21.00%	7%	2.00	150%	8	75	
515	Navarro CAD	19.25%	7%	1.75	145%	10	80	Yes
274	Navarro County	19.25%	7%	1.75	145%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
								01/02	01/02		675
								04/99	04/99		658
2002	50%				Yes			01/70	01/92		258
								10/90	01/97		595
				Yes	Yes			01/68	01/95		259
					Yes	Yes		01/68	01/98	Active & Retired	260
					Yes			01/02	01/02	Active Only	678
					Yes			07/76	01/96		440
					Yes			01/02	01/02	Active Only	677
		2004	3%	Yes	Yes			01/70	01/97	Active & Retired	261
								09/79			453
2004	80%			Yes	Yes			01/68	01/95		253
								07/82	01/99		512
2004	50%					Yes		01/69	01/95		254
2004	40%	2001	3%	Yes	Yes			10/81	01/98		491
								04/02	04/02		679
				Yes	Yes	Yes		10/83	01/98		255
								04/03	04/03	Active Only	701
					Yes			01/68	01/99		262
								07/03	07/03		705
								03/85	01/01		535
1999	80%	2004	3%		Yes			01/72	01/95		419
		2003	2%	Yes	Yes			04/68	01/02		263
				Yes	Yes			01/01	01/01	Active Only	669
2004	50%				Yes			09/81	01/92		492
					Yes	Yes		04/69	01/97	Active & Retired	264
								01/89	01/92	Active Only	570
1994	70%				Yes	Yes	Yes	01/70	01/93	Active & Retired	265
		2001	8%		Yes			03/74	01/96	Active Only	266
					Yes			01/92	01/92	Active Only	617
		2002	5%		Yes			01/70	01/97	Active Only	267
					Yes			05/81	01/92		484
					Yes			01/68	01/95		268
								03/82			504
		2000	4%		Yes			06/91	01/94		605
2002	30%	2004	2%		Yes	Yes	Yes	02/71	01/95		269
				Yes				01/01	01/01	Active Only	667
				Yes				07/98	07/98		651
								01/03	01/03	Active Only	696
1999	60%	2004	2%					01/70	01/98	Active Only	270
					Yes			01/70	01/98	Active Only	412
1993	50%				Yes			01/68	01/92		271
					Yes	Yes		01/71	01/94	Active Only	273
					Yes			09/82	01/99		515
					Yes	Yes	Yes	02/70	01/94		274

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
572	Newton CAD	19.25%	7%	1.75	135%	10	80	
275	Newton County	16.80%	7%	1.40	120%	8	75	
276	Nolan County	18.90%	7%	1.70	130%	10	75	
556	North Cent. Tex. MWA	14.00%	7%	1.00	90%	10	80	
646	North Tex. Tollway Auth.	21.00%	6%	2.50	0%	10	75	
562	Northeast Tex. MWD	14.00%	7%	1.00	50%	10	80	
277	Nueces County	21.00%	7%	2.00	160%	10	80	
683	Nueces Co. AD	21.00%	7%	2.00	0%	10	75	Yes
400	Nueces Co. DD #2	11.25%	5%	1.25	110%	10	75	
416	Nueces Co. WCID #3	15.40%	7%	1.20	60%	10	80	
450	Nueces Co. WCID #4	18.90%	7%	1.70	125%	10	80	
278	Ochiltree County	17.50%	7%	1.50	125%	8	75	
279	Oldham County	19.25%	7%	1.75	135%	8	75	
517	Oldham Co. AD	10.00%	5%	1.00	150%	10	80	
280	Orange County	21.00%	7%	2.00	150%	8	75	Yes
490	Orange Co. AD	21.00%	7%	2.00	150%	8	75	
421	Orange Co. DD	21.00%	7%	2.00	155%	8	75	
665	Orange Co. ESD #1	10.00%	5%	1.00	10%	8	75	
660	Orange Co. Nav. & Port Dist.	14.00%	7%	1.00	35%	10	80	
631	Orange Co. WCID #1	14.00%	7%	1.00	15%	8	75	
281	Palo Pinto County	19.25%	7%	1.75	135%	8	75	
282	Panola County	24.50%	7%	2.50	175%	8	75	
283	Parker County	20.40%	6%	2.40	160%	8	75	
284	Parmer County	17.50%	7%	1.50	90%	8	80	
285	Pecos County	19.60%	7%	1.80	140%	8	75	
494	Pecos Co. AD	20.30%	7%	1.90	145%	10	80	
673	Permian Reg. Med Ctr.	21.00%	7%	2.00	0%	8	75	
707	Pineywoods GCD	21.00%	7%	2.00	100%	10	80	
697	Polk CAD	22.75%	7%	2.25	0%	8	75	
286	Polk County	22.40%	7%	2.20	160%	8	75	
676	Port of Bay City Auth.	21.00%	7%	2.00	0%	8	75	
449	Port of Beaumont ND	14.00%	7%	1.00	110%	8	75	
620	Port of Corpus Christi Auth.	14.00%	7%	1.00	100%	10	80	
622	Port of Port Arthur ND	14.00%	7%	1.00	35%	8	75	
287	Potter County	21.70%	7%	2.10	155%	8	75	Yes
560	Potter-Randall Co. ECD	24.50%	7%	2.50	100%	10	80	
626	Presidio AD	8.00%	4%	1.00	100%	10	80	
288	Presidio County	18.00%	6%	2.00	135%	8	75	
289	Rains County	16.10%	7%	1.30	100%	8	75	
537	Rains Co. AD	22.75%	7%	2.25	135%	8	75	
290	Randall County	21.00%	7%	2.00	150%	8	75	Yes
564	Randall Co. AD	22.75%	7%	2.25	150%	8	75	
406	Rankin CHD-Upton Co.	19.25%	7%	1.75	135%	8	75	
291	Reagan County	21.00%	7%	2.00	130%	8	75	
445	Reagan HD	17.50%	7%	1.50	125%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
								04/89	01/00	Active Only	572
2001	30%				Yes	Yes		01/79	01/95		275
					Yes			02/69	01/98		276
				Yes				04/87		Active & Retired	556
2004	50%							09/97	09/97		646
					Yes			01/88	01/92	Active & Retired	562
					Yes	Yes	Yes	01/68	01/93		277
					Yes			07/02	07/02		683
		2001	3%		Yes			01/68	01/92	Active & Retired	400
								01/71	01/04	Active Only	416
				Yes	Yes			11/78		Active Only	450
1996	50%				Yes			04/72	01/92		278
		2000	2%		Yes			07/72	01/95	Active Only	279
				Yes				12/82	01/99	Active Only	517
2000	50%	2002	2%		Yes	Yes	Yes	04/68	01/94		280
1995	80%	2003	3%					08/81	01/93	Active & Retired	490
2004	50%				Yes			02/72	01/95	Active & Retired	421
				Yes				01/01	01/01		665
								10/99	10/99		660
					Yes			10/93	10/93		631
2000	40%	2003	3%		Yes	Yes		01/68	01/92	Active & Retired	281
2004	80%				Yes	Yes		12/77	01/92	Active & Retired	282
1999	30%	2004	2%		Yes	Yes		02/75	01/95	Active & Retired	283
					Yes			09/73	01/98	Active Only	284
		2002	5%		Yes	Yes		01/68	01/97	Active & Retired	285
								10/81	01/01	Active & Retired	494
					Yes			01/02	01/02	Active Only	673
								07/03	07/03	Active Only	707
					Yes			01/03	01/03	Active Only	697
		2003	1%		Yes	Yes		01/68	01/95		286
					Yes			01/02	01/02	Active Only	676
2001	50%	2000	6%	Yes	Yes			08/78	01/95	Active Only	449
		2002	3%					07/92	07/92		620
				Yes				08/92	08/92	Active Only	622
					Yes	Yes	Yes	01/68	01/95	Active Only	287
					Yes			01/88	01/99	Active Only	560
					Yes			04/93	04/93		626
2004	70%			Yes	Yes	Yes		01/68	01/92	Active Only	288
				Yes				10/84	01/97	Active & Retired	289
					Yes			04/85	01/94		537
					Yes	Yes		01/68	01/95		290
1992	70%	2001	4%		Yes			07/88	01/92		564
1992	50%	2001	3%		Yes			01/68	01/92		406
					Yes	Yes		06/73	01/96		291
1998	30%							10/77	01/95		445

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
292	Real County	24.50%	7%	2.50	175%	8	75	
505	Red Bluff WPCD—Reeves Co.	15.75%	7%	1.25	15%	8	80	
435	Red River Auth.—Wichita Co.	19.60%	7%	1.80	140%	10	80	
293	Red River County	21.00%	7%	2.00	115%	8	75	
294	Reeves County	20.30%	7%	1.90	130%	8	80	
588	Reeves Co. HD	12.00%	6%	1.00	100%	10	80	
295	Refugio County	15.75%	7%	1.25	110%	8	75	
543	Refugio Co. DD #1	14.00%	7%	1.00	45%	10	80	
296	Roberts County	16.80%	7%	1.40	120%	8	75	
297	Robertson County	17.50%	7%	1.50	125%	8	75	
698	Rockwall CAD	15.75%	7%	1.25	25%	10	80	
298	Rockwall County	21.00%	7%	2.00	165%	8	75	
299	Runnels County	14.70%	7%	1.10	105%	8	75	
300	Rusk County	17.50%	7%	1.50	125%	8	75	
612	Rusk Co. AD	14.00%	7%	1.00	25%	10	80	
301	Sabine County	18.20%	7%	1.60	120%	8	75	
568	Sabine Pass Port Auth.	14.00%	7%	1.00	50%	8	75	
302	San Augustine County	16.25%	5%	2.25	175%	8	75	
303	San Jacinto County	18.20%	7%	1.60	130%	8	75	
553	San Jacinto Co. CAD	21.00%	7%	2.00	125%	8	75	
304	San Patricio County	19.60%	7%	1.80	140%	10	80	
495	San Patricio Co. AD	19.25%	7%	1.75	150%	10	75	
426	San Patricio Co. DD	8.00%	4%	1.00	225%	10	80	
422	San Patricio MWD	15.75%	7%	1.25	105%	8	80	
305	San Saba County	19.25%	7%	1.75	135%	8	75	
306	Schleicher County	21.00%	7%	2.00	125%	8	80	
307	Scurry County	19.25%	7%	1.75	135%	8	80	
308	Shackelford County	17.50%	7%	1.50	125%	8	75	
470	Shackelford Co. AD	14.00%	7%	1.00	150%	10	80	
309	Shelby County	18.90%	7%	1.70	105%	8	75	
627	Shelby Co. AD	8.00%	4%	1.00	30%	10	80	
310	Sherman County	22.75%	7%	2.25	160%	8	75	
469	Sherman Co. AD	14.00%	7%	1.00	150%	10	80	
311	Smith County	21.00%	7%	2.00	110%	8	75	Yes
555	Smith Co. 911 Comm. Dist.	19.25%	7%	1.75	135%	8	75	Yes
606	Smith Co. AD	21.00%	7%	2.00	120%	8	75	
632	Smith Co. Public Health Dist.	15.00%	5%	2.00	0%	8	75	
312	Somervell County	22.75%	7%	2.25	175%	8	75	Yes
507	Somervell Co. CAD	21.00%	7%	2.00	150%	8	75	
699	Somervell Co. Water Dist.	14.00%	7%	1.00	100%	8	75	Yes
645	South Tex. Dev. Council	14.00%	7%	1.00	30%	10	80	
313	Starr County	11.25%	5%	1.25	110%	8	75	Yes
536	Starr Co. AD	21.00%	7%	2.00	150%	10	80	
314	Stephens County	19.60%	7%	1.80	110%	8	75	
315	Sterling County	19.25%	7%	1.75	115%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based Year	Most Recent Annuitant COLA Pct.	Most Recent Annuitant Flat-Rate Year	Most Recent Annuitant COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number							
2003	30%				Yes	Yes	Yes	01/68	01/92		292							
								03/82	01/99		505							
								01/76		Active & Retired	435							
								02/73	01/97	Active Only	293							
								03/71	01/01		294							
								04/90			588							
								01/68	01/95		295							
								01/86			543							
								12/70	01/98	Active & Retired	296							
								08/68	01/92	Active & Retired	297							
2000	30%	2004	3%		Yes			01/03	01/03		698							
								01/70	01/97		298							
								01/68	01/97	Active & Retired	299							
								2004	40%			Yes	Yes	Yes	01/69	01/92		300
															07/91			612
								04/70	01/95		301							
								01/89	01/92	Active Only	568							
								1994	50%						04/68	01/93		302
															08/78	01/96	Active & Retired	303
								1997	80%					Yes	01/87	01/97	Active & Retired	553
01/68	01/97		304															
12/81	01/99		495															
02/73	01/94	Active Only	426															
1992	50%						03/72	01/92	Active Only	422								
							1995	40%					01/70	01/95	Active & Retired	305		
07/68	01/93	Active & Retired	306															
08/69	01/93		307															
1999	30%	2004	3%		Yes			01/68	01/92	Active & Retired	308							
								01/81	01/04		470							
								01/82	01/95	Active Only	309							
								04/93	04/93		627							
2002	30%				Yes			12/68	01/95	Active & Retired	310							
								01/81	01/92	Active Only	469							
								01/68	01/95	Active & Retired	311							
								04/87	01/95	Active & Retired	555							
								06/91	01/95		606							
								10/94	10/94	Active & Retired	632							
								11/73	01/95	Active & Retired	312							
								04/82	01/01		507							
								01/03	01/03		699							
								07/97	07/97		645							
2003	40%	2001	5%		Yes			12/90	01/94		313							
								03/85	01/00		536							
								07/71	01/95		314							
								04/68	01/97		315							

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
316	Stonewall County	15.75%	7%	1.25	110%	8	75	
458	Stonewall Mem. HD	8.00%	4%	1.00	135%	10	80	
539	Stratford HD—Sherman Co.	12.50%	5%	1.50	125%	8	80	
317	Sutton County	17.50%	7%	1.50	125%	8	75	
573	Sutton Co. HD	12.50%	5%	1.50	125%	10	80	
318	Swisher County	19.25%	7%	1.75	135%	10	80	
460	Swisher Co. AD	19.25%	7%	1.75	150%	10	80	
534	Swisher Mem. HD	8.00%	4%	1.00	30%	10	80	
607	Tarrant AD	15.75%	7%	1.25	95%	8	75	
319	Tarrant County	21.00%	7%	2.00	150%	8	75	
545	Tarrant Co. 911 EAD	14.70%	7%	1.10	105%	8	75	Yes
574	Tax AD of Cottle Co.	14.00%	7%	1.00	20%	10	80	
320	Taylor County	15.75%	7%	1.25	160%	10	80	
321	Terrell County	15.75%	7%	1.25	110%	8	80	
322	Terry County	15.75%	7%	1.25	110%	8	75	
402	Terry Mem. HD	14.00%	5%	1.80	195%	8	75	
437	Tex. Assoc. of Counties	22.40%	7%	2.20	145%	10	75	
354	TCDRS	21.00%	7%	2.00	210%	8	75	Yes
634	Tex. Eastern 911 Net.	14.00%	7%	1.00	35%	8	75	
323	Throckmorton County	14.00%	7%	1.00	115%	8	75	
324	Titus County	24.50%	7%	2.50	175%	8	75	
501	Titus Co. Fresh WSD	15.75%	7%	1.25	85%	8	80	
325	Tom Green County	17.50%	7%	1.50	160%	8	75	
601	Travis CAD	14.00%	7%	1.00	100%	10	80	
326	Travis County	22.75%	7%	2.25	175%	8	75	
666	Travis Co. WCID—Point Venture	10.00%	5%	1.00	40%	10	80	
659	Tri-Co. SUD	12.00%	6%	1.00	55%	8	75	
633	Trinity Bay Cons. Dist.	10.00%	4%	1.50	125%	10	75	
327	Trinity County	17.50%	7%	1.50	125%	8	75	
328	Tyler County	20.30%	7%	1.90	145%	8	75	
471	Tyler Co. AD	21.00%	7%	2.00	150%	10	80	
561	United ID—Hidalgo Co.	14.00%	7%	1.00	20%	10	80	
329	Upshur County	21.00%	7%	2.00	160%	8	75	
330	Upton County	15.75%	7%	1.25	110%	8	75	
682	Upton Co. AD	17.50%	7%	1.50	0%	8	75	
331	Uvalde County	21.00%	7%	2.00	140%	8	75	
332	Val Verde County	22.75%	7%	2.25	160%	8	75	
663	Valley MUD #2—Cameron Co.	8.00%	4%	1.00	10%	8	75	
586	Valwood Imp. Auth.—Dallas Co.	10.00%	4%	1.50	125%	8	75	
333	Van Zandt County	19.25%	7%	1.75	135%	8	75	Yes
672	Van Zandt Co. AD	17.50%	7%	1.50	10%	8	75	
420	Velasco DD—Brazoria Co.	14.00%	7%	1.00	120%	12	0	
334	Victoria County	19.25%	7%	1.75	135%	8	75	Yes
423	Victoria Co. DD #3	10.00%	5%	1.00	80%	10	80	
637	Victoria Co. WCID # 1	12.00%	6%	1.00	20%	8	75	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Flat-Rate COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
1992	80%				Yes			01/80	01/95	Active & Retired	316
1992	80%				Yes			11/80	01/92		458
					Yes			10/85	01/94	Active Only	539
					Yes			01/70	01/96		317
					Yes			04/89	01/92	Active Only	573
1992	50%	2000	3%		Yes			04/68	01/92	Active & Retired	318
					Yes			11/80	01/92	Active Only	460
								02/85	01/98		534
2004	80%				Yes			07/91	01/92		607
2004	80%				Yes	Yes	Yes	01/68	01/92		319
				Yes				04/86	01/95		545
								07/89			574
					Yes	Yes	Yes	01/68	01/99		320
2004	50%				Yes			01/80	01/92	Active & Retired	321
1998	40%				Yes	Yes	Yes	09/77	01/92		322
1996	30%				Yes			02/68	01/96		402
2003	40%				Yes			04/76	01/95	Active Only	437
2004	80%			Yes	Yes			04/68	01/93	Active & Retired	354
					Yes			01/95	01/95		634
					Yes			06/84	01/93		323
					Yes			03/72	01/95		324
2003	80%				Yes			02/82	01/03		501
					Yes	Yes	Yes	01/68	01/96		325
								04/91	01/99		601
1995	30%	2003	3%		Yes	Yes	Yes	01/68	01/95		326
				Yes				01/01	01/01		666
								08/99	08/99		659
					Yes			01/95	01/95	Active Only	633
					Yes			01/77	01/93		327
					Yes	Yes	Yes	03/75	01/95		328
								01/81			471
								01/88			561
1994	60%				Yes	Yes		01/68	01/92		329
1996	50%			Yes	Yes	Yes		01/68	01/92		330
								04/02	04/02		682
1995	50%				Yes	Yes		01/69	01/95		331
					Yes			06/69	01/96		332
				Yes				04/00	04/00		663
								04/90	01/00		586
					Yes			01/68	01/92		333
				Yes	Yes			07/01	07/01	Active Only	672
					Yes			01/72		Active Only	420
2003	80%	2002	3%	Yes	Yes	Yes	Yes	01/72	01/92	Active & Retired	334
2000	30%				Yes			04/72	01/93		423
				Yes	Yes			07/95	07/95		637

RETIREMENT PLANS OF PARTICIPATING EMPLOYERS As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate	Allocated Prior Service Credit Percentage	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of	20 Years of Service for Retirement at Any Age
335	Walker County	20.30%	7%	1.90	130%	8	75	Yes
336	Waller County	18.20%	7%	1.60	130%	8	75	
337	Ward County	21.00%	7%	2.00	150%	8	75	
565	Ward Co. CAD	13.50%	6%	1.25	110%	8	75	
444	Ward Mem. Hosp.	20.30%	7%	1.90	100%	8	75	
338	Washington County	19.25%	7%	1.75	135%	8	75	
339	Webb County	19.50%	6%	2.25	70%	8	75	Yes
604	Webb Co. AD	14.00%	7%	1.00	75%	8	75	
443	West Cent. Tex. COG	24.50%	7%	2.50	175%	10	75	
410	West Cent. Tex. MWD	17.50%	7%	1.50	120%	8	75	Yes
454	West Jefferson Co. MWD	18.00%	6%	2.00	165%	10	75	
688	West Nueces-Las Moras Soil & WCD #236	14.00%	7%	1.00	30%	8	75	
340	Wharton County	16.50%	6%	1.75	135%	8	75	
621	Wharton Co. WCID #1	10.00%	5%	1.00	80%	10	80	
341	Wheeler County	17.50%	7%	1.50	125%	8	75	
476	Wheeler Co. AD	19.25%	7%	1.75	150%	10	75	
427	White River MWD—Dickens Co.	14.00%	7%	1.00	100%	12	0	
342	Wichita County	19.25%	7%	1.75	125%	8	75	Yes
446	Wichita Co. WID #2	15.75%	7%	1.25	110%	10	80	
559	Wichita-Wilbarger 911 Dist.	21.00%	7%	2.00	135%	8	75	
655	Wickson Creek SUD—Brazos Co.	16.50%	6%	1.75	75%	10	75	
343	Wilbarger County	17.50%	7%	1.50	95%	8	75	
530	Wilbarger Co. HD	10.00%	5%	1.00	100%	8	75	
344	Willacy County	19.25%	7%	1.75	135%	8	75	
575	Willacy Co. AD	17.50%	7%	1.50	125%	8	75	
652	Willacy Co. Housing Auth.	12.50%	5%	1.50	0%	8	75	
345	Williamson County	24.50%	7%	2.50	175%	8	75	
608	Williamson Co. AD	21.00%	7%	2.00	125%	8	75	
346	Wilson County	17.50%	7%	1.50	125%	8	75	Yes
479	Wilson Co. AD	19.25%	7%	1.75	150%	10	80	
347	Winkler County	19.25%	7%	1.75	150%	8	75	Yes
533	Winkler Co. AD	17.50%	7%	1.50	125%	8	75	
348	Wise County	22.75%	7%	2.25	165%	8	75	Yes
493	Wise Co. AD	19.60%	7%	1.80	140%	10	80	
349	Wood County	19.25%	7%	1.75	135%	8	75	
700	Wood Co. AD	19.25%	7%	1.75	0%	8	80	Yes
350	Yoakum County	17.50%	7%	1.50	150%	8	75	Yes
351	Young County	17.50%	7%	1.50	135%	8	75	
352	Zapata County	22.75%	7%	2.25	155%	8	75	Yes
649	Zapata Co. AD	11.00%	4%	1.75	5%	8	75	
353	Zavala County	24.50%	7%	2.50	215%	10	75	
566	Zavala Co. AD	14.00%	7%	1.00	125%	10	80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

Most Recent CPI-Based COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Most Recent Annuitant Flat-Rate COLA Year	Most Recent Annuitant Flat-Rate COLA Pct.	Partial Lump-Sum Payment	Qualified Military Service Credit Recognized	District Judge Participation	Prosecuting Attorney Participation	Initial Participation Date	Variable- Rate Plan Date	Supplemental Death Benefits	Employer Number
2004	40%				Yes	Yes	Yes	01/68	01/95		335
					Yes			01/68	01/95	Active & Retired	336
1992	40%				Yes	Yes		01/70	01/92		337
					Yes			07/88	01/97		565
					Yes			08/77	01/95		444
		2004	3%		Yes			01/68	01/95		338
					Yes	Yes		12/69	01/95		339
								05/91	01/95		604
					Yes			05/77	01/00	Active & Retired	443
					Yes			11/68	01/96	Active Only	410
					Yes			09/79	01/99		454
								07/02	07/02		688
1998	40%	2004	2%		Yes	Yes		01/68	01/92		340
					Yes			07/92	07/92		621
					Yes			12/76	01/95		341
								03/81	01/96		476
								11/73			427
					Yes	Yes		01/68	01/98	Active Only	342
					Yes			09/77	01/01	Active & Retired	446
1999	80%	2004	4%		Yes			10/87	01/94		559
								10/98	10/98		655
					Yes	Yes		01/68	01/95		343
					Yes			01/85	01/96		530
					Yes	Yes		03/71	01/92	Active Only	344
				Yes				07/89	01/00		575
				Yes				07/98	07/98		652
2004	60%				Yes	Yes	Yes	01/69	01/94		345
		2004	3%		Yes			07/91	01/95		608
2004	80%				Yes	Yes		01/69	01/96	Active & Retired	346
					Yes			03/81	01/94		479
				Yes	Yes	Yes	Yes	10/68	01/95	Active Only	347
								02/85	01/95		533
					Yes			01/72	01/92	Active & Retired	348
								10/81	01/96	Active Only	493
				Yes	Yes			01/68	01/92		349
								01/03	01/03		700
2000	50%	2004	2%		Yes	Yes	Yes	01/68	01/95		350
					Yes			01/68	01/93		351
					Yes	Yes		08/69	01/97		352
					Yes			04/98	04/98		649
					Yes	Yes		12/72	01/01		353
								10/88			566

RETIREMENT PLANS OF EMPLOYERS WITH REDUCED PARTICIPATION As of Jan. 1, 2004

Employer Number	Employer Name	Total Benefit Rate ¹	Employee Deposit Rate	Employer Matching Rate ⁴	Allocated Prior Service Credit Percentage ⁴	Years of Service for Vesting for Retirement at Age 60	Alternate Retirement Eligibility With Satisfaction of Rule of...	Partial Lump-Sum Payment
Nonenrolling ²								
448	Edwards Aquifer Auth.—Bexar Co.	11.20%	4%	1.80	140%	8	75	Yes
452	McCamey CHD—Upton Co.	30.80%	7%	3.40	310%		80	
599	Med. Arts Hosp.—Dawson Co.	8.00%	4%	1.00	50%	8	75	
538	Nueces River Auth.—Uvalde Co.	8.00%	4%	1.00	40%	10	80	
Nondepositing ³								
411	Bandera Co. WCID #1			1.00	19.5%			
465	Cisco HD			1.42	81%			
478	Culberson Co. Hosp.			2.00	150%	12		
557	Horizon MUD			1.00	48%		80	
456	El Paso WCID Westway			1.10	105%		80	
431	Livingston HD			3.63	256%			
654	Llano Co. Hosp. Auth.			2.25	4%		75	
436	Llano Mem. Hosp.			2.70	175%		80	
510	Newton Co. Mem. Hosp.			1.00	41%		80	
415	North Plains HD			2.27	161%			
489	Potter Co. AD			2.00	150%		75	
480	Roberts Co. AD			1.45	68%		80	
523	Shelby Co. Gen. Hosp.			1.00	53%			
549	Travis Co. WCID #18			1.40	120%		80	

¹ Total Benefit Rate

The Total Benefit Rate is the sum of the (a) employee deposit rate and (b) the employee deposit rate times the employer matching rate; and represents a future annuitant's annual benefit credits earned expressed as a percentage of salary.

² Nonenrolling

Nonenrolling employers have discontinued enrollment of new employees, but continue making contributions for employees who were TCDRS members before the date the plan's participation was reduced.

³ Nondepositing

Nondepositing employers have no current employees who are TCDRS members or whose structure has changed so that the employing entity is no longer eligible for participation in TCDRS. Their plan includes either former employees who maintained their accounts with TCDRS, retirees still receiving monthly benefits from TCDRS, or both.

⁴ Employer Matching Rate and Allocated Prior Service Credit Percentage

Employer plans with reduced participation may have had plan liabilities altered from the original benefit calculation formula. Because future contributions to these plans have been either reduced or eliminated, plan assets may not be sufficient to pay expected liabilities under the current service matching percentage and allocated prior service credit percentage selected by the employer. In these cases, the percentages have been reduced for both current and future retirees by using a reduction ratio. For McCamey CHD—Upton Co., Livingston HD and North Plains HD, the current service matching percentage and allocated prior service credit percentage were increased based on excess plan assets. The law has since been changed to preclude any future increases in benefit levels for plans with reduced participation.

Qualified Military Service Credit Recognized	Initial Participation Date	Reduced Participation Date	Employer Number
Yes	02/78	01/02	448
Yes	02/79	04/88	452
	01/91	01/01	599
	10/85	01/00	538
Yes	01/70	01/83	411
	01/81	02/83	465
	03/81	12/85	478
	04/87	08/95	557
Yes	03/80	03/94	456
Yes	08/74	11/86	431
Yes	06/98	02/01	654
Yes	01/76	06/98	436
	05/82	01/90	510
	10/70	03/84	415
	07/81	06/88	489
	03/81	12/91	480
	04/83	08/87	523
	08/86	10/92	549

READER'S NOTES



TEXAS
COUNTY & DISTRICT
RETIREMENT
SYSTEM

901 MoPac South
Barton Oaks IV, Suite 500
Austin, Texas 78746

P.O. Box 2034
Austin, Texas 78768-2034
www.tcdrs.org

Tel 800•823•7782
512•328•8889
Fax 512•328•8887