A large, white, stylized cloud graphic with a dark outline, containing the year 2006 and the title text.

# 2006

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2006

Prepared by:  
The Finance Department of  
Texas Municipal Retirement System

A stylized illustration of a tall, green building with a dark brown roof and a radio tower on top. The building has several windows and is set against a dark blue background.

# TMRS

TEXAS MUNICIPAL RETIREMENT SYSTEM

# Table of Contents

## Introductory Section

|                                       |    |
|---------------------------------------|----|
| Awards.....                           | 6  |
| Letter of Transmittal .....           | 7  |
| TMRS Highlights .....                 | 11 |
| TMRS Administrative Organization..... | 11 |
| TMRS Board of Trustees .....          | 12 |
| TMRS Advisory Committee.....          | 12 |
| TMRS Professional Advisors.....       | 13 |
| TMRS Staff .....                      | 13 |
| Summary of Plan Provisions.....       | 17 |

## Financial Section

|  |    |
|--|----|
| Independent Auditors' Report.....                      | 22 |
| Management's Discussion and Analysis (Unaudited) ..... | 24 |

### Basic Financial Statements

|  |    |
|--|----|
| Statements of Plan Net Assets .....            | 28 |
| Statements of Changes in Plan Net Assets ..... | 29 |
| Notes to Financial Statements .....            | 30 |

### Required Supplementary Information (Unaudited)

|  |    |
|--|----|
| Pension Trust Fund:                      |    |
| Schedule of Funding Progress .....       | 44 |
| Schedule of Employer Contributions ..... | 44 |
| Notes to Trend Data.....                 | 44 |
| Supplemental Death Benefits Fund:        |    |
| Schedule of Funding Progress .....       | 45 |
| Schedule of Employer Contributions ..... | 45 |
| Notes to Trend Data.....                 | 45 |

### Supplemental Schedules (Unaudited)

|   |    |
|---|----|
| Schedule of Administrative Expenses .....       | 46 |
| Schedule of Professional Services .....         | 47 |
| Schedule of Investment Expenses .....           | 48 |
| Changes in Employees Saving Fund .....          | 49 |
| Changes in Municipality Accumulation Fund ..... | 69 |

## Investment Section (Unaudited)

|  |    |
|--|----|
| Report on Investment Activity .....    | 92 |
| Outline of Investment Policies.....    | 94 |
| Summary of Investments.....            | 95 |
| Asset Allocation.....                  | 95 |
| 2006 Investment Results .....          | 96 |
| Summary of Investment Operations.....  | 98 |
| Largest Holdings (by Fair Value) ..... | 99 |
| Schedule of Investment Fees.....       | 99 |

## Actuarial Section (Unaudited)

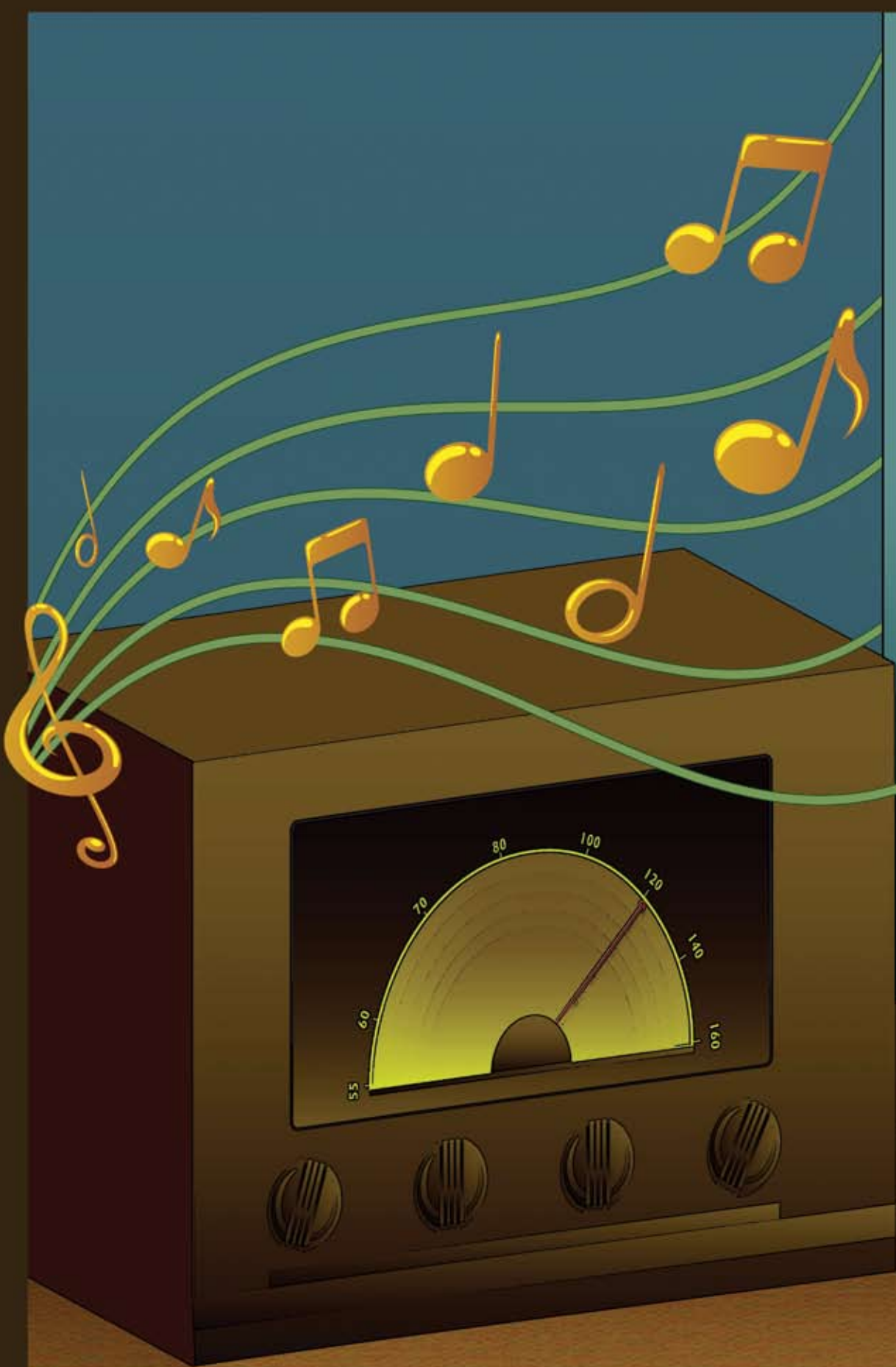
|  |     |
|--|-----|
| Actuary's Certification Letter .....                       | 102 |
| Summary of Actuarial Assumptions.....                      | 103 |
| Definitions .....  | 106 |
| Participating Employers and Active Members .....           | 107 |
| Retiree and Beneficiary Data .....                         | 107 |
| Summary of Actuarial Liabilities and Funding Progress..... | 108 |
| Funded Portion of Actuarial Liabilities by Type.....       | 109 |
| Contribution Rate Information.....                         | 110 |
| Actuarial Valuation of Participating Municipalities.....   | 112 |

## Statistical Section (Unaudited)

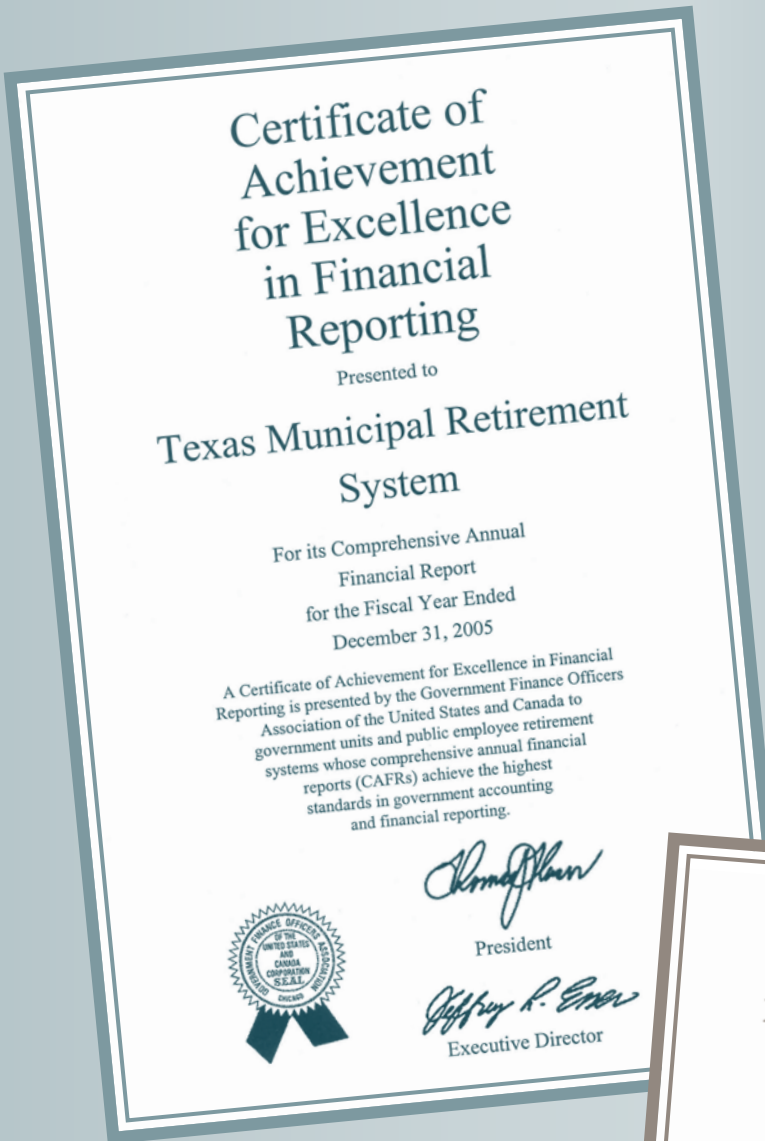
|  |     |
|--|-----|
| Statistical Section Overview .....                     | 172 |
| Schedule of Changes in Net Assets .....                | 173 |
| Schedule of Average Benefit Payments.....              | 175 |
| Schedule of Retired Members by Type of Benefit.....    | 176 |
| Schedule of Principal Participating Employers.....     | 177 |
| Plan Provisions for Participating Municipalities ..... | 178 |



# Introductory









May 11, 2007

To: The Board of Trustees and Participants of the Texas Municipal Retirement System

We are pleased to present the *Comprehensive Annual Financial Report* (CAFR) of the Texas Municipal Retirement System (TMRS) for the year ended December 31, 2006. We hope you will find this report informative.

## Structure of the Report

This report is divided into five sections:

- **Introductory Section**, containing this Letter of Transmittal, information on the TMRS Board of Trustees, Advisory Committee, staff, key highlights of recent years, and a summary of the plan's provisions.
- **Financial Section**, containing the report of the independent auditors, Management's Discussion and Analysis, the audited financial statements, required supplementary information, and supplemental financial schedules.
- **Investment Section**, containing a report on investment activity for 2006, a summary of TMRS' investment policy, investment results with comparative performance, and other investment schedules.
- **Actuarial Section**, containing the report of the independent actuary, the annual actuarial valuation, and supporting schedules.
- **Statistical Section**, including additional data on TMRS and its participating municipalities.

The CAFR is prepared by the TMRS staff under the direction of the Board of Trustees. TMRS is responsible for both the accuracy of the data and the completeness and fairness of its presentation. This report complies with generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB). Sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and the fair presentation of the financial statements and supporting schedules.

Each December, the Board of Trustees adopts an operating budget for the upcoming fiscal year (January through December), which estimates the amounts that will be required to pay for TMRS' operating expenses. A table showing detailed administrative expenses incurred in 2006 is provided in the Financial Section of this report. Management's Discussion and Analysis (MD&A) is found in the Financial Section and provides an analysis of condensed financial information for the current and prior fiscal years. MD&A should be read in conjunction with this transmittal letter.

The TMRS Act requires that independent auditors perform an annual audit on the financial statements contained in this report. Deloitte & Touche LLP performed the audit for the 2006 fiscal year. For information regarding the scope of the audit, please see the Independent Auditors' Report in the Financial Section.

## About TMRS

The Texas Municipal Retirement System is a statewide agent multiple-employer public employee retirement system created by law in 1947 to provide retirement, disability, and death benefits to employees of participating cities. TMRS has delivered financial security to generations of municipal employees.

## Accomplishments and Milestones in 2006

- In October, Executive Director Gary W. Anderson announced his retirement, and Eric W. Davis was appointed to serve as Interim Executive Director. In April 2007, the Board of Trustees chose Eric Henry to be the new Executive Director, effective June 2007.
- The TMRS Board of Trustees utilized its Advisory Committee and created a temporary Advisory Committee Task Force to analyze the diverse needs of the System's cities and make recommendations for ways to increase funding flexibility for TMRS benefits. Those recommendations were the basis for the legislative package introduced in 2007 and will be the foundation for a new emphasis on communication of plan costs.
- TMRS hired key staff members in 2006 – a Human Resources Director and a Government Relations Director.
- We implemented a new event – the Retiree Luncheon – and conducted a record number of local meetings across the state.
- TMRS continued our tradition of outstanding customer service and met the rising demand for pre-retirement information and retirement estimates. A record number of city employees attended our Regional Pre-Retirement Seminars.
- We completed our first full year on NextGen, our state-of-the-art benefits administration system, and began the implementation of FileNet, an imaging and document management system that will lead to a paperless environment.
- The TMRS Board engaged Ennis Knupp and Associates to perform a comprehensive analysis of TMRS' investment policies and practices. The study included an examination of the consulting and staff structure for TMRS, an asset and liability study, Board oversight and governance practices, and other areas of operation. Many of the Ennis Knupp recommendations will be enacted in 2007, some of which include: hiring additional personnel in the investments department, retaining an investment consultant to the Board, increasing the depth of resources in the investment area by exploring the feasibility of retaining a fixed-income advisor to the staff, and continuing work with the System's actuary to assist cities in understanding the costs of their plan provisions and methods to improve their funding ratios over time.
- We enrolled 10 new cities, facilitated 692 plan changes for cities, and added 2,517 new retirees during the year.
- TMRS continued to refine and improve our communications to members, cities, and retirees with new and redesigned publications and a revamped Annual Statement. In addition, we drew a record attendance to our Annual Training Seminar in Austin.



## Investments

TMRS' basic investment objectives are to assure preservation of principal and to earn sufficient income to allow an annual interest credit on reserve funds, member accounts, and municipality accumulation accounts at the statutory rate, as well as pay for administrative costs. When additional income is available, the TMRS Board may approve an extra payment to retirees and credit additional interest to the member and municipality accounts. In 2006, TMRS made an extra payment to each retiree equal to 30% of their monthly annuity payment and credited 5.75% interest (0.75% above statutory requirements) to member and municipality accounts.

Investments are made with the degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, considering the probable income and safety of their capital.

Investment Income, including interest and gains on the sale of bonds, is a significant revenue source, and totaled \$715.6 million for 2006. The high-quality bond portfolio had a yield to maturity of 5.3% at December 31, 2006. The Investment Section contains a detailed summary of investment operations and allocations of earnings.

## Funding and Actuarial Overview

As certified by our independent actuary, The Segal Company, TMRS is funded in accordance with GASB principles and state law. Each city has its own retirement program within the options offered by the plan. Each city's plan objective is to accumulate sufficient assets to pay benefits when they become due and to finance its long-term benefits through a rate of contribution that is annually determined by the actuary.

A member city's retirement contribution consists of the normal cost contribution rate, which finances the monetary credits as they accrue, and the prior service contribution rate, which amortizes the unfunded (or over-funded) actuarial liability (asset) over the remainder of each plan's amortization period. As an employer, we, like each member city, provide TMRS retirement benefits for all eligible employees.

As required by statute, we obtain an annual actuarial valuation for each participating municipality, the results of which are in the Actuarial Section of this CAFR. Historical information relating to progress in meeting the actuarial funding objective is presented in the Schedule of Funding Progress, included as a part of the Required Supplementary Information in the Financial Section. As of December 31, 2006, TMRS, as a whole, was 82.1% funded.

A Summary of Actuarial Assumptions is provided in the Actuarial Section of this CAFR. The Unit Credit Actuarial Cost Method has been used for the TMRS Pension Trust Fund municipality valuations since its inception. This method recognizes all benefits accrued through the valuation date. Since TMRS is essentially a cash balance plan and future salary levels do not affect benefits already accrued, the Unit Credit method is considered by the actuary to be a reasonable funding method. During the summer of 2007, Segal will be conducting an experience review for the period 2003-2006. In this review, all actuarial assumptions used to value the TMRS Plan will be reviewed, and include mortality, termination, disability and retirement rates, as well as payroll patterns, expected investment returns and amortization periods.

## Professional Services

The Board of Trustees appoints consultants to perform services that are essential to the effective and efficient operation of TMRS. The Supplemental Schedules of the Financial Section contain information on professional fees and services.

## Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to TMRS for its *Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2005*. This was the 19th consecutive year that TMRS has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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.

TMRS also received the Public Pension Standards 2006 Award from the Public Pension Coordinating Council (PPCC) in recognition of meeting professional standards for plan design and administration as set forth in the Public Pension Standards.

This report is provided to all participating TMRS cities; their combined cooperation contributes significantly to the success of TMRS. We hope you will find this report helpful and informative.

On behalf of the TMRS Board of Trustees, we would like to express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report and to the continued success of TMRS.



Frank Simpson  
Chair  
Board of Trustees



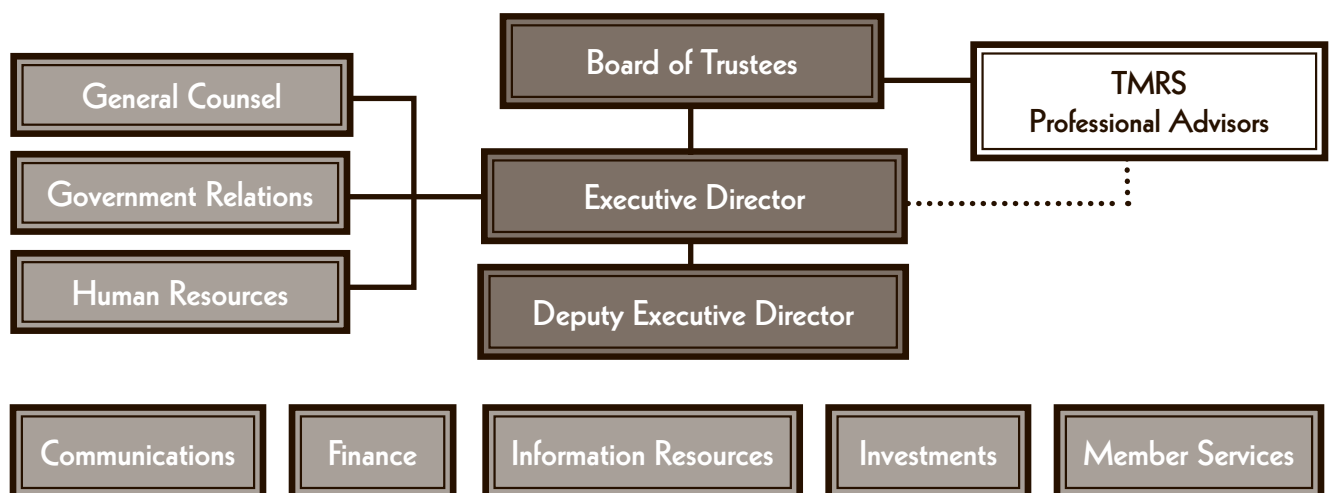
Eric W. Davis  
Interim Executive Director



Rhonda H. Covarrubias  
Director of Finance

|   | 2003        | 2004        | 2005        | 2006        |
|---|-------------|-------------|-------------|-------------|
| Employee Accounts   | 122,547     | 124,638     | 127,960     | 132,927     |
| Retired Members   | 23,790      | 25,505      | 27,363      | 30,089      |
| New Employee Members  | 12,421      | 13,212      | 14,092      | 15,476      |
| Terminated Employee Members   | 7,838       | 8,007       | 8,182       | 8,465       |
| Amount Paid to Terminated Members   | \$40.5 mil  | \$45.6 mil  | \$48.6 mil  | \$49.0 mil  |
| New Retirements   | 2,199       | 2,251       | 2,345       | 2,517       |
| Total Amount Paid to Retirees   | \$442.6 mil | \$472.1 mil | \$515.1 mil | \$554.8 mil |
| Interest Rate on Employee Deposits  | 8.0%        | 7.0%        | 6.0%        | 5.75%       |
| Additional Benefits Paid to Retirees in the Form of an Extra Payment equal to | 1.5 payment | 1 payment   | .40 payment | .30 payment |
| Member Cities   | 794         | 801         | 811         | 821         |
| Cities Beginning Participation  | 20          | 8           | 10          | 10          |
| Cities that:  |             |             |             |             |
| Adopted Updated Service Credit  | 566         | 579         | 584         | 596         |
| Adopted Increases to Retirees   | 460         | 468         | 474         | 486         |
| Increased Employee Contribution Rate  | 22          | 27          | 22          | 25          |
| Increased City/Match Ratio (Future Service)                                   | 16          | 26          | 16          | 22          |
| Adopted Provision Allowing Service Buyback                                    | 5           | 7           | 12          | 12          |
| Adopted Supplemental Death Benefits   | 1           | 1           | 2           | 3           |
| Adopted 5-Year Vesting  | 6           | 3           | 4           | 2           |
| Adopted Military Service Credit Provisions                                    | 13          | 4           | 3           | 1           |
| Adopted Senate Bill 505 Options   | 2           | -           | -           | -           |
| Adopted 20-Year, Any Age Retirement   | 18          | 18          | 20          | 18          |
| Adopted Restricted Prior Service Credit                                       | 15          | 10          | 9           | 13          |
| Adopted Probationary Prior Service Credit                                     | -           | 1           | -           | -           |

## TMRS Administrative Organization



# TMRS Board of Trustees



**Frank Simpson, Chair**  
City Manager  
Missouri City  
Term expires: February 1, 2009



**Rick Menchaca**  
City Manager  
Midland  
Term expires: February 1, 2007



**Pat Hernandez, Vice Chair**  
Municipal Court Judge  
Plainview  
Term expires: February 1, 2011



**Roel "Roy" Rodriguez, PE**  
General Manager, Public Utility  
McAllen  
Term expires: February 1, 2011



**Carolyn Linér**  
Director of Human Resources / Civil Service  
San Marcos  
Term expires: February 1, 2007



**Kathryn Usrey**  
Director of Human Resources (former)  
Carrollton  
Term expires: February 1, 2009

The TMRS Act provides that the administration of TMRS is entrusted to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three Trustees are "Executive Trustees" (Menchaca, Rodriguez, and Simpson) who are either the chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three Trustees are "Employee Trustees" (Hernandez, Linér, and Usrey) who are employees of a participating municipality. As per the Texas Constitution, Trustees continue to perform the duties of their office until a successor has been duly qualified.

## TMRS Advisory Committee

The TMRS Advisory Committee on Retirement Matters was established by the Board of Trustees in December 1994. This nine-member committee provides input to the Board of Trustees on various issues related to TMRS and also serves as a conduit for communication between TMRS and its members, member cities, and retirees.

**Dr. Susan Helt (employee)**  
Director of Public Information, Plano

**Stephen McCullough (former Trustee)**

**Jim Starr (retiree)**

**John H. Lewis (elected official)**  
Councilmember/Mayor Pro Tem  
North Richland Hills

**Jim Moore (employee)**  
Assistant Fire Chief - Operations, Mesquite

**Isaac Valencia (employee)**  
Police Lieutenant, Corpus Christi

**George Logan (retiree)**

**The Honorable Ron Silvia  
(elected official)**  
Mayor, College Station

**Vacancy (elected official)**

**Legal Counsel**

Kendall & Osborn

**Economic Advisors**

A. Gary Shilling & Co.  
Hillswick Asset Management, LLC

**Compensation & Benefits Advisor**

The Waters Consulting Group, Inc.

**Independent Auditor**

Deloitte & Touche LLP

**Actuary**

The Segal Company

**Custodian**

State Street Bank and Trust Company

**Depository Bank**

JPMorgan Chase Bank

**Medical Board**

Grover L. Bynum, MD  
Albert LaLonde, MD  
Thomas "Tim" I. Lowry, MD

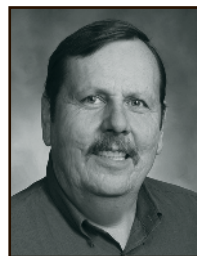
## TMRS Staff



### Executive and Administrative

Eric Davis, Interim Executive Director

Bernie Eldridge, Director of Human Resources

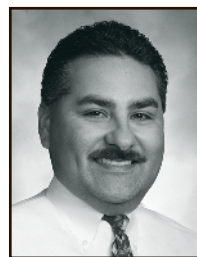
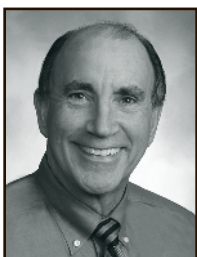


Patricia Brown, Executive Assistant  
Dinah Harris, Administrative Assistant  
Bruce Boatright, General Services



### Communications

Bill Wallace, Director of Communications  
Melanie Bonner, Editor  
Angela Deats, Operations Assistant  
Donna Neal, Communications Specialist



Trueman O'Quinn,  
Member Development Manager  
Anthony Mills,  
Member Development Specialist  
Lorraine Moreno,  
Member Development Specialist  
David Rodriguez,  
Member Development Specialist





## Finance

Rhonda Covarrubias, Director of Finance  
Candace Nolte, Controller



Sherry Chapman, Investment Accountant  
Gloria Figueroa, Accounting Technician  
Josette Madry, Senior Accountant



## Government Relations

Eddie Solis, Director of Government Relations



## Legal

David Gavia, General Counsel  
Tish Root, Legal Assistant



Shannon Lucero, Support Services  
Pamela Morgan, Support Services  
Cris Rodriguez-Horn, Support Services

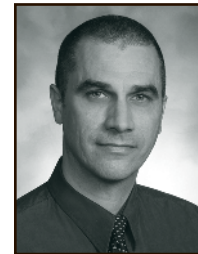


## Information Resources

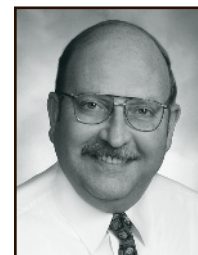
Scott Willrich, Director of Information Resources  
Pete Krnavek, Information Systems Manager  
Sandy Broady-Rudd, Records and Information Manager



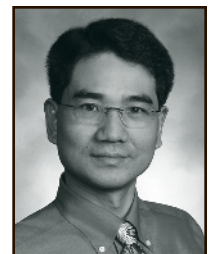
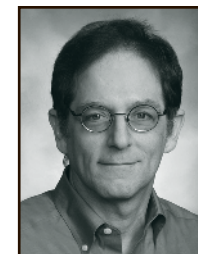
Blanca DaCosta Cruz, Quality Assurance Analyst  
David Eastwood, Records Technician  
Brian Farrar, Network/Systems Administrator



Judy Kitchens, Records Technician  
Charles Matthes, Network/Systems Administrator  
Gretchen Meyer, Senior Systems Analyst



Chad Nichols, Computer Support  
Leslie Smith-Rice, Records Technician  
Andy Solomon, Systems Analyst  
Kevin Wang, Senior Software Developer



## Investments

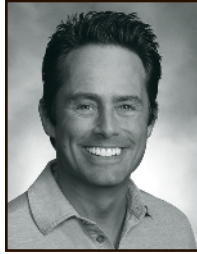
Gary Craig, Director of Investments  
Nancy Goerdel, Investment Officer  
Kristin Qualls, Investment Analyst



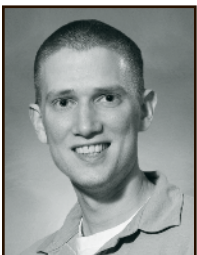
## Member Services



Debbie Muñoz, Director of Member Services  
Vikki Vasquez, Member Services Manager



Nadia Ali, Membership Analyst  
Martin Burke, Membership Analyst  
Debbie Davila, Retirement Analyst



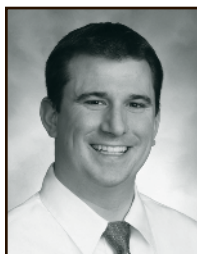
Colin Davidson, Membership Analyst  
Dixie Fedler, Retirement Analyst  
Karin Hicks, Retirement Analyst



Ida Gomez, Membership Analyst  
Rhonda Green, Membership Analyst  
Peter Jeske, Membership Analyst  
Maryann Malave-Jaini, Retirement Analyst



Kristen Masch, Membership Analyst  
Corinne Moreno, Receptionist  
Shelley Ransom, Membership Analyst  
LaShelle Ruiz, Membership Analyst



Tricia Solis, Retirement Analyst  
Sean Thompson, Membership Analyst  
Caroline Touchet, Retirement Analyst  
Laura Windwehen, Membership Analyst

## Purpose

The Texas Municipal Retirement System (TMRS, or the System) is an entity created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Government Code, as a retirement system for municipal employees in the State of Texas. TMRS is a public trust fund governed by a Board of Trustees with a professional staff responsible for administering the System in accordance with the TMRS Act. The System bears a fiduciary obligation to the State of Texas, TMRS cities, members, retirees, and beneficiaries.

## Administration

The TMRS Act entrusts the administration of TMRS to a six-member Board of Trustees, appointed by the Governor with the advice and consent of the Senate. Three trustees are Executive Trustees, who must be a chief executive officer, chief finance officer, or other officer, executive, or department head of a participating municipality. Three trustees are Employee Trustees, who must be employees of a participating municipality.

The TMRS Act requires regular Board meetings in March, June, September, and December of each year. The Board of Trustees employs actuarial, legal, medical, and other experts for the efficient administration of the System.

The Board appoints an Executive Director to manage TMRS under its supervision and direction.

## Membership

Cities choose to participate in TMRS. When a city joins TMRS, all of its eligible employees become members of the System. An employee in a position that normally requires at least 1,000 hours of work in a year, as determined by the city, is an eligible employee and is required to be a member of TMRS.

A person who leaves employment with all TMRS cities may withdraw all member deposits and interest from TMRS and cancel service credit with the System.

## Service Credit

TMRS members earn a month of service credit for each month they are employed in an eligible position by a participating TMRS city and make the required contribution to the System. Members may also receive Prior Service Credit for periods of city employment before the employing city joined TMRS. Because TMRS is a statewide retirement system, service credit may be a combination of service with several member cities. Service credit may also include Military Service Credit, credit for previously refunded TMRS service that has been purchased, and other types of service credit allowed under the TMRS Act.

A participating municipality can also grant, by ordinance, Restricted Prior Service Credit to an employee for service performed as a full-time paid employee of:

- Any public authority or agency created by the United States
- Any state or territory of the U.S.
- Any political subdivision of any state in the U.S.
- Any public agency or authority created by a state or territory of the U.S.
- A Texas institution of higher education, if employment was as a commissioned law enforcement officer serving as a college campus security employee.

Restricted Prior Service Credit also can be granted for credit previously forfeited under the Texas Municipal Retirement System, Teacher Retirement System of Texas, Employees Retirement System of Texas, Texas County and District Retirement System, or the Judicial Retirement System of Texas. This restricted credit may only be used to satisfy length-of-service requirements for vesting and retirement eligibility, and has no monetary value.

# Summary of Plan Provisions

CONTINUED

## Member Contributions

TMRS member cities designate, by ordinance, the rate of member contributions for their employees. This rate is 5%, 6%, or 7% of an employee's gross compensation. (Three cities have a 3% rate, no longer available to cities under the Act.) Compensation for retirement contribution purposes includes overtime pay, car allowances, uniform allowances, sick leave, vacation pay, and other payments if they are taxable in the current year or future years.

All member contributions since 1984 are tax-deferred under the Internal Revenue Code, Section 401(a). The member contribution rate may be increased by ordinance. However, the member contribution rate may only be reduced if the members in the city, by a 2/3 vote, consent to a reduction, and the city, by ordinance, provides for the reduction.

Interest is credited to member accounts annually on December 31, based on the balance in the account on January 1 of that year. In the year of retirement, interest will be prorated for that year based on the interest rate granted the preceding year.

## Vesting and Retirement Eligibility

TMRS members vest after either 5 or 10 years of service, based on their city's plan. If a vested member leaves covered employment before reaching retirement age, the member may leave his or her deposits with TMRS, earn interest on the deposits, and, upon reaching age 60, receive a monthly retirement payment.

A member becomes eligible for service retirement based on various combinations of age and service, depending on which provisions have been adopted by the employing municipality, including:

- Age 60 with 5 years of service
- Age 60 with 10 years of service
- Any age with 20 years of service
- Any age with 25 years of service

Prior to a city's adoption of the 20-year, any-age provision, the System must prepare an actuarial study to determine the provision's effect on the city's contribution rate, and the city must conduct a public hearing on the adoption.

Effective January 1, 2002, TMRS law was changed to give cities the option to choose 5-year vesting. Cities that did not opt out of that vesting provision before December 31, 2001, automatically changed from 10-year to 5-year vesting. Cities that chose to retain 10-year vesting may change to 5-year vesting at any time.

## City Contributions

Upon an employee's retirement, the employing city matches accumulated employee contributions plus interest earned. Each city chooses a matching ratio: 1 to 1 (100%); 1.5 to 1 (150%); or 2 to 1 (200%). This match is funded with monthly contributions by the participating municipality at an annual, actuarially determined rate. A municipality may elect to increase or reduce its matching ratio effective January 1 of a calendar year.

## Updated Service Credit

Member cities, at their option, may elect to adopt Updated Service Credit, either annually or on an annually repeating basis, effective January 1 of a calendar year. Updated Service Credit improves retirement benefits by using a member's average monthly salary over a recent three-year period and recalculating the member's retirement credit as if the member had always earned that salary and made deposits to the System, matched by the city, on the basis of that average monthly salary. Updated Service Credit also takes into account any changes in the city's TMRS plan provisions that have been adopted, such as an increase in the member contribution rate or the city's matching ratio. A member must have at least 36 months of service credit as of the study date in the adopting city before becoming eligible to receive this credit. Interest on Updated Service Credit is prorated in the year of retirement.



## Retirement Payment Options

After applying for retirement, a TMRS member may choose one of seven optional monthly payment plans. The member makes this choice before receipt of the first benefit check, and the choice is irrevocable after the date the first payment becomes due.

The options include:

- A benefit for the member's lifetime only
- Three guaranteed-term benefits that pay a benefit for the lifetime of the member and to a beneficiary for the balance of 5, 10, or 15 years if the member dies before the term is reached
- Three options that pay a lifetime benefit to the member and a lifetime survivor benefit equal to 50%, 75%, or 100% of the member's benefit

As a minimum benefit, TMRS guarantees that an amount equal to at least the member's contributions and interest will be returned, either through payment of a monthly benefit or through a lump-sum refund.

Each of the three survivor lifetime retirement options includes a "pop-up" feature. The "pop-up" feature provides that if the designated beneficiary dies before the retiree, the retiree's benefit will "pop-up" to a Retiree Lifetime Only amount.

Retirees who marry or remarry after retirement and who meet specific conditions also have a one-time option to change from a Retiree Life Only benefit to one that provides a survivor benefit.

Members who are eligible for service retirement may choose to receive a Partial Lump Sum Distribution — a portion of the member's deposits and interest in cash — at the time of retirement. The Partial Lump Sum Distribution is equal to 12, 24, or 36 times the amount of the Retiree Life Only benefit, but cannot exceed 75% of the member's deposits and interest. The remaining member deposits are combined with the city's funds to pay a lifetime benefit under the selected retirement option. The Partial Lump Sum Distribution is paid in a lump sum with the first retirement payment. This amount may be subject to federal income tax and an additional 10% IRS tax penalty if not rolled over into an IRA or another qualified plan.

## Annuity Increases

A member city may elect to increase the annuities of its retirees, either annually or on an annually repeating basis effective January 1 of a calendar year. For cities that adopted annuity increases January 1, 1982, or later, the adjustment is either 30%, 50%, or 70% of the increase (if any) in the Consumer Price Index – All Urban Consumers (CPI-U) between the December preceding the member's retirement date and the December one year before the effective date of the increase, minus any previously granted increases.

## Survivor Benefits

If a member dies before vesting, the member's designated beneficiary is eligible to receive a lump-sum refund of the member's deposits and interest. For a vested member, a beneficiary who is the member's spouse may select a monthly benefit payable immediately; withdraw the member's deposits and interest in a lump sum; or leave the member's deposits with TMRS, where they will earn interest until the date the member would have reached age 60, and then receive a lifetime benefit. Member deposits and interest may be refunded to a surviving spouse at any time. A beneficiary who is not the member's spouse may select a monthly benefit payable immediately or withdraw the member's deposits and interest in a lump sum.

# Summary of Plan Provisions

CONTINUED

## Disability Retirement

All active TMRS cities have adopted an Occupational Disability Retirement benefit. If a member is judged by the TMRS Medical Board to be disabled to the extent that the member cannot perform his or her occupation, and the disability is likely to be permanent, the member may retire with a lifetime benefit based on the total reserves as of the effective date of retirement. The Occupational Disability annuity will be reduced if the combined total of the Occupational Disability annuity and any wages earned (indexed to the CPI-U) exceeds the member's average monthly compensation for the highest 12 consecutive months during the three calendar years immediately before the year of retirement. As the minimum disability benefit, the member's deposits and interest are guaranteed to be returned, either through payment of the monthly benefit, or upon termination of the annuity through a lump-sum refund.

## Supplemental Death Benefits

Member cities may elect, by ordinance, to provide Supplemental Death Benefits for active members and retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding death. The death benefit amount for retirees is \$7,500. This benefit is paid in addition to any other TMRS benefits the beneficiary might be entitled to receive.

## Buyback of Service Credit

When a member terminates employment and chooses to take a refund of the deposits and interest, the member forfeits all service credit. If the member is reemployed by a TMRS member city, and if the employing city adopts the buyback provision by ordinance, the member may repay the amount of the refund plus a 5% per year withdrawal charge, in a lump sum, to reinstate the previously forfeited credit. A member must have 24 consecutive months of service with the reemploying city, and must be an employee of that city on the date the buyback ordinance is adopted to be eligible to buy back service.

## Military Service Credit

Members who leave service with a TMRS city, serve in the military, and then return to city employment may establish credit for the time they spend in the military, up to 60 months. Members who meet the requirements of the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) may make member contributions to TMRS as though they had been employed by the city for the period of their military service.

In cities that have adopted Military Service Credit, members who are not eligible for USERRA credit, or who choose not to make contributions, may establish service credit for up to 60 months of military time. A member must have five years of TMRS service credit to establish non-USERRA Military Service Credit.

Members with five years of TMRS service credit who were employed on December 31, 2003, by a city that had previously adopted Military Service Credit, may choose to purchase their military time at a cost of \$15 per month (purchase amount would increase the member's account balance), or may use the no-cost time-only provision. ♦



# Financiacial





Deloitte & Touche LLP  
Suite 1700  
400 West 15th Street  
Austin, TX 78701  
USA  
Tel: +1 512 691 2300  
www.deloitte.com

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Texas Municipal Retirement System  
Austin, Texas

We have audited the accompanying statements of plan net assets of the Pension Trust Fund and the Supplemental Death Benefits Fund of the Texas Municipal Retirement System (the "System") as of December 31, 2006 and 2005, and the related statements of changes in plan net assets for the years then ended, which collectively comprise the System's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective plan net assets of the Pension Trust Fund and the Supplemental Death Benefits Fund of the System, as of December 31, 2006 and 2005, and the respective changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the Schedules of Funding Progress and Employer Contributions are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Member of  
Deloitte Touche Tohmatsu

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The Supplemental Schedules as listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the System. The supplementary schedules are also the responsibility of the management of the System. Such additional information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The information in the Introductory Section, Investment Section, Actuarial Section, and Statistical Section are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on them.

Deloitte & Touche LLP

May 11, 2007

The Management's Discussion and Analysis (MD&A) of the Texas Municipal Retirement System (TMRS, or the System) for the years ended December 31, 2006 and 2005, provides a summary of the financial position and performance of TMRS, including highlights and comparisons. The MD&A is presented as a narrative overview and analysis in conjunction with the Letter of Transmittal, which is included in the Introductory Section of the *TMRS Comprehensive Annual Financial Report*. For more detailed information regarding TMRS financial activities, the reader should also review the actual financial statements, including the notes and supplementary schedules.

## Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the TMRS basic financial statements, which comprise the following components:

- Fund financial statements
- Notes to financial statements
- Required supplementary information
- Other supplemental schedules

Collectively, this information presents the net assets and the changes in net assets of TMRS as of December 31, 2006 and 2005. The information contained in each of these components is summarized as follows:

- **Fund Financial Statements.** A Statement of Net Assets and a Statement of Changes in Net Assets are presented for both the Pension Trust Fund and the Supplemental Death Benefits Fund as of December 31, 2006 and 2005, and for the years then ended. These financial statements reflect the resources available to pay benefits to retirees and other beneficiaries. During 2006, TMRS implemented GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. As a result, the Supplemental Death Benefits Fund is presented as a fiduciary fund of the System separate from the Pension Trust Fund, and the net assets are designated as available for postemployment benefit plans other than pension plans.
- **Notes to Financial Statements.** The financial statement notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. Information available in the notes to the financial statements is as follows:
  - Note 1 provides a summary of significant accounting policies, basis of accounting, and explanations of major asset and liability classes. Also included is a general description of TMRS, as well as a description of each of the funds administered by TMRS.
  - Note 2 provides a general description of the benefits administered by TMRS, including eligibility and vesting requirements, contributions, and benefit payments.
  - Note 3 provides information on the System's deposits and investments.
  - Note 4 provides information on the System's property and equipment.
  - Note 5 describes the allocation of interest among the separate funds.
  - Note 6 addresses the System's risk management issues.

- **Required Supplementary Information.** Required supplementary information consists of schedules and related notes concerning the funding status and contribution trends of the benefits administered by TMRS.
- **Other Supplemental Schedules.** Other supplemental schedules include additional information regarding administrative expenses, professional fees and services, investment expenses, and changes in Employees Saving Fund and Municipality Accumulation Fund balances.

## Financial Highlights

### Fiduciary Fund – Pension Trust Fund

The following table displays a summary of assets, liabilities, and net assets for the TMRS Pension Trust Fund at December 31, 2006, 2005, and 2004. The overall financial condition of the Pension Trust Fund reflects an increase in plan net assets over the three-year period ended December 31, 2006.

|                           | 2006             | 2005             | 2004             |
|---------------------------|------------------|------------------|------------------|
| Assets, excluding capital | \$22,580,705,542 | \$19,898,561,401 | \$17,001,705,810 |
| Capital assets            | 14,395,799       | 16,734,198       | 12,121,111       |
| Total assets              | 22,595,101,341   | 19,915,295,599   | 17,013,826,921   |
| Liabilities               | 9,086,261,495    | 6,648,862,152    | 5,079,230,179    |
| Net assets                | \$13,508,839,846 | \$13,266,433,447 | \$11,934,596,742 |

A summary of the change in net assets of the Pension Trust Fund for 2006, 2005, and 2004 is as follows (in millions):

|                                | 2006       | 2005       | 2004       | 2006 – 2005 |          | 2005 – 2004 |          |
|--------------------------------|------------|------------|------------|-------------|----------|-------------|----------|
|                                |            |            |            | \$ Change   | % Change | \$ Change   | % Change |
| <b>Additions</b>               |            |            |            |             |          |             |          |
| Municipal contributions        | \$470.7    | \$446.3    | \$401.4    | \$24.4      | 5.5 %    | \$44.9      | 11.2 %   |
| Plan members contributions     | 257.3      | 241.7      | 230.1      | 15.6        | 6.5      | 11.6        | 5.0      |
| Net investment income          | 129.4      | 1,217.1    | 1,271.8    | (1,087.7)   | (89.4)   | (54.7)      | (4.3)    |
| Total additions                | 857.4      | 1,905.1    | 1,903.3    | (1,047.7)   | (55.0)   | 1.8         | 0.1      |
| <b>Deductions</b>              |            |            |            |             |          |             |          |
| Retirement benefits            | 554.8      | 515.1      | 472.1      | 39.7        | 7.7      | 43.0        | 9.1      |
| Refunds                        | 49.0       | 48.5       | 45.6       | 0.5         | 1.0      | 2.9         | 6.4      |
| Administrative & other costs   | 11.2       | 9.7        | 8.5        | 1.5         | 15.5     | 1.2         | 14.1     |
| Total deductions               | 615.0      | 573.3      | 526.2      | 41.7        | 7.3      | 47.1        | 9.0      |
| Change in net assets           | 242.4      | 1,331.8    | 1,377.1    | (1,089.4)   | (81.8)   | (45.3)      | (3.3)    |
| Net assets - beginning of year | 13,266.4   | 11,934.6   | 10,557.5   | 1,331.8     | 11.2     | 1,377.1     | 13.0     |
| Net assets - end of year       | \$13,508.8 | \$13,266.4 | \$11,934.6 | \$242.4     | 1.8 %    | \$1,331.8   | 11.2 %   |

The growth in municipal and plan members contributions during fiscal years 2006 and 2005 is due to increases in active membership as well as growth in annual payroll. City membership totaled 821, 811, and 801 at December 31, 2006, 2005, and 2004, respectively.



# Management's Discussion and Analysis (Unaudited)

CONTINUED

Net investment income is presented after deduction of investment expenses and is comprised of interest, gains/(losses) from the sale of investments, net unrealized appreciation/(depreciation) in the fair value of investments, and net income from securities lending activities. Net investment income for 2005 is relatively consistent with amounts earned in 2004. The significant change in net investment income from 2005 to 2006 is primarily a result of the change in the net unrealized appreciation/(depreciation) in the fair value of investments during those periods (\$584.1 million depreciation in 2006 and \$464.8 million appreciation in 2005). Due to the long average maturity of the TMRS investment portfolio, such fluctuation is attributed to a change in the level of long-term interest rates. Bond market prices are inversely affected by a change in interest rates; as such, bond prices decreased in 2006 while long-term interest rates increased between December 31, 2005 and December 31, 2006.

The increase in retirement benefits is due primarily to increases in the number of retired members (30,089, 27,363, and 25,505 in 2006, 2005, and 2004, respectively) and service and disability retirement payments increasing by approximately \$44.7 million and \$41.4 million in 2006 and 2005, respectively. The increase in administrative and other costs from 2005 is due primarily to depreciation on internally developed software that was completed during 2005.

## Fiduciary Fund – Supplemental Death Benefits Fund

The following table displays a summary of net assets and changes in net assets for the Supplemental Death Benefits Fund at December 31, 2006, 2005, and 2004. The overall financial condition of the Supplemental Death Benefits Fund reflects an increase in plan net assets over the three-year period ended December 31, 2006.

|                             | 2006         | 2005         | 2004         |
|-----------------------------|--------------|--------------|--------------|
| Total assets and net assets | \$22,973,617 | \$20,936,307 | \$19,570,834 |

A summary of the change in net assets of the Supplemental Death Benefits Fund for 2006, 2005, and 2004 is as follows (in thousands):

|                                 | 2006              | 2005              | 2004              | 2006 – 2005      |              | 2005 – 2004      |              |
|---------------------------------|-------------------|-------------------|-------------------|------------------|--------------|------------------|--------------|
|                                 |                   |                   |                   | \$ Change        | % Change     | \$ Change        | % Change     |
| <b>Additions</b>                |                   |                   |                   |                  |              |                  |              |
| Municipal contributions         | \$6,741.8         | \$6,248.4         | \$5,858.7         | \$493.4          | 7.9 %        | \$389.7          | 6.7 %        |
| Net investment income           | 1,062.4           | 972.7             | 937.0             | 89.7             | 9.2          | 35.7             | 3.8          |
| <b>Total additions</b>          | <b>7,804.2</b>    | <b>7,221.1</b>    | <b>6,795.7</b>    | <b>583.1</b>     | <b>8.1</b>   | <b>425.4</b>     | <b>6.3</b>   |
| <b>Deductions</b>               |                   |                   |                   |                  |              |                  |              |
| Supplemental death benefits     | 5,766.9           | 5,855.6           | 6,155.0           | (88.7)           | (1.5)        | (299.4)          | (4.9)        |
| <b>Total deductions</b>         | <b>5,766.9</b>    | <b>5,855.6</b>    | <b>6,155.0</b>    | <b>(88.7)</b>    | <b>(1.5)</b> | <b>(299.4)</b>   | <b>(4.9)</b> |
| Change in net assets            | 2,037.3           | 1,365.5           | 640.7             | 671.8            | 49.2         | 724.8            | 113.1        |
| Net assets - beginning of year  | 20,936.3          | 19,570.8          | 18,930.1          | 1,365.5          | 7.0          | 640.7            | 3.4          |
| <b>Net assets - end of year</b> | <b>\$22,973.6</b> | <b>\$20,936.3</b> | <b>\$19,570.8</b> | <b>\$2,037.3</b> | <b>9.7 %</b> | <b>\$1,365.5</b> | <b>7.0 %</b> |



The increase in municipal contributions during 2006 and 2005 is due to increased membership in the Supplemental Death Benefits Plan. The Supplemental Death Benefits Fund receives a 5% statutory interest credit from the Pension Trust Fund, and therefore the increase in net investment income is due to the increased net assets balance from which the interest credit is calculated.

## **Requests for Information**

This financial report is designed to provide a general overview of the Texas Municipal Retirement System's finances. Questions and requests for additional information should be addressed to the Finance Department of the Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas 78714-9153. ♦

# Statements of Plan Net Assets

|   | As of December 31, 2006 and 2005 |                                  |                          |                          |                                  |                          |
|---|----------------------------------|----------------------------------|--------------------------|--------------------------|----------------------------------|--------------------------|
|   | 2006                             |                                  |                          | 2005                     |                                  |                          |
|   | Pension Trust Fund               | Supplemental Death Benefits Fund | Total                    | Pension Trust Fund       | Supplemental Death Benefits Fund | Total                    |
| <b>ASSETS</b>   |                                  |                                  |                          |                          |                                  |                          |
| Receivables   |                                  |                                  |                          |                          |                                  |                          |
| Contributions   | \$ 69,328,948                    | \$ 651,446                       | \$ 69,980,394            | \$ 66,490,000            | \$ 617,333                       | \$ 67,107,333            |
| Interest  | 133,573,425                      | -                                | 133,573,425              | 119,831,382              | -                                | 119,831,382              |
| Securities lending income   | 36,464,461                       | -                                | 36,464,461               | 21,836,621               | -                                | 21,836,621               |
| Investment sales  | 876,586,538                      | -                                | 876,586,538              | 531,726,061              | -                                | 531,726,061              |
| <b>Total receivables</b>  | <b>1,115,953,372</b>             | <b>651,446</b>                   | <b>1,116,604,818</b>     | <b>739,884,064</b>       | <b>617,333</b>                   | <b>740,501,397</b>       |
| Investments, at fair value  |                                  |                                  |                          |                          |                                  |                          |
| Short-term investment funds   | 432,877,689                      | 22,322,171                       | 455,199,860              | 325,918,629              | 20,318,974                       | 346,237,603              |
| Fixed income securities   | 13,160,559,699                   | -                                | 13,160,559,699           | 12,773,876,409           | -                                | 12,773,876,409           |
| <b>Total investments</b>  | <b>13,593,437,388</b>            | <b>22,322,171</b>                | <b>13,615,759,559</b>    | <b>13,099,795,038</b>    | <b>20,318,974</b>                | <b>13,120,114,012</b>    |
| Invested securities lending collateral  | 7,871,167,406                    | -                                | 7,871,167,406            | 6,058,725,962            | -                                | 6,058,725,962            |
| Property and equipment, at cost, net of accumulated depreciation of \$9,663,110 and \$7,040,092 at December 31, 2006 and 2005, respectively | 14,395,799                       | -                                | 14,395,799               | 16,734,198               | -                                | 16,734,198               |
| Other assets  | 147,376                          | -                                | 147,376                  | 156,337                  | -                                | 156,337                  |
| <b>TOTAL ASSETS</b>   | <b>22,595,101,341</b>            | <b>22,973,617</b>                | <b>22,618,074,958</b>    | <b>19,915,295,599</b>    | <b>20,936,307</b>                | <b>19,936,231,906</b>    |
| <b>LIABILITIES</b>  |                                  |                                  |                          |                          |                                  |                          |
| Investment purchases payable  | 1,172,277,573                    | -                                | 1,172,277,573            | 559,411,889              | -                                | 559,411,889              |
| Due to depository bank  | 5,847,197                        | -                                | 5,847,197                | 7,474,941                | -                                | 7,474,941                |
| Accounts payable and other  | 1,139,547                        | -                                | 1,139,547                | 1,901,137                | -                                | 1,901,137                |
| Securities lending fees payable   | 35,829,772                       | -                                | 35,829,772               | 21,348,223               | -                                | 21,348,223               |
| Securities lending collateral   | 7,871,167,406                    | -                                | 7,871,167,406            | 6,058,725,962            | -                                | 6,058,725,962            |
| <b>TOTAL LIABILITIES</b>  | <b>9,086,261,495</b>             | <b>-</b>                         | <b>9,086,261,495</b>     | <b>6,648,862,152</b>     | <b>-</b>                         | <b>6,648,862,152</b>     |
| <b>NET ASSETS</b>   |                                  |                                  |                          |                          |                                  |                          |
| Net assets held in trust for pension benefits   | 13,508,839,846                   | -                                | 13,508,839,846           | 13,266,433,447           | -                                | 13,266,433,447           |
| Net assets held in trust for other postemployment benefits  | -                                | 22,973,617                       | 22,973,617               | -                        | 20,936,307                       | 20,936,307               |
| <b>TOTAL NET ASSETS</b>   | <b>\$ 13,508,839,846</b>         | <b>\$ 22,973,617</b>             | <b>\$ 13,531,813,463</b> | <b>\$ 13,266,433,447</b> | <b>\$ 20,936,307</b>             | <b>\$ 13,287,369,754</b> |
| (A schedule of funding progress for the Pension Trust Fund is presented on page 44.)  |                                  |                                  |                          |                          |                                  |                          |
| See accompanying notes to financial statements.   |                                  |                                  |                          |                          |                                  |                          |

# Statements of Changes in Plan Net Assets

|   | For the Years Ended December 31, 2006 and 2005 |  |                          |                          |  |                          |
|---|--|--|--------------------------|--------------------------|--|--------------------------|
|   | 2006   |  |                          | 2005                     |  |                          |
|   | Pension<br>Trust Fund                          | Supplemental<br>Death<br>Benefits Fund | Total                    | Pension<br>Trust Fund    | Supplemental<br>Death<br>Benefits Fund | Total                    |
| <b>ADDITIONS</b>  |  |  |                          |                          |  |                          |
| Contributions   |  |  |                          |                          |  |                          |
| Employer  | \$ 470,710,457                                 | \$ 6,741,818                           | \$ 477,452,275           | \$ 446,302,458           | \$ 6,248,373                           | \$ 452,550,831           |
| Plan members  | 257,268,310                                    | -                                      | 257,268,310              | 241,695,424              | -                                      | 241,695,424              |
| <b>Total contributions</b>                                      | <b>727,978,767</b>                             | <b>6,741,818</b>                       | <b>734,720,585</b>       | <b>687,997,882</b>       | <b>6,248,373</b>                       | <b>694,246,255</b>       |
| Net investment income   |  |  |                          |                          |  |                          |
| From investing activities                                       |  |  |                          |                          |  |                          |
| Net (depreciation)/appreciation<br>in fair value of investments | (566,569,835)                                  | -                                      | (566,569,835)            | 574,458,912              | -                                      | 574,458,912              |
| Interest  | 691,330,921                                    | 1,062,425                              | 692,393,346              | 638,438,501              | 972,686                                | 639,411,187              |
| <b>Total investing activities income</b>                        | <b>124,761,086</b>                             | <b>1,062,425</b>                       | <b>125,823,511</b>       | <b>1,212,897,413</b>     | <b>972,686</b>                         | <b>1,213,870,099</b>     |
| Less investment activity expense                                | (1,012,050)                                    | -                                      | (1,012,050)              | (723,469)                | -                                      | (723,469)                |
| <b>Net income from investing activities</b>                     | <b>123,749,036</b>                             | <b>1,062,425</b>                       | <b>124,811,461</b>       | <b>1,212,173,944</b>     | <b>972,686</b>                         | <b>1,213,146,630</b>     |
| From securities lending activities                              |  |  |                          |                          |  |                          |
| Securities lending income                                       | 358,669,230                                    | -                                      | 358,669,230              | 176,386,018              | -                                      | 176,386,018              |
| Securities lending expenses                                     |  |  |                          |                          |  |                          |
| Borrower rebates  | (351,853,421)                                  | -                                      | (351,853,421)            | (169,736,571)            | -                                      | (169,736,571)            |
| Agent fees  | (1,134,933)                                    | -                                      | (1,134,933)              | (1,687,356)              | -                                      | (1,687,356)              |
| <b>Net income from securities lending activities</b>            | <b>5,680,876</b>                               | <b>-</b>                               | <b>5,680,876</b>         | <b>4,962,091</b>         | <b>-</b>                               | <b>4,962,091</b>         |
| <b>Net investment income</b>                                    | <b>129,429,912</b>                             | <b>1,062,425</b>                       | <b>130,492,337</b>       | <b>1,217,136,035</b>     | <b>972,686</b>                         | <b>1,218,108,721</b>     |
| Other miscellaneous   | -  | -                                      | -                        | 14,781                   | -                                      | 14,781                   |
| <b>TOTAL ADDITIONS</b>  | <b>857,408,679</b>                             | <b>7,804,243</b>                       | <b>865,212,922</b>       | <b>1,905,148,698</b>     | <b>7,221,059</b>                       | <b>1,912,369,757</b>     |
| <b>DEDUCTIONS</b>   |  |  |                          |                          |  |                          |
| Benefit payments  |  |  |                          |                          |  |                          |
| Service retirement  | 435,307,270                                    | -                                      | 435,307,270              | 391,279,705              | -                                      | 391,279,705              |
| Disability retirement   | 14,177,858                                     | -                                      | 14,177,858               | 13,477,860               | -                                      | 13,477,860               |
| Distributive benefits   | 11,146,810                                     | -                                      | 11,146,810               | 13,388,067               | -                                      | 13,388,067               |
| Partial lump-sum distributions                                  | 94,203,122                                     | -                                      | 94,203,122               | 96,927,134               | -                                      | 96,927,134               |
| Supplemental death benefits                                     | -  | 5,766,933                              | 5,766,933                | -                        | 5,855,586                              | 5,855,586                |
| <b>Total benefit payments</b>                                   | <b>554,835,060</b>                             | <b>5,766,933</b>                       | <b>560,601,993</b>       | <b>515,072,766</b>       | <b>5,855,586</b>                       | <b>520,928,352</b>       |
| Refunds of contributions  | 48,991,124                                     | -                                      | 48,991,124               | 48,561,266               | -                                      | 48,561,266               |
| Administrative expenses   | 11,176,096                                     | -                                      | 11,176,096               | 9,677,961                | -                                      | 9,677,961                |
| <b>TOTAL DEDUCTIONS</b>   | <b>615,002,280</b>                             | <b>5,766,933</b>                       | <b>620,769,213</b>       | <b>573,311,993</b>       | <b>5,855,586</b>                       | <b>579,167,579</b>       |
| <b>CHANGE IN NET ASSETS</b>                                     | <b>242,406,399</b>                             | <b>2,037,310</b>                       | <b>244,443,709</b>       | <b>1,331,836,705</b>     | <b>1,365,473</b>                       | <b>1,333,202,178</b>     |
| <b>NET ASSETS</b>   |  |  |                          |                          |  |                          |
| Net assets held in trust for pension benefits                   |  |  |                          |                          |  |                          |
| Beginning of year   | 13,266,433,447                                 | -                                      | 13,266,433,447           | 11,934,596,742           | -                                      | 11,934,596,742           |
| End of year   | 13,508,839,846                                 | -                                      | 13,508,839,846           | 13,266,433,447           | -                                      | 13,266,433,447           |
| Net assets held in trust for other<br>postemployment benefits   |  |  |                          |                          |  |                          |
| Beginning of year   | -  | 20,936,307                             | 20,936,307               | -                        | 19,570,834                             | 19,570,834               |
| End of year   | -  | 22,973,617                             | 22,973,617               | -                        | 20,936,307                             | 20,936,307               |
| <b>TOTAL NET ASSETS</b>   | <b>\$ 13,508,839,846</b>                       | <b>\$ 22,973,617</b>                   | <b>\$ 13,531,813,463</b> | <b>\$ 13,266,433,447</b> | <b>\$ 20,936,307</b>                   | <b>\$ 13,287,369,754</b> |

See accompanying notes to financial statements.

## 1. Summary of Significant Accounting Policies

### A. Background and Reporting Entity

The Texas Municipal Retirement System (the System or TMRS) is an agency created by the State of Texas and administered in accordance with the Texas Municipal Retirement System Act (the TMRS Act) as a retirement and disability pension system for municipal employees in the State of Texas. As such, TMRS is a public trust fund that has the responsibility of administering the System in accordance with the TMRS Act and bears a fiduciary obligation to the State of Texas, the TMRS member cities, and the public employees who are its beneficiaries.

The System's financial statements have been prepared to conform with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

As defined by GAAP established by the GASB, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Based on the required criteria, TMRS has no component units and is not a component unit of any other entity. As such, the accompanying financial statements include only the operations of the System.

The TMRS Act places the general administration and management of the System with the Board of Trustees (the Board). The Governor, with advice and consent of the Senate, appoints the Board.

### B. New Accounting Pronouncements

In April 2004 the GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and in June 2004 the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. These statements establish uniform financial reporting standards for the measurement, recognition, and display of the assets, liabilities, and, where applicable, net assets and changes in net assets of such funds and for the related disclosures of postemployment benefit plans. Participating municipalities may choose to cover their retirees in a supplemental death benefits program administered by TMRS. This program, similar to a group-term life insurance program, is considered a postemployment benefit plan other than pension plan (OPEB). GASB Statement No. 43 applies to the plan administrator and is effective for the System's 2006 fiscal year. GASB Statement No. 45 applies to the employer,

or municipality, providing the postemployment benefits and is effective for the System's 2007 fiscal year, implementation of which is not expected to have a material impact on the System's financial statements.

### C. Change in Accounting Principle

As a result of the implementation of GASB Statement No. 43, the Supplemental Death Benefits Fund (SDBF) is reported as a trust fund, a type of fiduciary fund. This presentation reflects a change to a more preferable method of accounting for the activities of the SDBF, which were previously reported as a proprietary fund. The accompanying 2005 SDBF financial statements reflect the fiduciary fund reporting. There was no impact to total net assets previously reported, or changes therein.

### D. Basis of Accounting

The Pension Trust Fund and the Supplemental Death Benefits Fund are maintained on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred, regardless of when payment is made. Employer and employee contributions are recognized when due. Participant benefits are recorded when payable by law. Refunds are recorded and paid upon receipt of an approved application for refund. TMRS applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements and interpretations issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Plan Net Assets and the Statements of Changes in Plan Net Assets.

### E. Basis of Presentation

The fund financial statements are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. These accounts are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with applicable statutory guidelines or restrictions.

Each of the System's funds is considered a Fiduciary Fund. The following is a brief description of each fund category.



## **Fiduciary Fund — Pension Trust Fund**

The Pension Trust Fund reports the resources held in trust for TMRS members and beneficiaries. The TMRS Act does not create legally required reserves, but establishes accounts that comprise the net assets held in trust for pension benefits as follows:

**Employees Saving Fund** — The Employees Saving Fund accounts for all contributions made by member employees. The fund is reduced by refunds due to withdrawals, death, and ineligibility, and transfers of members' deposits to the Current Service Annuity Reserve Fund upon retirement.

**Municipality Accumulation Fund** — The Municipality Accumulation Fund accounts for all normal and prior service contributions made to the System by the participating municipalities. The fund is reduced by prior service annuity payments, and from transfers made of reserves on hand for current service annuities to the Current Service Annuity Reserve Fund upon retirement.

**Current Service Annuity Reserve Fund** — The Current Service Annuity Reserve Fund maintains all reserves for current service annuities granted and in force and disburses all payments of current service annuities.

**Supplemental Disability Benefits Fund** — The TMRS Board of Trustees initiated legislation to amend the TMRS Act in 1987, which terminated all cities' participation in the Supplemental Disability Benefits Fund effective January 1, 1988. Consequently, there have been no contributions to this Fund since 1987. A sufficient balance exists to meet the remaining obligations of the Supplemental Disability Benefits Fund.

**Endowment Fund** — The Endowment Fund consists of investment income (Interest Reserve Account), gifts, awards, and funds and assets accruing to the System that are not specifically required by the other funds.

**Expense Fund** — The expenses of administration and maintenance of the System are paid from the Expense Fund. The amount estimated as required to meet the needs of the System shall be paid from the Interest Reserve Account of the Endowment Fund to the extent available. The Board, as evidenced by a resolution of the Board recorded in its minutes, may transfer to the Expense Fund the amount required to cover the administrative costs as estimated for the year.

## **Fiduciary Fund — Supplemental Death Benefits Fund**

The Supplemental Death Benefits Fund (SDBF) reports the resources available to pay supplemental death claims for covered participants. Member cities may elect, by ordinance, to provide "Supplemental Death Benefits" for their active members and/or retirees. The SDBF is a separate trust administered by the TMRS Board of Trustees.

The TMRS Act requires the Pension Trust Fund to allocate investment income to the SDBF on an annual basis (see additional information regarding fund allocations in note 5). Death benefit payments are payable only from this fund and are not an obligation of, or a claim against, the other funds of the System.

## F. Investments

Investments at December 31, 2006 and 2005 include investments in short-term custodian-managed funds, U.S. Treasury, U.S. government agency, state and local government, and corporate obligations. Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value based on quoted values from major investment brokers. Short-term investments are reported at cost, which approximates market value. Security transactions and any resulting gains or losses are accounted for by the specific identification method on a trade date basis. Investment sales receivable and investment purchases payable represent amounts outstanding at year-end for unsettled trades.

## G. Property and Equipment

Property and equipment consisting of building and improvements, furniture, software, equipment, and land are recorded at cost. It is the System's policy to capitalize items that individually exceed \$1,000, which, effective January 1, 2007, was increased to \$5,000. Depreciation on furniture, equipment, and software is calculated on a straight-line basis over their estimated useful lives, which range from three to ten years; depreciation for building and improvements is calculated on a straight-line basis over forty years.

## H. Securities Lending

The Board of Trustees has authorized the System to participate in a securities lending program, administered by the custodial agent bank, whereby certain fixed-income securities are loaned to an approved independent broker/dealer (borrower) with a simultaneous agreement to return the collateral for the same securities. Collateral is in the form of cash or eligible securities and is initially equal to 102% of the market value plus any accrued interest on the loaned securities, and is maintained at a minimum level of 100% of the market value plus any accrued interest. Securities received as collateral may not be pledged or sold without borrower default. The contract with the System's custodial agent bank requires the custodian to indemnify the System fully if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan. All investments in cash collateral are held by the custodial agent bank, but not in the name of the System, and are not insured.

The fair value of securities on loan totaled \$7,717,557,259 and \$5,928,896,189 at December 31, 2006 and 2005. At December 31, 2006 and 2005, TMRS had no credit risk exposure to borrowers as the collateral amounts received exceeded amounts on loan. Additionally, TMRS did not experience any losses from default of a borrower or lending agent during 2006 or 2005.

Cash collateral received is invested in a pooled short-term investment fund managed by the custodial agent bank. On December 31, 2006 and 2005, the System's investment in the fund totaled \$7,871,167,406 and \$6,058,725,962, respectively, and represented 11.34% and 8.1% of the pooled funds, respectively. Securities received as collateral had a fair value of \$4,948,946 and \$0 at December 31, 2006 and 2005, respectively.

## 2. Plan Description

### A. Pension Trust Fund

TMRS is a statewide agent multiple-employer public employee retirement system that administers 821 nontraditional, joint contributory, hybrid defined benefit plans covering all eligible employees of member cities in Texas. Membership in TMRS is summarized below as of December 31, 2006 and 2005:

|   | 2006          | 2005          |
|---|---------------|---------------|
| <b>Annuitant accounts currently receiving benefits</b>    | 32,175        | 29,970        |
| <b>Terminated employee accounts entitled to benefits:</b> |               |               |
| Vested  | 17,766        | 16,367        |
| Non-vested  | <u>15,968</u> | <u>15,533</u> |
| Total   | 33,734        | 31,900        |
| <b>Current employee accounts:</b>                         |               |               |
| Vested  | 57,314        | 55,830        |
| Non-vested  | <u>38,269</u> | <u>37,950</u> |
| Total   | 95,583        | 93,780        |
| <b>Total member cities</b>                                | 821           | 811           |

**Benefits** — Benefits depend on the sum of the employee's contributions, with interest, and the city-financed monetary credits, with interest. At the inception of each city's plan, the city granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest (3% annual), prior to establishment of the plan. Monetary credits for service since each plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, each city can grant, as often as annually, another type of monetary credit referred to as an updated service credit. The updated service credit is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the city matching percent had always been in existence and if the employee's salary had always been the average of his salary in the three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options: retiree life only; one of three lifetime survivor options; or one of three guaranteed term options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution (PLSD), an amount equal to 12, 24, or 36 monthly payments under the retiree life only option and that cannot exceed 75% of the total member deposits and interest.

Members in most cities can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Some cities have elected retirement eligibility with 25 years of service regardless of age. Most plans also provide death and disability benefits.

Effective January 1, 2002, members are vested after five years, unless a city opted to maintain ten-year vesting. The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS.

Members may work for more than one TMRS city during their career. If an individual has become vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

**Contributions** — The contribution rates for employees are either 5%, 6%, or 7% of employee gross earnings (three cities have a 3% rate, which is no longer allowed for new cities under the Act), and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of each city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the unit credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate. The normal cost contribution rate finances the currently accruing monetary credits due to the city matching percent, which are the obligation of the city as of the employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the city to each employee at the time his retirement becomes effective. The prior service contribution rate amortizes the unfunded (or overfunded) actuarial liability (asset) over the remainder of each plan's 25-year amortization period; cities with two or fewer employees use a more conservative amortization period to reflect the normal retirement period specific to their employees. The employer contribution rate cannot exceed a statutory maximum rate, which is a function of the employee contribution rate and the city matching percent. There is an optional higher maximum that may be applied if elected by the city or a city may elect to remove the maximum rate. For example, with a 6% employee contribution rate and a city matching percent of 200%, the maximum employer contribution rate is 12.5% (13.5% if the higher maximum is elected). These maximum rates come into play only occasionally. A member city may elect to contribute its calculated rate without regard to the statutory maximum. The maximum does not apply at all for cities beginning participation on or after December 31, 1999. Contribution rate information is contained within the Actuarial Section of this report.

Contributions are made monthly by both the employees and the member cities. Since each member city must know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the contribution rate and the calendar year when the rate goes into effect. Contributions totaling \$470.7 million and \$446.3 million were made in 2006 and 2005 by the member cities in accordance with the actuarially determined city contribution rates, based on the December 31, 2004 and 2003 actuarial valuations. The employees of the cities contributed \$257.3 million and \$241.7 million in 2006 and 2005 in accordance with the city-adopted employee contribution rate for each city.

## B. Supplemental Death Benefits Fund

TMRS also administers a cost sharing multiple-employer defined benefit group term life insurance plan known as the Supplemental Death Benefits Fund (SDBF).

Contributions are made by the participating municipalities and are recognized when due. The contribution rate is determined annually for each municipality. The rate is based on the mortality and service experience of all employees covered by the fund and the demographics specific to the workforce of the municipality. 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. Contributions are made monthly based on the covered payroll of employee members of the participating municipality. Payments from this fund are similar to group term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees, considered OPEB, is a fixed amount of \$7,500. Contributions are utilized to fund active member deaths on a pay-as-you-go basis. Any excess contributions over payments then become net assets available for OPEB. The contributions to this fund are pooled for investment purposes with those of the Pension Trust Fund.

Participation in the SDBF as of December 31, 2006 and 2005 is summarized below; these counts represent those eligible for the retiree death benefit, or OPEB, only:

|  | <b>2006</b>   | <b>2005</b>   |
|--|---------------|---------------|
| <b>Annuitants currently eligible for benefits</b>  | 17,376        | 15,926        |
| <b>Terminated vested employee accounts</b>         | 13,160        | 12,047        |
| <b>Current employee accounts</b>                   |               |               |
| Vested   | 38,140        | 33,856        |
| Non-vested   | <u>26,909</u> | <u>26,555</u> |
| <b>Total</b>                                       | 65,049        | 60,411        |
| <b>Number of cities providing retiree coverage</b> | 706           | 694           |

The funded status of the plan as of the most recent actuarial valuation date is as follows (amounts in millions of dollars):

| For Year Ended<br>December 31 | Net Assets<br>Available<br>for Benefits | Actuarial<br>Liability | Percentage<br>Funded<br>(1)/(2) | Unfunded<br>Actuarial Liability<br>(UAL)<br>(2) - (1) | Annual<br>Covered<br>Payroll | UAL as a Percentage<br>of Covered Payroll<br>(4)/(5) |
|-------------------------------|---|------------------------|---------------------------------|---|------------------------------|--|
|                               | (1)                                     | (2)                    | (3)                             | (4)   | (5)                          | (6)  |
| 2006                          | \$ 23.0                                 | \$ 149.5               | 15.4 %                          | \$ 126.5  | \$ 2,687.5                   | 4.7%   |



Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. At transition to the new accounting standard (GASB Statement No. 43), the schedule includes results for as many valuations as have been performed based on the parameters of the new standard.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Additional information as of the latest actuarial valuation follows:

|                               |                          |
|-------------------------------|--------------------------|
| Valuation Date                | 12/31/06                 |
| Actuarial Cost Method         | Projected Unit Credit    |
| Amortization Method           | Level Percent of Payroll |
| Remaining Amortization Period | 25 Years-Open Period     |
| Asset Valuation Method        | Amortized Cost           |
| <b>*Actuarial Assumptions</b> |                          |
| Investment Rate of Return     | 3.25%                    |
| Projected Salary Increases    | None                     |
| Includes Inflation at         | 3.5%                     |
| Cost-of-Living Adjustments    | None                     |

\* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

GASB Statement No. 43 requires the investment return (discount rate) assumption to take into account the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Benefits are expected to be provided partially from accumulated plan assets (including accumulated investment earnings) and partially from direct employer contributions. While assets invested in the Supplemental Death Benefit Fund are expected to earn 5% interest annually, employer contributions will be made from working funds held in cash or short-term investments. Based on the expected blend of the source of these funds, the investment return assumption has been set at 3.25%.

# Notes to Financial Statements

CONTINUED

## C. TMRS as Employer

TMRS provides pension benefits for all of its full-time employees through its own TMRS plan. The plan provisions that have been adopted by the TMRS Board of Trustees are within the options available in the governing state statutes. Employees can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age, and are vested after 5 years. The contribution rate for employees is 7% and the matching percent for TMRS is 200%.

|  | 2006      | 2005      |
|--|-----------|-----------|
| <b>Annuitants currently receiving benefits</b>   | 12        | 11        |
| <b>Terminated employees entitled to benefits</b> |           |           |
| Vested   | 16        | 17        |
| Non-vested                                       | <u>6</u>  | <u>5</u>  |
| <b>Total</b>                                     | 22        | 22        |
| <b>Current employees</b>                         |           |           |
| Vested   | 37        | 33        |
| Non-vested                                       | <u>22</u> | <u>24</u> |
| <b>Total</b>                                     | 59        | 57        |

| Summary of Actuarial Liabilities and Funding Progress<br>TMRS as Employer (Unaudited) |                                   |                     |                           |  |                        |                               |                        |                                   |
|---|-----------------------------------|---------------------|---------------------------|--|------------------------|-------------------------------|------------------------|-----------------------------------|
| Annual Report Year  | Net Assets Available for Benefits | Actuarial Liability | Percentage Funded (1)/(2) | Unfunded Actuarial Liability (UAL) (2) - (1) | Annual Covered Payroll | UAL as a % of Payroll (4)/(5) | Employer Contributions | Average Contribution Rate (7)/(5) |
|   | (1)                               | (2)                 | (3)                       | (4)  | (5)                    | (6)                           | (7)                    | (8)                               |
| 2001  | \$ 6,547,029                      | \$ 8,168,998        | 80.1 %                    | \$ 1,621,969                                 | \$ 2,944,529           | 55.1 %                        | \$322,425              | 10.9 %                            |
| 2002  | 7,668,454                         | 9,532,957           | 80.4                      | 1,864,503                                    | 3,538,457              | 52.7                          | 402,675                | 11.4                              |
| 2003  | 8,798,062                         | 10,970,284          | 80.2                      | 2,172,222                                    | 3,789,829              | 57.3                          | 433,176                | 11.4                              |
| 2004  | 8,585,434                         | 10,825,277          | 79.3                      | 2,239,843                                    | 4,024,414              | 55.7                          | 466,832                | 11.6                              |
| 2005  | 9,204,009                         | 11,748,232          | 78.3                      | 2,544,223                                    | 4,303,129              | 59.1                          | 524,550                | 12.2                              |
| 2006  | 8,774,256                         | 11,403,717          | 76.9                      | 2,629,461                                    | 4,305,372              | 61.1                          | 532,143                | 12.4                              |

See Notes to Trend Data in the Required Supplementary Information for actuarial assumptions and methods used to determine the actuarial value of the assets.

TMRS as Employer had an annual pension cost of \$532,143 and \$524,550 for the fiscal years ended December 31, 2006 and 2005, respectively, which was equal to the required and actual contributions. Three-year trend information is as follows:

| Annual Report Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------|---------------------------|-------------------------------|------------------------|
| 2004               | \$ 466,832                | 100.0%                        | \$ -                   |
| 2005               | 542,550                   | 100.0                         | -                      |
| 2006               | 532,143                   | 100.0                         | -                      |

### 3. Deposits and Investments

#### A. Cash in Bank and Deposits

Demand deposit accounts are held by a local banking institution under terms of a written depository contract and totaled \$223,034 and \$768,957, with carrying amounts of (\$5,847,197) and (\$7,474,941) at December 31, 2006 and 2005, respectively. Securities pledged had a market value of \$6,724,527 and \$4,476,787 at December 31, 2006 and 2005, respectively. The account, Due to Depository Bank (book overdraft), consists of benefit checks outstanding at December 31, 2006 and 2005.

#### B. Deposit and Investment Risk

State and local governments have deposits and investments that are subject to various risks. GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, provides disclosure requirements related to deposit and investment risks: custodial credit risk, credit risk, concentrations of credit risk, interest rate risk, and foreign currency risk.

##### **Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits might not be recovered. TMRS does not have a formal deposit policy for custodial credit risk. All deposits as of December 31, 2006 and 2005, to the extent not insured by the Federal Deposit Insurance Corporation, were collateralized by securities held by a third party independent custodian, in the System's name, under a joint custody agreement giving the System unconditional rights and claims to collateral.

##### **Custodial Credit Risk – Investments**

Custodial credit risk is the risk that, in the event of failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The assets of the System may be held in the name of agents, nominees, depository trust companies, or other entities designated by the Board of Trustees. At December 31, 2006 and 2005, all investments are registered in the System's name or in the name of the System's custodian, which was established through a master trust custodial agreement, and are held by the custodian in the name of the System.

# Notes to Financial Statements

CONTINUED

The fair values of investments at December 31, 2006 and 2005 are as follows:

|                                     | 2006                     |                          | 2005                     |                          |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                     | Fair Value               | Cost                     | Fair Value               | Cost                     |
| <b>Short-term investment funds*</b> | \$ 455,199,860           | \$ 455,199,860           | \$ 346,237,603           | \$ 346,237,603           |
| <b>Fixed-income securities</b>      |                          |                          |                          |                          |
| U.S. Treasury                       | 4,491,997,610            | 4,554,686,544            | 4,641,646,623            | 4,476,975,770            |
| U.S. government agency              | 4,326,277,977            | 4,206,948,681            | 4,037,784,371            | 3,727,135,876            |
| State/local government              | 700,217,383              | 693,054,012              | 644,830,185              | 616,873,970              |
| Corporate                           | 3,642,066,729            | 3,509,697,423            | 3,449,615,230            | 3,172,589,295            |
| <b>TOTAL</b>                        | <b>\$ 13,615,759,559</b> | <b>\$ 13,419,586,520</b> | <b>\$ 13,120,114,012</b> | <b>\$ 12,339,812,514</b> |

\* Includes assets of both the Pension Trust Fund and Supplemental Death Benefits Fund.

## Credit Risk — Investments

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Act authorizes TMRS to invest in short-term investments, pending accumulation of amounts sufficient to warrant longer-term commitment, in the following: (1) U.S. Treasury securities of one year maturity or less; (2) U.S. government-sponsored enterprise discount notes of one year of maturity or less; (3) commercial paper of 270 days or less in maturity issued by corporations whose commercial paper is rated in the highest rating category by Moody's Investor Service, Standard and Poor's Corporation, or FitchRatings; and (4) custodian bank's short-term investment fund, provided such fund is restricted to securities rated A or better, provides daily liquidity, and satisfies the requirements for ERISA-qualified plans.

For longer-term commitment, the Act authorizes TMRS to invest in the following investments: (1) U.S. Treasury notes and bonds; (2) U.S. government agency securities, backed by the full faith and credit of the U.S. government or collateralized by U.S. Treasury securities; (3) U.S. government-sponsored enterprise securities and federally related institution securities; (4) mortgage pass-thru securities issued by the U.S. government and federally chartered agencies that are rated A or better by one or more of the nationally recognized rating agencies; (5) collateralized mortgage obligation (CMO) bonds issued by the U.S. government and federally chartered agencies or collateralized by U.S. government agency securities that are rated A or better by one or more of the nationally recognized rating agencies; (6) U.S. corporate bonds that are rated A or better by Moody's Investor Service, Standard and Poor's Corporation, or FitchRatings; (7) bonds of a state, county, school district, city, or other municipal corporation of the United States, rated in the AA category by Moody's Investor Service, Standard and Poor's Corporation, or FitchRatings; and (8) common or preferred stock of a company incorporated in the United States that has paid cash dividends on its stock for 5 consecutive years immediately before the date of purchase and whose earnings yield is 120% of and dividend yield is 50% of the yield available on long maturity U.S. Treasury bonds.

The System's investments as of December 31, 2006 are presented below:

|                                    | Fair Value               | Rating | Rating Agency            |
|------------------------------------|--------------------------|--------|--------------------------|
| <b>Short-term investment funds</b> | \$ 455,199,860           | NR     | N/A                      |
| <b>Fixed-income securities</b>     |                          |        |                          |
| U.S. Treasury                      | 4,491,997,610            | Aaa    | Moody's Investor Service |
| U.S. government agency             | 4,326,277,977            | Aaa    | Moody's Investor Service |
| State/local government             | 26,651,940               | Aaa    | Moody's Investor Service |
| State/local government             | 673,565,443              | Aa     | Moody's Investor Service |
| Corporate                          | 110,634,623              | Aaa    | Moody's Investor Service |
| Corporate                          | 1,193,382,440            | Aa     | Moody's Investor Service |
| Corporate                          | 1,961,858,247            | A      | Moody's Investor Service |
| Corporate                          | 249,314,810              | Baa    | Moody's Investor Service |
| Corporate                          | 126,876,609              | A      | Standard & Poor's        |
| <b>TOTAL</b>                       | <b>\$ 13,615,759,559</b> |        |                          |

TMRS investment policy does not require the automatic sale of a security that no longer meets the rating standard; however, TMRS monitors those positions for continued deterioration in making a "sell" or "hold" decision.

### Concentration of Credit Risk — Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The System's investment policy provides the following issuer diversification limits as a percentage of total assets:

- Corporations and their controlled subsidiaries – 2%
- Municipal issuers – 5%
- U.S. government sponsored enterprises and federally related institutions not backed by the full faith and credit of the U.S. government nor collateralized by U.S. Treasuries – 7%

As of December 31, 2006 and 2005, the System did not exceed any of these issuer diversification limits.

### Interest Rate Risk — Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy does not place limits on duration; instead, investment policy objectives focus on holding long-term high-quality securities with extended call protection.



# Notes to Financial Statements

CONTINUED

As of December 31, 2006, TMRS had the following investments and maturities.

|                                    | Fair Value               | Investment Maturities (in Years)* |                      |                       |                         |                          |
|------------------------------------|--------------------------|-----------------------------------|----------------------|-----------------------|-------------------------|--------------------------|
|                                    |                          | Less than 1                       | 1 - 5                | 6 - 10                | 11 - 20                 | More than 20             |
| <b>Short-term investment funds</b> | \$ 455,199,860           | \$ 455,199,860                    | \$ -                 | \$ -                  | \$ -                    | \$ -                     |
| <b>Fixed-income securities</b>     |                          |                                   |                      |                       |                         |                          |
| U.S. Treasury                      | 4,491,997,610            | -                                 | -                    | 76,411,060            | 1,068,670,000           | 3,346,916,550            |
| U.S. government agency             | 4,326,277,977            | -                                 | 47,960,000           | -                     | 1,280,516,711           | 2,997,801,266            |
| State/local government             | 700,217,383              | -                                 | -                    | -                     | 26,651,940              | 673,565,443              |
| Corporate                          | 3,642,066,729            | -                                 | -                    | 25,540,000            | 527,736,400             | 3,088,790,329            |
| <b>TOTAL</b>                       | <b>\$ 13,615,759,559</b> | <b>\$ 455,199,860</b>             | <b>\$ 47,960,000</b> | <b>\$ 101,951,060</b> | <b>\$ 2,903,575,051</b> | <b>\$ 10,107,073,588</b> |

\* Where applicable, call dates are used instead of stated maturity dates.

## Foreign Currency Risk — Investments

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System's investment policy prohibits the investment in securities denominated in a foreign currency.

## 4. Property and Equipment

The following is a schedule of property and equipment balances as of December 31, 2006 and 2005, and changes to those account balances during the years then ended:

|  | Land              | Buildings and Improvements | Furniture, Software and Equipment | Work In Progress | Total                |
|--|-------------------|----------------------------|-----------------------------------|------------------|----------------------|
| <b>Property and equipment</b>          |                   |                            |                                   |                  |                      |
| Balances, December 31, 2004            | \$ 254,388        | \$ 7,419,519               | \$ 5,083,097                      | \$ 4,997,816     | \$ 17,754,820        |
| Additions                              | -                 | 4,307,121                  | 1,217,357                         | 808,310          | 6,332,788            |
| Retirements                            | -                 | -                          | (313,318)                         | -                | (313,318)            |
| Transfers                              | -                 | -                          | 5,806,126                         | (5,806,126)      | -                    |
| Balances, December 31, 2005            | 254,388           | 11,726,640                 | 11,793,262                        | -                | 23,774,290           |
| Additions                              | -                 | 133,646                    | 151,311                           | -                | 284,957              |
| Retirements                            | -                 | -                          | (338)                             | -                | (338)                |
| Balances, December 31, 2006            | 254,388           | 11,860,286                 | 11,944,235                        | -                | 24,058,909           |
| <b>Accumulated depreciation</b>        |                   |                            |                                   |                  |                      |
| Balances, December 31, 2004            | -                 | 1,184,805                  | 4,448,904                         | -                | 5,633,709            |
| Additions                              | -                 | 331,756                    | 1,387,945                         | -                | 1,719,701            |
| Retirements                            | -                 | -                          | (313,318)                         | -                | (313,318)            |
| Balances, December 31, 2005            | -                 | 1,516,561                  | 5,523,531                         | -                | 7,040,092            |
| Additions                              | -                 | 335,273                    | 2,287,756                         | -                | 2,623,029            |
| Retirements                            | -                 | -                          | (11)                              | -                | (11)                 |
| Balances, December 31, 2006            | -                 | 1,851,834                  | 7,811,276                         | -                | 9,663,110            |
| <b>Net balances, December 31, 2006</b> | <b>\$ 254,388</b> | <b>\$ 10,008,452</b>       | <b>\$ 4,132,959</b>               | <b>\$ -</b>      | <b>\$ 14,395,799</b> |

Depreciation expense of \$2,623,029 and \$1,719,701 was incurred during 2006 and 2005, respectively.

## 5. Fund Allocations

The Act designates the calculation of the amount of interest to be distributed among the separate funds. On December 31 of each year, the Board of Trustees transfers from the Interest Reserve of the Endowment Fund the following amounts:

- (1) to the Current Service Annuity Reserve, Supplemental Disability Benefits and Supplemental Death Benefits Funds, 5% interest on the mean amount of the respective fund during the year;
- (2) to the Municipality Accumulation Fund, current interest (lesser of 5% or calculated rate as specified in Section 855.316 of the TMRS Act) on the amount in the Municipality Accumulation Fund on January 1 of that year;
- (3) to the Interest Reserve of the Endowment Fund, current interest (lesser of 5% or calculated rate as specified in Section 855.316 of the TMRS Act) on the amount in the Endowment Fund on January 1 of that year;
- (4) to the Employees Saving Fund, current interest (lesser of 5% or calculated rate as specified in Section 855.316 of the TMRS Act) on the sum of the accumulated contributions in the Employees Saving Fund on January 1 of that year to all persons who are members on December 31 of that year.

The Board then provides for adequate reserves in the Endowment Fund. During the past several years, the Board has appropriated an additional amount of interest to be paid to the Employees Saving and Municipality Accumulation Funds and an additional distributive benefit to the annuitants as of year-end.

## 6. Risk Management

The System is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks, with the exception of pension and welfare fund fiduciary responsibility insurance, are covered by the System's participation in the Texas Municipal League Intergovernmental Risk Pool. This is a pooled arrangement whereby the participants pay experience rated annual premiums that are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Property physical damage is insured to replacement value with a \$1,000 deductible and a limit of coverage of \$11,196,600; automobile liability limits are set at \$1,000,000 for each occurrence and physical damage is insured to actual value with a \$10,000 deductible per occurrence; general liability is limited to \$1,000,000 per occurrence; sudden events involving pollution are limited to \$1,000,000 for each occurrence with an annual aggregate of \$2,000,000; workers' compensation coverage is in compliance with the workers' compensation laws of the State of Texas with no accident or aggregate deductibles.

The System maintains a pension and welfare fund fiduciary responsibility insurance policy with a commercial carrier. The policy has an aggregate limit of liability of \$1,000,000.

No significant reductions in insurance coverage occurred in the past year, and settled claims have not exceeded insurance coverage in any of the past three fiscal years. ♦

# Required Supplementary Information (Unaudited)

| Schedule of Funding Progress – Pension Trust Fund (Amounts in Millions of Dollars) |                                   |                     |                             |  |                        |  |
|--|-----------------------------------|---------------------|-----------------------------|--|------------------------|--|
| For Year Ended December 31   | Net Assets Available for Benefits | Actuarial Liability | Percentage Funded (1) / (2) | Unfunded Actuarial Liability (UAL) (2) - (1) | Annual Covered Payroll | UAL as a Percentage Of Covered Payroll (4) / (5) |
|  | (1)                               | (2)                 | (3)                         | (4)  | (5)                    | (6)  |
| 2001   | \$ 9,236.6                        | \$ 10,866.9         | 85.0 %                      | \$ 1,630.3                                   | \$ 3,061.0             | 53.3 %   |
| 2002   | 9,998.7                           | 11,868.1            | 84.2                        | 1,869.4                                      | 3,277.4                | 57.0   |
| 2003   | 10,815.1                          | 13,100.1            | 82.6                        | 2,285.0                                      | 3,426.6                | 66.7   |
| 2004   | 11,619.1                          | 14,036.9            | 82.8                        | 2,417.8                                      | 3,580.3                | 67.5   |
| 2005   | 12,486.1                          | 15,095.2            | 82.7                        | 2,609.1                                      | 3,721.9                | 70.1   |
| 2006   | 13,312.7                          | 16,219.7            | 82.1                        | 2,907.0                                      | 3,949.2                | 73.6   |

| Schedule of Employer Contributions – Pension Trust Fund (Amounts in Millions of Dollars) |                              |                        |
|--|------------------------------|------------------------|
| For Year Ended December 31   | Annual Required Contribution | Percentage Contributed |
| 2001   | \$ 323.9                     | 100.0 %                |
| 2002   | 353.6                        | 100.0                  |
| 2003   | 371.3                        | 100.0                  |
| 2004   | 401.4                        | 100.0                  |
| 2005   | 446.3                        | 100.0                  |
| 2006   | 470.7                        | 100.0                  |

## Notes to Trend Data – Pension Trust Fund

The Schedule of Funding Progress summarizes the actuarial value of the System's assets and actuarial liability as of December 31, 2006 and each of the five preceding fiscal years. The data presented in the schedule were obtained from the System's independent actuary's annual valuation report for each year presented.

The schedule is presented to provide a consistent basis for measuring the System's annual progress toward funding its actuarial liability in accordance with its actuarial funding method. The primary measure of funding progress is the System's funded ratio (i.e., actuarial value of assets expressed as a percentage of the actuarial accrued liability). An increase in the funded ratio indicates improvement in the System's ability to pay all projected benefits as they become due. The System is fully funded if the funded ratio is greater than or equal to 100%. During the year ended December 31, 2006, the System's funded ratio decreased from 82.7% to 82.1%.

The Schedule of Funding Progress also discloses the relationship between the System's covered payroll (i.e., all elements included in compensation paid to active members on which contributions are based) and the unfunded actuarial accrued liability. This relationship, expressed as a ratio, is a measure of the significance of the unfunded actuarial accrued liability relative to the capacity to pay all contributions required to fund the liability. During the year ended December 31, 2006, the System's ratio of the unfunded actuarial accrued liability to its covered payroll went from 70.1% to 73.6%.

Additional information as of the latest actuarial valuation is shown in the table at right:

|                               |                          |
|-------------------------------|--------------------------|
| Valuation Date                | 12/31/06                 |
| Actuarial Cost Method         | Unit Credit              |
| Amortization Method           | Level Percent of Payroll |
| Remaining Amortization Period | 25 Years-Open Period     |
| Asset Valuation Method        | Amortized Cost           |
| *Actuarial Assumptions:       |                          |
| Investment Rate of Return     | 7.0%                     |
| Projected Salary Increases    | None                     |
| Includes Inflation at         | 3.5%                     |
| Cost-of-Living Adjustments    | None                     |

\* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

# Required Supplementary Information (Unaudited)

CONTINUED

## Schedule of Funding Progress – Supplemental Death Benefits Fund (Amounts in Millions of Dollars)

| For Year Ended December 31 | Net Assets Available for Benefits | Actuarial Liability | Percentage Funded (1) / (2) | Unfunded Actuarial Liability (UAL) (2) - (1) | Annual Covered Payroll | UAL as a Percentage Of Covered Payroll (4) / (5) |
|----------------------------|-----------------------------------|---------------------|-----------------------------|--|------------------------|--|
|                            | (1)                               | (2)                 | (3)                         | (4)  | (5)                    | (6)  |
| 2006                       | \$23.0                            | \$149.5             | 15.4%                       | \$126.5                                      | \$2,687.5              | 4.7 %  |

## Schedule of Employer Contributions – Supplemental Death Benefits Fund (Amounts in Millions of Dollars)

| For Year Ended December 31 | Annual Required Contribution | Percentage Contributed |
|----------------------------|------------------------------|------------------------|
| 2006                       | \$6.7                        | 100.0 %                |

### Notes to Trend Data – Supplemental Death Benefits Fund

The Schedule of Funding Progress summarizes the actuarial value of the System's assets and actuarial liability as of December 31, 2006. The data presented in the schedule were obtained from the System's independent actuary's annual valuation report for the year presented. Additional information as of the latest actuarial valuation follows:

|                                |                          |
|--------------------------------|--------------------------|
| Valuation Date                 | 12/31/06                 |
| Actuarial Cost Method          | Projected Unit Credit    |
| Amortization Method            | Level Percent of Payroll |
| Remaining Amortization Period  | 25 Years – Open Period   |
| Asset Valuation Method         | Amortized Cost           |
| <b>*Actuarial Assumptions:</b> |                          |
| Investment Rate of Return      | 3.25%                    |
| Projected Salary Increases     | None                     |
| Includes Inflation at          | 3.5%                     |
| Cost-of-Living Adjustments     | None                     |

\* See Summary of Actuarial Assumptions in the Actuarial Section for more detailed information.

# Supplemental Schedules (Unaudited)

| <b>Schedule of Administrative Expenses</b>              |                      |                     |
|---|----------------------|---------------------|
| Years ended December 31, 2006 and 2005                  |                      |                     |
|   | <b>2006</b>          | <b>2005</b>         |
| <b>Personnel services</b>                               |                      |                     |
| Staff salaries  | \$ 3,948,766         | \$ 3,918,742        |
| Payroll taxes   | 257,577              | 254,223             |
| Retirement contributions                                | 494,101              | 489,162             |
| Insurance   | <u>370,323</u>       | <u>351,008</u>      |
| Total personnel services                                | 5,070,767            | 5,013,135           |
| <b>Professional services</b>                            |                      |                     |
| Consulting services                                     | 769,428              | 579,154             |
| Actuarial   | 344,475              | 332,500             |
| Banking services  | 11,269               | 22,683              |
| Legal counsel   | 81,641               | 72,221              |
| Medical services  | 34,300               | 41,600              |
| Audit   | <u>70,000</u>        | <u>67,002</u>       |
| Total professional services                             | 1,311,113            | 1,115,160           |
| <b>Communication</b>                                    |                      |                     |
| Printing  | 16,392               | 24,585              |
| Postage   | 79,251               | 86,124              |
| Travel  | 183,545              | 207,318             |
| Telephone   | 93,741               | 99,414              |
| Member development                                      | <u>478,180</u>       | <u>404,583</u>      |
| Total communication                                     | 851,109              | 822,024             |
| <b>Rentals/equipment maintenance</b>                    |                      |                     |
| Data processing   | 207,543              | 213,726             |
| Equipment service and repair                            | 4,178                | 1,654               |
| Office equipment  | 62,918               | 35,447              |
| Offsite record storage                                  | <u>53,781</u>        | <u>23,012</u>       |
| Total rentals/equipment maintenance                     | 328,420              | 273,839             |
| <b>Miscellaneous</b>                                    |                      |                     |
| Dues, subscriptions, and training                       | 106,918              | 91,939              |
| Utilities   | 125,858              | 89,772              |
| Supplies  | 72,293               | 130,832             |
| Building/grounds maintenance                            | 106,100              | 53,931              |
| Building security                                       | 120,747              | 78,317              |
| Bonds and insurance                                     | 77,763               | 54,799              |
| Board and advisory committee expense                    | 156,922              | 100,149             |
| Depreciation  | 2,623,029            | 1,719,701           |
| Other administrative expenses                           | <u>225,057</u>       | <u>134,363</u>      |
| Total miscellaneous                                     | 3,614,687            | 2,453,803           |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b>                    | <b>\$ 11,176,096</b> | <b>\$ 9,677,961</b> |
| Method of Finance: Fiduciary Fund – Pension Trust Fund. |                      |                     |



| <b>Schedule of Professional Services</b>  |                     |
|---|---------------------|
| Year ended December 31, 2006  |                     |
| <b>Consulting Services</b>  |                     |
| Software implementation   | \$ 331,929          |
| Legislative   | 203,642             |
| Information systems support   | 124,996             |
| Human resources management  | 62,738              |
| Network security review   | 31,475              |
| Communications strategy   | 4,620               |
| Annuity mortality records and address research  | 4,466               |
| Logo trademark  | 3,900               |
| Administrative hearing services   | <u>1,662</u>        |
| Total Consulting Services   | 769,428             |
| <b>Actuarial Services</b>   |                     |
| The Segal Co.   | 344,475             |
| <b>Legal Services</b>   |                     |
| Kendall & Osborn  | 81,641              |
| <b>Audit Services</b>   |                     |
| Deloitte & Touche LLP   | 70,000              |
| <b>Medical Services</b>   |                     |
| Grover Bynum, M.D.  |                     |
| Albert LaLonde, M.D.  |                     |
| Tim Lowry, M.D.   |                     |
| Total Medical Services  | 34,300              |
| <b>Banking Services</b>   |                     |
| JPMorgan Chase Bank   | 11,269              |
| <b>TOTAL PROFESSIONAL SERVICES</b>  | <b>\$ 1,311,113</b> |
| <b>Note:</b> The members of the Board of Trustees serve without compensation; they are reimbursed for actual expenses incurred. |                     |

# Supplemental Schedules (Unaudited)

CONTINUED

| <b>Schedule of Investment Expenses</b> |                |
|--|----------------|
| Year ended December 31, 2006           |                |
| <b>Personnel services</b>              |                |
| Staff salaries                         | \$ 413,906     |
| Payroll taxes                          | 21,892         |
| Retirement contributions               | 52,111         |
| Insurance                              | <u>22,099</u>  |
| Total personnel services               | 510,008        |
| <b>Professional services</b>           |                |
| Consulting services                    | <u>340,000</u> |
| Total professional services            | 340,000        |
| <b>Communication</b>                   |                |
| Travel                                 | <u>20,054</u>  |
| Total communication                    | 20,054         |
| <b>Miscellaneous</b>                   |                |
| Dues, subscriptions, and training      | 140,538        |
| Other administrative expenses          | <u>1,450</u>   |
| Total miscellaneous                    | 141,988        |
| <b>TOTAL INVESTMENT EXPENSES</b>       | \$ 1,012,050   |

# Changes in Employees Saving Fund

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |             |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|-------------|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |             |            |                       |
| 00004 | Abernathy                  | \$ 198,194           | \$ 20,907              | \$ 11,383 | \$       | \$                                   | \$                              | \$          | \$ 230,484 |                       |
| 00006 | Abilene                    | 42,704,903           | 2,392,706              | 2,318,834 | (9,511)  | 3,602,970                            | 509,853                         | 43,294,109  |            |                       |
| 00007 | Addison                    | 17,374,800           | 997,979                | 960,076   | (1,449)  | 1,496,406                            | 98,352                          | 17,736,648  |            |                       |
| 00010 | Alamo                      | 888,930              | 129,478                | 47,350    |          | 24,600                               | 59,410                          | 981,749     |            |                       |
| 00012 | Alamo Heights              | 3,005,270            | 230,398                | 129,834   |          | 1,088,555                            | 26,250                          | 2,250,697   |            |                       |
| 00014 | Alba                       | 12,260               | 7,579                  | 550       |          |                                      | 2,941                           | 17,448      |            |                       |
| 00016 | Albany                     | 186,764              | 15,131                 | 7,550     |          | 54,435                               | 404                             | 154,606     |            |                       |
| 00017 | Aledo                      | 25,157               | 13,759                 | 1,268     |          | 10,161                               | 6,432                           | 23,591      |            |                       |
| 00018 | Alice                      | 5,513,278            | 373,858                | 303,920   |          | 196,638                              | 183,390                         | 5,811,028   |            |                       |
| 00019 | Allen                      | 14,330,444           | 1,812,144              | 804,594   | (3,969)  | 304,502                              | 319,802                         | 16,318,909  |            |                       |
| 00020 | Alpine                     | 1,355,325            | 77,315                 | 76,617    |          |                                      | 17,074                          | 1,492,183   |            |                       |
| 00022 | Alto                       | 96,597               | 23,719                 | 4,895     | (155)    |                                      | 11,042                          | 114,014     |            |                       |
| 00023 | Alton                      | 297,924              | 52,555                 | 16,126    | (879)    | 5,746                                | 17,086                          | 342,894     |            |                       |
| 00024 | Alvarado                   | 146,317              | 74,522                 | 7,868     |          |                                      | 11,485                          | 217,222     |            |                       |
| 00026 | Alvin                      | 6,294,191            | 436,009                | 340,336   | 8,750    | 343,574                              | 127,453                         | 6,608,259   |            |                       |
| 00028 | Alvord                     | 8,045                | 9,397                  | 463       |          |                                      |                                 | 17,905      |            |                       |
| 00030 | Amarillo                   | 61,873,724           | 3,974,177              | 3,377,135 | (10,907) | 5,161,154                            | 650,715                         | 63,402,260  |            |                       |
| 00032 | Amherst                    | 137,050              | 6,949                  | 6,773     |          | 22,726                               | 1,436                           | 126,610     |            |                       |
| 00034 | Anahuac                    | 72,788               | 21,625                 | 3,948     |          |                                      | 4,364                           | 93,997      |            |                       |
| 00036 | Andrews                    | 2,735,633            | 149,725                | 156,194   |          | 23,216                               | 6,853                           | 3,011,483   |            |                       |
| 00038 | Angleton                   | 2,775,824            | 230,160                | 155,753   |          | 93,481                               | 73,374                          | 2,994,882   |            |                       |
| 00040 | Anna                       | 68,939               | 51,476                 | 3,676     |          |                                      | 5,423                           | 118,668     |            |                       |
| 00044 | Anson                      | 213,726              | 23,117                 | 11,316    |          |                                      | 15,560                          | 232,599     |            |                       |
| 00045 | Anthony                    | 28,254               | 31,528                 | 1,497     |          | 4,525                                | 129                             | 56,625      |            |                       |
| 00048 | Aransas Pass               | 1,608,334            | 160,350                | 78,688    | (101)    | 436,611                              | 71,448                          | 1,339,212   |            |                       |
| 00050 | Archer City                | 64,449               | 13,523                 | 3,022     |          | 12,556                               | 10,362                          | 58,076      |            |                       |
| 00051 | Argyle                     | 231,568              | 49,244                 | 12,567    |          |                                      | 14,378                          | 279,001     |            |                       |
| 00052 | Arlington                  | 138,544,120          | 8,541,351              | 7,637,759 | (22,329) | 9,977,741                            | 1,217,955                       | 143,505,205 |            |                       |
| 00054 | Arp                        | 125,915              | 8,934                  | 5,911     |          | 26,214                               | 1,832                           | 112,714     |            |                       |
| 00060 | Aspermont                  | 119,290              | 6,766                  | 6,731     |          |                                      | 2,547                           | 130,240     |            |                       |
| 00062 | Athens                     | 3,638,327            | 322,997                | 200,511   |          | 202,965                              | 79,691                          | 3,879,179   |            |                       |
| 00064 | Atlanta                    | 575,247              | 62,880                 | 32,192    |          |                                      | 16,036                          | 654,283     |            |                       |
| 00066 | Aubrey                     | 337,561              | 64,288                 | 18,888    | (2,238)  |                                      | 6,641                           | 411,858     |            |                       |
| 00074 | Avinger                    | 10,091               | 1,517                  | 580       |          |                                      |                                 | 12,188      |            |                       |
| 00075 | Azele                      | 2,056,533            | 228,535                | 113,402   | (44)     |                                      | 87,250                          | 2,311,176   |            |                       |
| 00077 | Baird                      | 113,459              | 12,716                 | 5,798     |          |                                      | 12,795                          | 119,179     |            |                       |
| 00078 | Baich Springs              | 2,971,548            | 333,919                | 161,398   | (2,648)  | 194,087                              | 80,288                          | 3,189,842   |            |                       |
| 00079 | Balcones Heights           | 1,600,759            | 109,500                | 91,356    |          | 3,077                                | 10,260                          | 1,788,278   |            |                       |
| 00080 | Ballinger                  | 868,111              | 48,553                 | 48,521    |          | 76,006                               | 2,766                           | 886,412     |            |                       |
| 00082 | Balmorhea                  | 8,007                | 2,742                  | 251       |          |                                      | 3,640                           | 7,361       |            |                       |
| 00083 | Bandera                    | 281,180              | 32,682                 | 16,168    |          |                                      |                                 | 330,030     |            |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 00084 | Bangs                      | 231,651              | 27,961                 | 13,080    | (3,851)  | 104,114                              | 13,102                          | 268,841    |  |                       |
| 00090 | Bartlett                   | 226,203              | 19,701                 | 11,455    |          |                                      |                                 | 140,142    |  |                       |
| 00091 | Bartonville                | 14,392               | 28,292                 | 719       |          |                                      | 1,882                           | 41,522     |  |                       |
| 00092 | Bastrop                    | 1,332,355            | 185,896                | 68,813    | (344)    | 125,779                              | 25,839                          | 1,435,102  |  |                       |
| 00094 | Bay City                   | 5,164,791            | 243,333                | 273,478   | (3,438)  | 698,204                              | 101,599                         | 4,878,361  |  |                       |
| 00093 | Bayou Vista                | 29,355               | 12,336                 | 1,512     |          |                                      | 3,997                           | 39,206     |  |                       |
| 00096 | Baytown                    | 31,278,873           | 2,126,588              | 1,692,407 | (8,849)  | 2,845,178                            | 425,948                         | 31,817,893 |  |                       |
| 00098 | Beaumont                   | 54,309,269           | 2,404,580              | 2,984,707 | (5,417)  | 4,317,013                            | 418,141                         | 54,957,985 |  |                       |
| 00101 | Bee Cave                   | 146,644              | 61,856                 | 7,475     |          | 25,941                               | 6,538                           | 183,496    |  |                       |
| 00102 | Beeville                   | 2,757,752            | 157,623                | 147,829   |          | 365,873                              | 44,467                          | 2,652,865  |  |                       |
| 00106 | Bellaire                   | 8,477,471            | 523,358                | 479,185   |          | 194,788                              | 91,776                          | 9,193,450  |  |                       |
| 00109 | Bellmead                   | 1,621,187            | 123,026                | 92,463    |          | 2,612                                | 16,395                          | 1,817,668  |  |                       |
| 00110 | Bells                      | 63,151               | 9,747                  | 3,516     |          |                                      | 1,655                           | 74,759     |  |                       |
| 00112 | Belville                   | 1,193,533            | 97,242                 | 66,822    | (280)    | 60,873                               | 29,397                          | 1,267,047  |  |                       |
| 00114 | Belton                     | 2,445,667            | 224,765                | 123,343   | (2,390)  | 467,635                              | 43,742                          | 2,280,008  |  |                       |
| 00118 | Benbrook                   | 5,618,545            | 399,062                | 317,678   |          | 192,479                              | 41,316                          | 6,101,489  |  |                       |
| 00121 | Berryville                 | 34,686               | 3,816                  | 1,815     |          | 4,890                                |                                 | 35,427     |  |                       |
| 00123 | Bertram                    | 77,376               | 12,488                 | 4,397     |          |                                      | 903                             | 93,358     |  |                       |
| 00124 | Big Lake                   | 562,425              | 28,687                 | 30,332    |          |                                      | 40,162                          | 581,281    |  |                       |
| 00126 | Big Sandy                  | 92,337               | 15,296                 | 4,224     |          | 2,355                                | 20,044                          | 89,458     |  |                       |
| 00128 | Big Spring                 | 5,399,869            | 466,765                | 301,655   | (593)    | 40,383                               | 143,112                         | 5,984,201  |  |                       |
| 00132 | Bishop                     | 320,603              | 25,835                 | 17,361    | (445)    |                                      | 19,739                          | 343,615    |  |                       |
| 00134 | Blanco                     | 121,468              | 15,753                 | 6,685     |          |                                      | 5,710                           | 138,196    |  |                       |
| 00140 | Blooming Grove             | 38,427               | 4,975                  | 2,125     |          |                                      | 1,523                           | 44,003     |  |                       |
| 00142 | Blossom                    | 109,893              | 6,023                  | 5,484     |          | 8,345                                | 14,511                          | 98,545     |  |                       |
| 00143 | Blue Mound                 | 29,056               | 22,072                 | 1,593     |          |                                      | 1,445                           | 51,276     |  |                       |
| 00144 | Blue Ridge                 | 14,622               | 9,144                  | 841       |          |                                      |                                 | 24,607     |  |                       |
| 00148 | Boerne                     | 3,618,636            | 447,465                | 197,414   |          | 299,549                              | 76,886                          | 3,887,079  |  |                       |
| 00150 | Bogata                     | 52,813               | 9,337                  | 2,140     |          |                                      | 15,392                          | 48,898     |  |                       |
| 00152 | Bonham                     | 2,343,791            | 190,458                | 129,639   | (384)    | 16,668                               | 79,548                          | 2,567,288  |  |                       |
| 00154 | Booker                     | 77,926               | 12,460                 | 4,175     |          |                                      | 5,310                           | 89,251     |  |                       |
| 00156 | Borger                     | 5,054,676            | 319,094                | 278,467   | (162)    | 233,143                              | 95,833                          | 5,323,099  |  |                       |
| 00158 | Bovina                     | 124,905              | 11,528                 | 7,052     |          |                                      |                                 | 143,485    |  |                       |
| 00160 | Bowie                      | 1,726,345            | 131,985                | 96,355    | (11,495) | 46,154                               | 24,347                          | 1,872,689  |  |                       |
| 00162 | Boyd                       | 75,019               | 18,363                 | 3,924     |          | 11,085                               |                                 | 86,221     |  |                       |
| 00166 | Brady                      | 980,749              | 108,726                | 50,816    | (96)     | 57,570                               | 79,882                          | 1,002,743  |  |                       |
| 00170 | Brazoria                   | 541,744              | 36,934                 | 29,456    |          | 19,680                               | 17,487                          | 570,967    |  |                       |
| 00172 | Breckenridge               | 1,346,024            | 87,277                 | 74,234    |          | 28,292                               | 48,225                          | 1,431,018  |  |                       |
| 00174 | Bremond                    | 71,026               | 7,965                  | 3,961     |          | 18,160                               |                                 | 64,792     |  |                       |
| 00176 | Brenham                    | 8,104,714            | 378,709                | 444,000   |          | 572,412                              | 94,350                          | 8,260,660  |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |  |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|--|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |  |            |                       |
| 00177 | Bridge City                | 2,327,323            | 150,493                | 125,804   |          | 389,459                              | 13,895                          |  | 2,200,267  |                       |
| 00178 | Bridgeport                 | 883,227              | 155,417                | 47,038    | (124)    |                                      | 73,450                          |  | 1,012,108  |                       |
| 00180 | Bronte                     | 23,345               | 5,006                  | 1,342     |          |                                      |                                 |  | 29,694     |                       |
| 00182 | Brookshire                 | 736,414              | 36,842                 | 39,026    |          | 99,122                               | 4,459                           |  | 708,701    |                       |
| 00184 | Brownfield                 | 2,592,946            | 136,784                | 132,643   |          | 433,114                              | 36,423                          |  | 2,392,835  |                       |
| 10188 | Brownsville                | 39,402,323           | 2,910,027              | 2,213,594 | 25,995   | 1,097,320                            | 337,050                         |  | 43,117,569 |                       |
| 20188 | Brownsville Public Utility | 19,180,626           | 1,216,109              | 1,059,523 |          | 1,393,816                            | 230,543                         |  | 19,831,898 |                       |
| 10190 | Brownwood                  | 5,477,458            | 479,330                | 302,184   | (158)    | 168,020                              | 165,519                         |  | 5,925,275  |                       |
| 30190 | Brownwood Health Dept.     | 204,707              | 15,041                 | 9,051     |          | 82,859                               | 37                              |  | 145,903    |                       |
| 20190 | Brownwood Public Library   | 21,551               | 3,648                  | 1,004     |          |                                      |                                 |  | 26,203     |                       |
| 00195 | Bruceville-Eddy            | 233,718              | 26,674                 | 11,126    |          | 37,960                               | 17,909                          |  | 215,649    |                       |
| 00192 | Bryan                      | 36,338,444           | 2,573,453              | 1,996,153 | (29,041) | 2,983,882                            | 472,114                         |  | 37,423,013 |                       |
| 00193 | Bryson                     | 160,536              | 3,107                  | 9,231     |          |                                      |                                 |  | 172,874    |                       |
| 00194 | Buda                       | 311,352              | 84,042                 | 17,554    | (285)    |                                      | 6,352                           |  | 406,311    |                       |
| 00196 | Buffalo                    | 163,477              | 20,546                 | 9,029     |          | 797                                  | 5,823                           |  | 186,432    |                       |
| 00198 | Bullard                    | 65,444               | 22,300                 | 3,730     |          |                                      | 574                             |  | 90,900     |                       |
| 00203 | Bulverde                   | 54,630               | 44,838                 | 3,088     |          | 7,445                                |                                 |  | 95,111     |                       |
| 00199 | Bunker Hill Village        | 320,367              | 24,696                 | 17,310    |          | 31,553                               |                                 |  | 330,820    |                       |
| 00200 | Burkburnett                | 1,925,291            | 152,599                | 98,325    |          | 361,333                              | 59,533                          |  | 1,755,348  |                       |
| 00202 | Burleson                   | 7,145,910            | 822,815                | 387,265   | (518)    | 348,443                              | 141,423                         |  | 7,865,606  |                       |
| 00204 | Burnet                     | 2,046,398            | 256,260                | 111,494   |          | 39,744                               | 102,325                         |  | 2,272,083  |                       |
| 00207 | Cactus                     | 206,812              | 24,465                 | 11,734    |          | 64,132                               | 17                              |  | 178,862    |                       |
| 00208 | Caddo Mills                | 2,969                | 13,237                 | 143       |          |                                      | 820                             |  | 15,529     |                       |
| 00210 | Caldwell                   | 1,826,241            | 76,591                 | 101,133   |          | 56,363                               | 46,177                          |  | 1,901,425  |                       |
| 00212 | Calvert                    | 36,517               | 10,788                 | 1,910     |          |                                      | 2,278                           |  | 46,938     |                       |
| 00214 | Cameron                    | 992,374              | 67,238                 | 55,257    |          | 58,780                               | 25,688                          |  | 1,030,400  |                       |
| 00220 | Canadian                   | 268,370              | 40,259                 | 13,691    |          | 19,490                               | 22,159                          |  | 300,161    |                       |
| 00222 | Canton                     | 823,134              | 128,494                | 44,399    |          |                                      | 53,521                          |  | 923,016    |                       |
| 00224 | Canyon                     | 3,685,288            | 191,395                | 208,105   | 683      |                                      | 70,598                          |  | 4,014,873  |                       |
| 00227 | Carmine                    | 29,332               | 1,828                  | 1,687     |          |                                      |                                 |  | 32,847     |                       |
| 00228 | Carrizo Springs            | 868,346              | 45,040                 | 46,003    | (73)     | 150,777                              | 5,367                           |  | 803,172    |                       |
| 00230 | Carrilton                  | 56,855,030           | 2,982,803              | 3,172,051 | 6,057    | 1,877,566                            | 498,605                         |  | 60,639,770 |                       |
| 00232 | Carthage                   | 3,623,221            | 214,798                | 197,503   |          | 230,529                              | 49,380                          |  | 3,755,612  |                       |
| 00231 | Castle Hills               | 2,369,052            | 164,431                | 129,260   | (32)     | 151,213                              | 15,598                          |  | 2,495,900  |                       |
| 00234 | Castroville                | 760,882              | 62,610                 | 43,151    |          |                                      | 3,916                           |  | 862,728    |                       |
| 00238 | Cedar Hill                 | 7,672,895            | 926,206                | 426,966   |          | 333,956                              | 63,966                          |  | 8,628,145  |                       |
| 00239 | Cedar Park                 | 5,215,157            | 876,999                | 286,628   | (410)    | 73,795                               | 208,113                         |  | 6,096,466  |                       |
| 00242 | Celina                     | 281,583              | 72,961                 | 15,080    |          |                                      | 21,446                          |  | 348,178    |                       |
| 00244 | Center                     | 1,119,800            | 95,203                 | 57,966    |          | 199,438                              | 32,156                          |  | 1,041,374  |                       |
| 00246 | Centerville                | 102,222              | 10,157                 | 5,878     |          |                                      |                                 |  | 118,256    |                       |
| 00248 | Charlotte                  | 77,519               | 5,570                  | 4,375     | (401)    | 26,054                               |                                 |  | 61,009     |                       |
| 00249 | Chester                    | 75,712               | 1,926                  | 4,353     |          |                                      |                                 |  | 81,992     |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |  |             | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|--|-------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |  |             |                       |
| 00245 | Chico                      | 43,469               | 9,464                  | 2,139     |          | 9,568                                | 1,870                           |  | 43,634      |                       |
| 00250 | Childress                  | 792,445              | 81,780                 | 42,692    | (242)    | 65,860                               | 21,713                          |  | 829,102     |                       |
| 00253 | Chireno                    | 87,974               | 14,023                 | 4,914     |          |                                      | 3,139                           |  | 103,772     |                       |
| 00254 | Christine                  | 12,155               | 1,504                  | 440       |          |                                      |                                 |  | 14,099      |                       |
| 00255 | Cibolo                     | 401,475              | 115,232                | 21,694    |          | 46,202                               | 25,799                          |  | 512,601     |                       |
| 00256 | Cisco                      | 608,335              | 36,214                 | 32,157    |          |                                      | 9,124                           |  | 621,380     |                       |
| 00258 | Clarendon                  | 138,485              | 16,214                 | 7,852     |          |                                      | 3,571                           |  | 158,980     |                       |
| 00259 | Clarksville                | 420,662              | 36,029                 | 23,423    | (202)    |                                      | 9,788                           |  | 470,124     |                       |
| 00260 | Clarksville City           | 204,321              | 6,714                  | 11,297    | (19)     |                                      | 8,085                           |  | 214,228     |                       |
| 00263 | Clear Lake Shores          | 134,712              | 23,440                 | 7,119     |          |                                      | 11,706                          |  | 153,565     |                       |
| 00264 | Cleburne                   | 9,437,867            | 804,876                | 516,522   |          | 940,293                              | 88,532                          |  | 9,730,439   |                       |
| 00266 | Cleveland                  | 1,611,418            | 129,073                | 91,188    |          |                                      | 27,660                          |  | 1,804,020   |                       |
| 00268 | Clifton                    | 470,652              | 36,445                 | 27,062    |          |                                      |                                 |  | 534,159     |                       |
| 00271 | Clute                      | 2,599,996            | 212,444                | 139,939   | (480)    | 124,575                              | 82,494                          |  | 2,744,830   |                       |
| 00272 | Clyde                      | 267,181              | 47,468                 | 15,121    |          |                                      | 4,839                           |  | 324,932     |                       |
| 00274 | Coahoma                    | 48,067               | 6,508                  | 2,764     |          |                                      | 624                             |  | 56,715      |                       |
| 00276 | Cockrell Hill              | 481,896              | 78,655                 | 20,350    | (387)    | 108,584                              | 42,522                          |  | 429,408     |                       |
| 00278 | Coleman                    | 1,792,627            | 140,120                | 99,813    | (16)     | 36,155                               | 50,251                          |  | 1,946,138   |                       |
| 00280 | College Station            | 30,472,054           | 2,437,164              | 1,686,733 | (3,352)  | 1,589,621                            | 433,770                         |  | 32,569,208  |                       |
| 00281 | Colleyville                | 7,437,380            | 591,228                | 415,008   | (113)    | 561,471                              | 48,915                          |  | 7,833,117   |                       |
| 00282 | Collinsville               | 81,215               | 10,917                 | 4,537     |          |                                      | 2,800                           |  | 93,869      |                       |
| 00283 | Colmesneil                 | 9,684                | 3,569                  | 557       |          |                                      |                                 |  | 13,810      |                       |
| 00284 | Colorado City              | 720,593              | 65,438                 | 39,480    | (517)    |                                      | 36,844                          |  | 788,150     |                       |
| 00286 | Columbus                   | 941,302              | 67,854                 | 50,945    | (2,113)  | 6,373                                | 52,100                          |  | 999,515     |                       |
| 00288 | Comanche                   | 638,117              | 35,010                 | 36,270    |          |                                      | 8,100                           |  | 701,297     |                       |
| 00290 | Commerce                   | 1,370,110            | 126,357                | 64,345    |          | 236,965                              | 55,967                          |  | 1,267,881   |                       |
| 00294 | Conroe                     | 12,822,208           | 1,116,516              | 704,981   | (973)    | 845,743                              | 93,982                          |  | 13,703,007  |                       |
| 00295 | Converse                   | 2,114,130            | 252,430                | 117,844   | (303)    | 14,161                               | 61,774                          |  | 2,408,166   |                       |
| 00298 | Cooper                     | 173,868              | 18,056                 | 9,997     |          |                                      |                                 |  | 201,922     |                       |
| 00299 | Coppell                    | 12,648,932           | 1,340,686              | 710,994   | (11,011) | 313,779                              | 172,400                         |  | 14,203,422  |                       |
| 00297 | Copper Canyon              | 13,857               | 4,335                  | 797       |          |                                      |                                 |  | 18,988      |                       |
| 00300 | Copperas Cove              | 5,798,580            | 548,818                | 314,644   | (2,573)  | 380,975                              | 153,670                         |  | 6,124,824   |                       |
| 00301 | Corinth                    | 2,674,445            | 447,219                | 145,708   | (218)    | 176,722                              | 50,424                          |  | 3,040,008   |                       |
| 00302 | Corpus Christi             | 103,169,625          | 6,133,710              | 5,576,707 | (15,509) | 8,790,975                            | 1,021,131                       |  | 105,052,427 |                       |
| 00304 | Corrigan                   | 230,510              | 27,353                 | 12,523    |          | 10,318                               | 7,068                           |  | 253,001     |                       |
| 00306 | Corsicana                  | 6,667,448            | 389,073                | 353,356   |          | 433,268                              | 194,051                         |  | 6,782,558   |                       |
| 00308 | Cotulla                    | 158,363              | 23,097                 | 8,783     |          | 5,886                                | 3,199                           |  | 181,158     |                       |
| 00310 | Crandall                   | 305,967              | 60,515                 | 13,905    | (1,242)  | 17,033                               | 65,454                          |  | 313,691     |                       |
| 00312 | Crane                      | 765,997              | 53,304                 | 43,698    |          |                                      | 59                              |  | 845,907     |                       |
| 00314 | Crawford                   | 23,380               | 4,757                  | 1,344     |          |                                      |                                 |  | 29,481      |                       |



# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 00316 | Crockett                   | 1,623,891            | 89,834                 | 85,033    | (186)   | 143,247                              | 35,599                          | 1,619,726  |  |                       |
| 00318 | Crosbyton                  | 180,682              | 14,103                 | 10,389    |         |                                      |                                 | 205,174    |  |                       |
| 00320 | Cross Plains               | 116,387              | 8,166                  | 6,692     |         |                                      |                                 | 131,246    |  |                       |
| 00323 | Crowley                    | 1,873,164            | 172,268                | 104,337   | 3       | 16,434                               | 57,899                          | 2,075,439  |  |                       |
| 00325 | Crystal Beach              | 14,306               |                        | 717       |         | 14,821                               |                                 | 202        |  |                       |
| 00324 | Crystal City               | 782,432              | 52,080                 | 38,913    |         | 270,176                              | 19,621                          | 583,628    |  |                       |
| 00326 | Cuero                      | 1,713,904            | 120,672                | 93,382    |         | 88,030                               | 64,033                          | 1,775,895  |  |                       |
| 00332 | Daingerfield               | 415,438              | 26,961                 | 23,577    |         |                                      | 7,027                           | 458,949    |  |                       |
| 00334 | Daisetta                   | 37,281               | 14,250                 | 1,548     |         |                                      | 12,399                          | 40,680     |  |                       |
| 00336 | Dalhart                    | 1,183,524            | 81,647                 | 64,922    | (97)    | 77,611                               | 19,246                          | 1,233,139  |  |                       |
| 00339 | Dalworthington Gardens     | 144,750              | 75,944                 | 8,323     |         |                                      |                                 | 229,017    |  |                       |
| 00341 | Darrouzett                 | 16,198               | 4,440                  | 879       |         |                                      |                                 | 20,228     |  |                       |
| 00344 | Dayton                     | 782,557              | 100,427                | 43,512    |         | 844                                  | 1,290                           | 906,331    |  |                       |
| 00352 | De Leon                    | 99,808               | 20,908                 | 4,482     |         |                                      | 19,322                          | 99,438     |  |                       |
| 00346 | Decatur                    | 1,594,407            | 238,199                | 88,897    | (555)   | 69,442                               | 25,761                          | 1,817,915  |  |                       |
| 00348 | Deer Park                  | 15,997,565           | 874,083                | 897,485   | (417)   | 716,933                              | 113,202                         | 16,938,581 |  |                       |
| 00350 | Dekalb                     | 161,902              | 25,293                 | 8,988     | (53)    |                                      | 1,591                           | 194,539    |  |                       |
| 00354 | Del Rio                    | 147,280              | 628,197                | 7,745     |         | 7,396                                | 28,391                          | 747,435    |  |                       |
| 00353 | Dell City                  | 62,578               | 4,091                  | 3,598     |         |                                      |                                 | 70,267     |  |                       |
| 00356 | Denison                    | 8,895,019            | 563,787                | 490,707   | (170)   | 350,296                              | 134,693                         | 9,464,354  |  |                       |
| 00358 | Denton                     | 42,028,674           | 3,369,695              | 2,353,049 | (5,350) | 1,769,418                            | 452,585                         | 45,524,065 |  |                       |
| 00360 | Denver City                | 1,217,425            | 51,691                 | 66,647    |         | 41,010                               | 53,697                          | 1,241,056  |  |                       |
| 00362 | Deport                     | 9,237                | 1,664                  | 531       |         |                                      |                                 | 11,432     |  |                       |
| 10366 | DeSoto                     | 14,550,323           | 1,066,956              | 820,395   |         | 751,434                              | 118,376                         | 15,567,864 |  |                       |
| 20366 | DeSoto Economic Dev. Corp  | 96,247               | 16,236                 | 4,288     |         | 35,833                               | 5,480                           | 75,458     |  |                       |
| 00370 | Devine                     | 135,864              | 48,123                 | 6,831     |         | 3,439                                | 17,461                          | 169,919    |  |                       |
| 00371 | Diboll                     | 1,406,197            | 108,795                | 74,628    | (241)   | 356,558                              | 17,558                          | 1,215,263  |  |                       |
| 00372 | Dickens                    |                      | 1,342                  |           |         |                                      |                                 | 1,342      |  |                       |
| 00373 | Dickinson                  | 1,616,938            | 207,821                | 86,373    | (2,521) |                                      | 119,514                         | 1,789,097  |  |                       |
| 00374 | Dilley                     | 287,375              | 28,831                 | 15,279    |         | 33,674                               | 17,331                          | 280,481    |  |                       |
| 00376 | Dimmitt                    | 495,449              | 42,230                 | 27,315    |         | 5,809                                | 25,262                          | 533,924    |  |                       |
| 00382 | Donna                      | 760,457              | 103,741                | 41,016    | (174)   | 6,715                                | 50,577                          | 847,748    |  |                       |
| 00379 | Double Oak                 | 54,867               | 17,812                 | 2,382     |         |                                      | 15,341                          | 59,720     |  |                       |
| 00383 | Dripping Springs           | 8,139                | 10,278                 | 468       |         |                                      |                                 | 18,885     |  |                       |
| 00384 | Dublin                     | 519,905              | 35,627                 | 28,196    | (1,203) | 10,107                               | 23,559                          | 548,859    |  |                       |
| 00386 | Dumas                      | 2,628,640            | 189,317                | 139,662   |         | 377,994                              | 108,036                         | 2,471,589  |  |                       |
| 00388 | Duncanville                | 17,351,844           | 882,408                | 934,247   |         | 1,799,430                            | 145,522                         | 17,223,547 |  |                       |
| 00394 | Eagle Lake                 | 550,800              | 47,955                 | 31,445    | (15)    |                                      | 4,883                           | 625,302    |  |                       |
| 00396 | Eagle Pass                 | 7,963,434            | 549,199                | 447,114   | (3,591) | 266,718                              | 137,467                         | 8,551,971  |  |                       |
| 00397 | Early                      | 482,240              | 37,697                 | 27,392    | (19)    |                                      |                                 | 542,031    |  |                       |
| 00399 | Earth                      | 23,618               | 2,027                  | 763       |         |                                      |                                 | 15,186     |  |                       |
| 00401 | East Mountain              | 12,407               | 5,818                  | 713       |         |                                      | 11,222                          | 18,939     |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |        |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|--------|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |        |            |                       |
| 00395 | East Tawakoni              | 67,037               | 12,295                 | 3,801     |          |                                      |                                 | 1,284  | 81,848     |                       |
| 00398 | Eastland                   | 465,124              | 45,941                 | 25,722    |          |                                      |                                 | 19,050 | 517,737    |                       |
| 00402 | Ector                      | 20,116               | 3,939                  | 979       |          |                                      | 11,137                          |        | 13,897     |                       |
| 00406 | Eden                       | 297,504              | 27,663                 | 16,975    | (467)    |                                      | 14,976                          |        | 326,699    |                       |
| 00408 | Edgewood                   | 42,072               | 12,750                 | 1,987     | (290)    |                                      | 9,931                           |        | 43,391     |                       |
| 00410 | Edinburg                   | 9,663,664            | 1,176,608              | 525,022   | (1,940)  |                                      | 356,463                         |        | 10,660,644 |                       |
| 00412 | Edna                       | 940,851              | 69,401                 | 53,843    |          |                                      |                                 |        | 1,059,268  |                       |
| 00414 | El Campo                   | 4,893,191            | 170,612                | 272,963   |          |                                      | 379,011                         |        | 4,937,702  |                       |
| 00416 | Eldorado                   | 362,150              | 20,166                 | 20,774    |          |                                      |                                 |        | 401,574    |                       |
| 00418 | Electra                    | 403,130              | 44,047                 | 22,553    |          |                                      | 17,585                          |        | 447,360    |                       |
| 00420 | Elgin                      | 1,052,009            | 115,680                | 54,736    | (146)    |                                      | 53,858                          |        | 1,112,866  |                       |
| 00422 | Elkhart                    | 117,597              | 8,504                  | 6,762     |          |                                      |                                 |        | 132,863    |                       |
| 00432 | Emory                      | 91,985               | 23,007                 | 5,289     |          |                                      |                                 | 709    | 119,572    |                       |
| 00436 | Ennis                      | 7,580,651            | 495,464                | 433,036   | 477      |                                      | 115,046                         |        | 8,364,002  |                       |
| 00439 | Eules                      | 22,498,510           | 1,356,992              | 1,267,938 | (5,081)  |                                      | 638,323                         |        | 24,274,056 |                       |
| 00440 | Eustace                    | 69,128               | 11,263                 | 3,724     | (40)     |                                      | 2,841                           |        | 78,782     |                       |
| 00441 | Everman                    | 617,150              | 60,460                 | 33,642    |          |                                      |                                 |        | 679,965    |                       |
| 00443 | Fair Oaks Ranch            | 412,317              | 79,947                 | 22,407    |          |                                      | 38,661                          |        | 453,846    |                       |
| 00442 | Fairfield                  | 673,672              | 57,103                 | 37,815    |          |                                      |                                 |        | 751,414    |                       |
| 00445 | Fairview                   | 217,330              | 73,817                 | 12,404    |          |                                      | 25,300                          |        | 277,813    |                       |
| 20444 | Falfurrias                 | 214,013              | 33,008                 | 11,402    |          |                                      |                                 |        | 240,004    |                       |
| 10444 | Falfurrias Utility Board   | 168,565              | 16,165                 | 9,464     |          |                                      |                                 |        | 189,768    |                       |
| 00446 | Falls City                 | 35,060               | 5,030                  | 1,405     |          |                                      |                                 |        | 30,866     |                       |
| 00448 | Farmers Branch             | 32,941,301           | 1,667,455              | 1,802,317 | (28,788) |                                      | 2,278,691                       |        | 33,956,328 |                       |
| 00450 | Farmersville               | 898,086              | 46,138                 | 51,234    |          |                                      | 24,097                          |        | 971,361    |                       |
| 00451 | Farwell                    | 205,406              | 9,433                  | 11,811    |          |                                      | 121,577                         |        | 104,721    |                       |
| 00452 | Fate                       | 18,827               | 13,161                 | 1,083     |          |                                      |                                 |        | 33,070     |                       |
| 00454 | Fayetteville               | 4,647                | 2,091                  | 267       |          |                                      |                                 |        | 7,005      |                       |
| 00456 | Ferris                     | 587,949              | 51,914                 | 33,689    |          |                                      |                                 |        | 671,297    |                       |
| 00458 | Flatonia                   | 428,775              | 37,907                 | 24,713    | (1,096)  |                                      | 19,455                          |        | 470,844    |                       |
| 00460 | Florence                   | 24,403               | 10,755                 | 1,385     |          |                                      |                                 |        | 35,648     |                       |
| 20462 | Floresville                | 1,041,218            | 80,608                 | 55,708    |          |                                      | 76,645                          |        | 1,067,642  |                       |
| 00463 | Flower Mound               | 11,252,396           | 1,281,869              | 623,058   | (4,707)  |                                      | 340,599                         |        | 12,587,513 |                       |
| 00464 | Floydada                   | 592,919              | 40,864                 | 27,482    |          |                                      |                                 |        | 542,996    |                       |
| 00468 | Forest Hill                | 2,848,736            | 246,906                | 158,869   | (374)    |                                      | 13,283                          |        | 3,153,423  |                       |
| 00470 | Forney                     | 1,004,968            | 189,149                | 56,620    |          |                                      | 14,979                          |        | 1,228,625  |                       |
| 00472 | Fort Stockton              | 2,071,843            | 149,351                | 117,646   | (844)    |                                      |                                 |        | 2,307,019  |                       |
| 00476 | Franklin                   | 126,735              | 14,405                 | 7,287     |          |                                      |                                 |        | 148,427    |                       |
| 00478 | Frankston                  | 43,866               | 12,295                 | 2,234     |          |                                      |                                 |        | 53,657     |                       |
| 00480 | Fredericksburg             | 4,560,841            | 285,003                | 260,048   |          |                                      | 38,399                          |        | 5,044,332  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality   | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |             |  | Balance Dec. 31, 2006 |
|-------|------------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|-------------|--|-----------------------|
|       |                              |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |             |  |                       |
| 00482 | Freeport                     | 2,180,145            | 248,335                | 114,899   | (454)   | 171,300                              | 143,962                         | 2,227,663   |  |                       |
| 00481 | Freer                        | 68,837               | 16,680                 | 3,596     |         | 16,708                               | 1,411                           | 70,994      |  |                       |
| 00483 | Friendswood                  | 7,430,021            | 564,250                | 386,075   | (54)    | 769,263                              | 101,180                         | 7,509,849   |  |                       |
| 00484 | Frona                        | 671,353              | 39,242                 | 38,145    | (464)   | 20,115                               | 5,828                           | 722,333     |  |                       |
| 00486 | Frisco                       | 10,497,236           | 2,309,470              | 582,785   | (1,535) | 222,362                              | 224,265                         | 12,941,329  |  |                       |
| 00487 | Fritch                       | 268,964              | 32,834                 | 12,753    |         | 67,391                               | 14,056                          | 233,104     |  |                       |
| 00488 | Frost                        | 52,335               | 6,505                  | 3,009     |         |                                      |                                 | 61,849      |  |                       |
| 00492 | Gainesville                  | 5,717,763            | 452,221                | 316,513   | (1,906) | 285,084                              | 109,744                         | 6,089,763   |  |                       |
| 00494 | Galena Park                  | 2,378,703            | 173,789                | 115,053   |         | 435,390                              | 89,169                          | 2,142,986   |  |                       |
| 00498 | Ganado                       | 433,454              | 22,948                 | 24,555    |         |                                      | 6,149                           | 474,808     |  |                       |
| 00499 | Garden Ridge                 | 207,673              | 38,010                 | 11,941    |         |                                      |                                 | 257,625     |  |                       |
| 00500 | Garland                      | 123,353,783          | 7,717,555              | 6,854,580 | (9,694) | 7,780,862                            | 829,219                         | 129,306,143 |  |                       |
| 00502 | Garrison                     | 261,216              | 14,734                 | 15,020    |         |                                      |                                 | 290,970     |  |                       |
| 00503 | Gary                         | 105,453              | 6,026                  | 3,137     |         | 22,487                               | 34,734                          | 57,395      |  |                       |
| 00504 | Gatesville                   | 1,576,070            | 151,815                | 87,218    |         | 65,069                               | 43,792                          | 1,706,243   |  |                       |
| 00505 | George West                  |                      | 30,533                 |           |         | 156                                  |                                 | 30,377      |  |                       |
| 00506 | Georgetown                   | 9,976,799            | 1,237,144              | 561,892   | (2,645) | 208,640                              | 109,447                         | 11,455,103  |  |                       |
| 00510 | Giddings                     | 1,754,344            | 115,484                | 98,773    |         | 7,062                                | 34,858                          | 1,926,680   |  |                       |
| 00512 | Gilmer                       | 907,818              | 87,511                 | 50,429    | 99      | 11,645                               | 27,356                          | 1,006,856   |  |                       |
| 00514 | Gladewater                   | 1,213,743            | 74,305                 | 63,840    |         | 166,017                              | 10,651                          | 1,175,220   |  |                       |
| 00516 | Glen Rose                    | 389,085              | 37,790                 | 19,577    |         |                                      | 44,775                          | 401,677     |  |                       |
| 00517 | Glenn Heights                | 974,787              | 126,037                | 53,160    | (828)   |                                      | 51,593                          | 1,101,563   |  |                       |
| 00518 | Godley                       | 59,335               | 8,666                  | 3,412     |         |                                      |                                 | 71,413      |  |                       |
| 00519 | Goldsmith                    | 32,624               | 3,981                  | 1,876     |         |                                      |                                 | 38,481      |  |                       |
| 00520 | Goldthwaite                  | 437,817              | 31,958                 | 25,175    |         |                                      |                                 | 494,950     |  |                       |
| 00522 | Goliad                       | 244,765              | 18,721                 | 14,074    |         |                                      |                                 | 277,560     |  |                       |
| 00524 | Gonzales                     | 2,053,493            | 133,899                | 115,717   | (986)   |                                      | 43,032                          | 2,259,091   |  |                       |
| 10534 | Graham                       | 2,201,332            | 151,055                | 120,101   |         | 27,667                               | 94,377                          | 2,350,444   |  |                       |
| 20534 | Graham Regional Medical Ctr. | 4,071,508            | 362,363                | 225,680   | (1,597) | 23,297                               | 138,106                         | 4,496,551   |  |                       |
| 00536 | Granbury                     | 3,500,489            | 346,454                | 195,925   | (686)   | 50,477                               | 75,232                          | 3,916,473   |  |                       |
| 00540 | Grand Prairie                | 60,208,702           | 3,997,590              | 3,353,521 | (7,503) | 2,588,060                            | 776,314                         | 64,187,936  |  |                       |
| 00542 | Grand Saline                 | 476,780              | 51,732                 | 25,930    |         | 9,169                                | 24,753                          | 520,520     |  |                       |
| 00544 | Grandview                    | 227,137              | 27,109                 | 13,060    |         |                                      |                                 | 267,306     |  |                       |
| 00546 | Granger                      | 97,997               | 13,364                 | 5,334     |         |                                      |                                 | 111,112     |  |                       |
| 00547 | Granite Shoals               | 89,173               | 36,966                 | 4,438     |         |                                      |                                 | 116,634     |  |                       |
| 00548 | Grapeland                    | 143,562              | 15,165                 | 7,241     |         | 29,275                               | 13,943                          | 132,011     |  |                       |
| 00550 | Grapevine                    | 27,825,615           | 2,033,353              | 1,539,662 | (3,712) | 1,243,192                            | 315,440                         | 29,836,286  |  |                       |
| 00552 | Greenville                   | 14,619,108           | 925,476                | 803,965   | (7,863) | 756,409                              | 167,526                         | 15,416,751  |  |                       |
| 00551 | Gregory                      | 55,139               | 8,116                  | 2,536     | (141)   |                                      | 12,258                          | 53,392      |  |                       |
| 00553 | Grey Forest Utilities        | 1,518,509            | 96,932                 | 79,990    |         | 354,436                              | 1,209                           | 1,339,787   |  |                       |
| 00556 | Groesbeck                    | 60,747               | 49,657                 | 3,148     |         |                                      | 7,819                           | 105,732     |  |                       |
| 00558 | Groom                        | 12,657               | 4,396                  | 728       |         |                                      |                                 | 17,781      |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                             |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 00559 | Groves                      | 6,810,505            | 288,077                | 380,406   | (284)   | 548,523                              | 4,880                           | 6,925,301  |  |                       |
| 00560 | Groveton                    | 21,379               | 7,047                  | 670       |         |                                      | 9,645                           | 19,451     |  |                       |
| 00562 | Gruver                      | 217,229              | 11,681                 | 8,052     |         | 119,815                              | 1,954                           | 115,193    |  |                       |
| 00563 | Gun Barrel City             | 342,502              | 62,730                 | 18,142    |         |                                      | 26,672                          | 396,702    |  |                       |
| 00564 | Gunter                      | 36,664               | 10,811                 | 2,108     |         |                                      |                                 | 49,584     |  |                       |
| 00568 | Hale Center                 |                      | 2,213                  |           |         |                                      |                                 | 2,213      |  |                       |
| 00570 | Hallettsville               | 1,096,931            | 46,603                 | 59,457    |         | 50,607                               | 21,464                          | 1,130,921  |  |                       |
| 00572 | Hallsville                  |                      | 13,815                 |           |         | 561                                  |                                 | 13,254     |  |                       |
| 00574 | Haltom City                 | 12,357,178           | 878,964                | 674,145   | (1,128) | 858,498                              | 147,416                         | 12,903,245 |  |                       |
| 00576 | Hamilton                    | 323,414              | 29,677                 | 18,088    |         |                                      | 9,847                           | 361,332    |  |                       |
| 00578 | Hamlin                      | 460,360              | 27,062                 | 24,693    |         |                                      | 34,692                          | 477,423    |  |                       |
| 00580 | Happy                       | 95,526               | 5,920                  | 5,493     |         |                                      |                                 | 106,939    |  |                       |
| 00581 | Harker Heights              | 3,438,135            | 417,616                | 182,091   | (6,729) | 290,696                              | 64,161                          | 3,676,256  |  |                       |
| 10582 | Harlingen                   | 13,273,435           | 1,012,000              | 734,494   | (8,243) | 767,466                              | 190,259                         | 14,053,961 |  |                       |
| 20582 | Harlingen Waterworks System | 3,399,763            | 303,673                | 187,609   | (90)    | 218,169                              | 39,712                          | 3,633,074  |  |                       |
| 00583 | Hart                        | 16,579               | 7,456                  | 953       |         |                                      |                                 | 24,988     |  |                       |
| 00586 | Haskell                     | 361,877              | 23,551                 | 19,214    |         |                                      | 27,931                          | 376,711    |  |                       |
| 00587 | Haslet                      | 147,685              | 24,320                 | 8,492     |         |                                      | 41,383                          | 180,497    |  |                       |
| 00588 | Hawkins                     | 271,140              | 17,370                 | 13,335    |         |                                      |                                 | 260,462    |  |                       |
| 00585 | Hays                        | 10,316               | 3,187                  | 593       |         |                                      |                                 | 14,096     |  |                       |
| 00590 | Heame                       | 826,483              | 90,367                 | 44,337    | (398)   | 61,414                               | 34,259                          | 865,116    |  |                       |
| 00591 | Heath                       | 556,532              | 135,604                | 30,968    | (3,225) | 3,790                                | 14,571                          | 701,518    |  |                       |
| 00592 | Hedley                      | 29,845               | 2,504                  | 1,655     |         | 8,831                                | 34                              | 25,139     |  |                       |
| 00595 | Hedwig Village              | 807,589              | 75,979                 | 45,492    |         | 26,018                               | 18,307                          | 910,753    |  |                       |
| 00593 | Helotes                     | 394,918              | 66,166                 | 22,209    |         |                                      | 6,423                           | 450,853    |  |                       |
| 00594 | Hemphill                    | 439,909              | 35,112                 | 25,056    | (4,157) |                                      |                                 | 495,920    |  |                       |
| 00596 | Hempstead                   | 949,605              | 75,177                 | 53,504    |         |                                      | 22,212                          | 1,056,074  |  |                       |
| 00598 | Henderson                   | 2,841,496            | 233,167                | 160,097   |         | 33,615                               | 38,264                          | 3,162,881  |  |                       |
| 00600 | Henrietta                   | 284,198              | 31,370                 | 14,278    |         |                                      | 39,839                          | 290,007    |  |                       |
| 00602 | Hereford                    | 1,997,804            | 149,359                | 109,256   |         | 98,991                               | 46,259                          | 2,111,169  |  |                       |
| 00605 | Hewitt                      | 1,547,629            | 172,163                | 87,412    | (1,758) | 7,595                                | 22,968                          | 1,774,883  |  |                       |
| 00609 | Hickory Creek               | 274,089              | 67,895                 | 9,743     | (176)   | 24,188                               | 103,369                         | 223,994    |  |                       |
| 00606 | Hico                        | 179,502              | 11,743                 | 9,603     | (560)   | 552                                  | 11,486                          | 188,250    |  |                       |
| 00607 | Hidalgo                     | 1,925,927            | 269,507                | 105,426   |         | 20,533                               | 94,603                          | 2,185,724  |  |                       |
| 00608 | Higgins                     | 43,939               | 2,851                  | 2,526     |         |                                      |                                 | 49,316     |  |                       |
| 00610 | Highland Park               | 11,865,091           | 569,771                | 664,302   |         | 571,665                              | 17,172                          | 12,510,327 |  |                       |
| 00611 | Highland Village            | 2,833,588            | 381,502                | 160,212   |         | 42,652                               | 33,877                          | 3,298,773  |  |                       |
| 00613 | Hill Country Village        | 215,570              | 28,183                 | 12,370    |         |                                      |                                 | 256,123    |  |                       |
| 00612 | Hillsboro                   | 2,270,494            | 178,930                | 126,365   |         | 65,154                               | 26,617                          | 2,484,019  |  |                       |
| 00614 | Hitchcock                   | 716,762              | 53,661                 | 39,451    | (574)   |                                      | 31,506                          | 777,794    |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |         |             | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|---------|-------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |         |             |                       |
| 00615 | Holland                    | 73,901               | 10,568                 | 3,768     |          |                                      |                                 | 9,524   | 78,713      |                       |
| 00616 | Holiday                    | 80,688               | 14,360                 | 4,121     |          |                                      |                                 | 9,965   | 89,204      |                       |
| 00617 | Hollywood Park             | 613,893              | 63,795                 | 34,310    |          |                                      | 13,214                          | 6,499   | 692,285     |                       |
| 00618 | Hondo                      | 1,518,266            | 125,810                | 78,670    | (509)    |                                      | 102,826                         | 49,363  | 1,570,048   |                       |
| 00620 | Honey Grove                | 157,715              | 14,354                 | 8,398     | (370)    |                                      |                                 | 6,546   | 173,551     |                       |
| 00622 | Hooks                      | 260,362              | 17,021                 | 14,855    |          |                                      | 117,275                         | 2,145   | 172,818     |                       |
| 00626 | Howe                       | 213,733              | 24,743                 | 11,934    |          |                                      |                                 | 4,075   | 246,335     |                       |
| 00627 | Hubbard                    | 39,269               | 16,956                 | 1,688     |          |                                      | 6,216                           | 8,678   | 43,019      |                       |
| 00628 | Hudson                     | 81,749               | 22,803                 | 3,668     |          |                                      |                                 | 26,208  | 82,012      |                       |
| 00629 | Hudson Oaks                | 193,282              | 42,761                 | 10,575    |          |                                      |                                 | 10,977  | 235,642     |                       |
| 00630 | Hughes Springs             | 496,926              | 32,663                 | 28,237    |          |                                      |                                 | 5,840   | 551,987     |                       |
| 00632 | Humble                     | 7,024,810            | 548,804                | 380,478   | (10,107) |                                      | 792,712                         | 83,776  | 7,067,497   |                       |
| 00633 | Hunters Creek Village      | 37,773               | 10,022                 | 1,459     |          |                                      |                                 | 12,628  | 36,627      |                       |
| 00634 | Huntington                 | 387,791              | 42,268                 | 20,404    |          |                                      | 29,224                          | 16,817  | 404,422     |                       |
| 00636 | Huntsville                 | 9,059,479            | 740,556                | 493,167   | (3,429)  |                                      | 724,841                         | 233,209 | 9,331,723   |                       |
| 00637 | Hurst                      | 19,861,637           | 1,220,390              | 1,122,226 | (718)    |                                      | 938,301                         | 145,443 | 21,119,791  |                       |
| 00638 | Hutchins                   | 815,854              | 103,322                | 45,443    | (51)     |                                      | 10,176                          | 16,423  | 937,969     |                       |
| 00640 | Hutto                      | 308,535              | 171,594                | 15,604    |          |                                      |                                 | 40,492  | 455,241     |                       |
| 00641 | Huxley                     | 154,946              | 13,095                 | 8,909     | (472)    |                                      | 58,265                          | 52,444  | 176,951     |                       |
| 00643 | Ingliside                  | 848,629              | 106,956                | 46,021    |          |                                      |                                 | 13,001  | 890,425     |                       |
| 00646 | Ingram                     | 89,498               | 10,764                 | 4,458     | (559)    |                                      |                                 | 25,814  | 91,719      |                       |
| 00644 | Iowa Park                  | 1,145,011            | 75,217                 | 64,303    |          |                                      |                                 | 7,635   | 1,258,158   |                       |
| 00645 | Iraan                      | 138,846              | 12,863                 | 7,631     |          |                                      |                                 | 767,670 | 151,705     |                       |
| 00648 | Irving                     | 101,515,701          | 5,698,435              | 5,510,046 | (15,032) |                                      | 10,281,934                      |         | 101,659,546 |                       |
| 00650 | Italy                      |                      | 6,610                  |           |          |                                      |                                 | 6,610   |             |                       |
| 00652 | Itasca                     | 176,566              | 31,042                 | 9,740     |          |                                      | 2,063                           | 9,812   | 205,473     |                       |
| 00654 | Jacinto City               | 1,231,586            | 95,187                 | 69,473    | (655)    |                                      | 27,643                          | 16,979  | 1,350,969   |                       |
| 00656 | Jacksboro                  | 872,810              | 91,081                 | 49,451    |          |                                      |                                 | 14,942  | 998,401     |                       |
| 00658 | Jacksonville               | 3,288,386            | 221,561                | 178,957   | (447)    |                                      | 397,412                         | 79,951  | 3,211,541   |                       |
| 00660 | Jasper                     | 2,609,828            | 260,800                | 144,876   |          |                                      | 18,244                          | 84,354  | 2,912,459   |                       |
| 00664 | Jefferson                  | 205,789              | 34,917                 | 11,608    |          |                                      |                                 | 4,719   | 247,595     |                       |
| 00665 | Jersey Village             | 1,602,104            | 247,583                | 89,671    |          |                                      |                                 | 41,601  | 1,897,757   |                       |
| 00666 | Jewett                     | 101,565              | 11,553                 | 5,840     |          |                                      |                                 |         | 118,958     |                       |
| 00668 | Joaquin                    | 28,328               | 3,860                  | 1,350     |          |                                      |                                 | 5,765   | 27,773      |                       |
| 00670 | Johnson City               | 215,876              | 23,285                 | 9,691     |          |                                      | 59,923                          | 4,849   | 184,080     |                       |
| 00673 | Jones Creek                | 40,624               | 5,686                  | 2,336     |          |                                      |                                 |         | 48,645      |                       |
| 00675 | Jonestown                  | 32,867               | 32,651                 | 1,798     |          |                                      |                                 | 2,222   | 65,095      |                       |
| 00677 | Josephine                  | 6,256                | 8,408                  | 308       |          |                                      |                                 | 893     | 14,079      |                       |
| 00671 | Joshua                     | 241,981              | 40,628                 | 12,574    |          |                                      |                                 | 24,694  | 270,489     |                       |
| 00672 | Jourdanton                 | 258,426              | 32,118                 | 13,565    |          |                                      | 29,002                          | 24,089  | 251,018     |                       |
| 00674 | Junction                   | 493,634              | 34,227                 | 28,206    |          |                                      | 47,178                          | 3,171   | 505,718     |                       |
| 00676 | Justin                     | 206,575              | 37,953                 | 11,402    |          |                                      |                                 | 9,401   | 246,529     |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 00678 | Karnes City                | 414,391              | 12,910                 | 23,738    | (473)   | 251,619                              | 796                             | 450,243    |  |                       |
| 00680 | Katy                       | 3,931,158            | 402,326                | 213,526   | (473)   | 251,619                              | 72,743                          | 4,222,175  |  |                       |
| 00682 | Kaufman                    | 1,255,886            | 124,050                | 70,618    | (178)   |                                      | 29,683                          | 1,420,870  |  |                       |
| 00683 | Keene                      | 732,103              | 104,233                | 41,965    | (178)   |                                      | 3,159                           | 874,964    |  |                       |
| 00681 | Keller                     | 8,026,396            | 1,011,765              | 448,110   | (274)   | 310,052                              | 96,998                          | 9,078,947  |  |                       |
| 00685 | Kemah                      | 466,321              | 85,507                 | 26,456    | (3,749) |                                      | 2,494                           | 572,041    |  |                       |
| 00684 | Kemp                       | 224,600              | 28,546                 | 8,873     | (5,404) | 109,839                              | 6,047                           | 146,133    |  |                       |
| 00686 | Kenedy                     | 304,467              | 16,702                 | 16,904    |         |                                      | 1,158                           | 331,511    |  |                       |
| 00688 | Kennedale                  | 968,559              | 214,234                | 49,817    |         |                                      | 38,451                          | 1,115,647  |  |                       |
| 00692 | Kermit                     | 1,021,255            | 79,728                 | 56,562    |         |                                      | 35,892                          | 1,112,255  |  |                       |
| 10694 | Kerrville                  | 9,822,574            | 773,010                | 542,936   | (942)   | 851,088                              | 153,611                         | 10,132,879 |  |                       |
| 20694 | Kerrville Public Utility   | 3,522,071            | 182,809                | 198,234   | (2,629) | 84,806                               | 52,758                          | 3,762,921  |  |                       |
| 10696 | Kilgore                    | 5,198,932            | 325,889                | 274,481   | (5,195) | 505,628                              | 77,271                          | 5,211,208  |  |                       |
| 00698 | Killeen                    | 16,732,255           | 1,943,601              | 903,115   | 14,542  | 1,352,059                            | 279,400                         | 17,962,054 |  |                       |
| 00700 | Kingsville                 | 11,027,700           | 536,111                | 604,584   | (114)   | 706,750                              | 180,076                         | 11,281,455 |  |                       |
| 00701 | Kirby                      | 955,708              | 73,383                 | 49,330    |         | 71,865                               | 85,301                          | 921,255    |  |                       |
| 00702 | Kirbyville                 | 430,284              | 33,917                 | 17,524    |         | 162,917                              | 9,112                           | 309,696    |  |                       |
| 00704 | Knox City                  | 94,024               | 8,475                  | 5,406     |         |                                      |                                 | 107,905    |  |                       |
| 00708 | Kountze                    | 56,727               | 26,019                 | 2,765     |         |                                      | 9,562                           | 75,949     |  |                       |
| 00709 | Kress                      | 64,307               | 5,970                  | 3,698     |         |                                      |                                 | 73,975     |  |                       |
| 00699 | Krugerville                |                      | 1,246                  |           |         |                                      |                                 | 1,246      |  |                       |
| 00707 | Krum                       | 137,645              | 41,616                 | 6,531     | (230)   |                                      | 26,683                          | 158,879    |  |                       |
| 00710 | Kyle                       | 801,901              | 157,786                | 43,866    | (1,057) |                                      | 39,951                          | 962,545    |  |                       |
| 00725 | La Coste                   | 60,054               | 7,866                  | 2,665     |         |                                      | 14,856                          | 55,729     |  |                       |
| 00714 | La Feria                   | 628,670              | 91,829                 | 32,584    |         | 42,534                               | 40,560                          | 669,989    |  |                       |
| 00716 | La Grange                  | 1,982,289            | 105,243                | 105,687   |         | 170,269                              | 23,981                          | 1,998,969  |  |                       |
| 00723 | La Grulla                  | 86,322               | 12,935                 | 4,932     |         |                                      |                                 | 104,189    |  |                       |
| 00721 | La Marque                  | 3,452,811            | 221,833                | 172,650   | (368)   | 663,086                              | 113,450                         | 3,070,390  |  |                       |
| 00728 | La Porte                   | 17,930,187           | 1,097,040              | 1,008,878 | (550)   | 271,565                              | 322,457                         | 19,441,533 |  |                       |
| 00711 | Lacy-Lakeview              | 666,317              | 86,024                 | 33,107    |         | 120,859                              | 24,602                          | 639,987    |  |                       |
| 00712 | Ladonia                    | 15,521               | 2,478                  | 892       |         |                                      |                                 | 18,891     |  |                       |
| 00713 | Lago Vista                 | 911,877              | 114,419                | 50,239    |         |                                      | 36,365                          | 1,040,170  |  |                       |
| 00705 | Laguna Vista               | 33,659               | 12,728                 | 1,672     |         |                                      | 4,582                           | 43,477     |  |                       |
| 00717 | Lake Dallas                | 1,008,821            | 96,122                 | 52,874    |         | 46,939                               | 35,662                          | 1,075,217  |  |                       |
| 00718 | Lake Jackson               | 7,587,852            | 401,163                | 422,940   | (1,631) | 365,647                              | 80,431                          | 7,964,246  |  |                       |
| 00719 | Lake Worth                 | 1,387,984            | 200,015                | 76,520    |         | 22,773                               | 34,540                          | 1,607,206  |  |                       |
| 00727 | Lakeport                   | 27,270               | 6,206                  | 1,568     |         |                                      |                                 | 35,045     |  |                       |
| 00715 | Lakeside                   | 96,417               | 15,239                 | 2,860     |         |                                      | 49,909                          | 64,607     |  |                       |
| 00729 | Lakeside City              | 14,917               | 5,559                  | 839       |         | 9,814                                |                                 | 11,501     |  |                       |
| 00720 | Lakeway                    | 1,143,353            | 175,260                | 61,386    | (379)   | 113,362                              | 17,299                          | 1,248,959  |  |                       |



# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |  |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|--|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |  |            |                       |
| 00722 | Lamesa                     | 2,593,499            | 171,598                | 140,425   | (335)    | 340,829                              | 73,052                          |  | 2,491,306  |                       |
| 00724 | Lampasas                   | 2,072,787            | 203,036                | 114,244   |          | 119,823                              | 74,940                          |  | 2,195,305  |                       |
| 00726 | Lancaster                  | 9,558,224            | 837,462                | 536,439   | (313)    | 467,255                              | 165,753                         |  | 10,298,804 |                       |
| 00730 | Laredo                     | 39,386,491           | 5,014,076              | 2,170,397 | (13,968) | 1,781,905                            | 569,457                         |  | 44,205,634 |                       |
| 00733 | Lavon                      | 58,310               | 25,103                 | 3,275     |          |                                      | 2,351                           |  | 84,337     |                       |
| 00736 | League City                | 11,861,454           | 1,206,697              | 658,538   | (1,526)  | 563,745                              | 142,792                         |  | 13,018,626 |                       |
| 00737 | Leander                    | 1,078,330            | 336,263                | 57,401    | (880)    | 42,332                               | 69,642                          |  | 1,359,140  |                       |
| 00739 | Leon Valley                | 5,359,890            | 235,572                | 293,681   |          | 431,721                              | 36,899                          |  | 5,420,523  |                       |
| 00738 | Leonard                    | 154,661              | 19,448                 | 8,361     | (91)     |                                      | 9,474                           |  | 172,905    |                       |
| 00740 | Levelland                  | 3,488,150            | 162,936                | 187,139   |          | 194,851                              | 97,966                          |  | 3,545,408  |                       |
| 00742 | Lewisville                 | 28,682,183           | 2,314,365              | 1,610,872 | (1,723)  | 1,514,073                            | 266,150                         |  | 30,825,474 |                       |
| 00744 | Lexington                  | 211,857              | 17,759                 | 11,761    |          |                                      | 10,102                          |  | 231,275    |                       |
| 00746 | Liberty                    | 547,925              | 168,309                | 29,460    |          | 12,319                               | 38,887                          |  | 694,488    |                       |
| 00748 | Lindale                    | 77,979               | 76,762                 | 3,560     |          |                                      | 18,947                          |  | 139,354    |                       |
| 00750 | Linden                     | 133,900              | 15,031                 | 6,727     |          |                                      | 17,309                          |  | 138,349    |                       |
| 00755 | Lipan                      | 6,638                | 5,949                  | 382       |          |                                      | 12,969                          |  | 12,969     |                       |
| 00751 | Little Elm                 | 854,776              | 344,877                | 46,004    | 299      | 47,042                               | 45,419                          |  | 1,153,495  |                       |
| 00752 | Littlefield                | 1,001,107            | 81,031                 | 51,880    |          | 66,461                               | 48,710                          |  | 1,018,847  |                       |
| 00753 | Live Oak                   | 4,752,978            | 331,279                | 266,486   | (4,415)  | 213,978                              | 30,997                          |  | 5,101,353  |                       |
| 00754 | Livingston                 | 3,103,874            | 174,842                | 177,658   | (5,710)  |                                      | 9,437                           |  | 3,441,227  |                       |
| 00756 | Llano                      | 998,905              | 102,793                | 50,663    |          | 122,976                              | 46,759                          |  | 982,626    |                       |
| 00758 | Lockhart                   | 3,341,947            | 271,155                | 178,280   | (252)    | 237,574                              | 101,387                         |  | 3,452,169  |                       |
| 00760 | Lockney                    | 160,869              | 10,301                 | 8,748     |          |                                      | 10,821                          |  | 169,097    |                       |
| 00765 | Lone Star                  | 284,946              | 18,345                 | 14,771    |          |                                      | 28,588                          |  | 289,473    |                       |
| 00766 | Longview                   | 21,894,709           | 1,539,112              | 1,163,931 | (1,161)  | 2,212,492                            | 424,405                         |  | 21,959,694 |                       |
| 00768 | Loraine                    | 5,684                | 3,327                  | 205       |          |                                      | 2,714                           |  | 6,501      |                       |
| 00769 | Lorena                     | 152,856              | 22,401                 | 7,965     |          | 19,715                               | 5,804                           |  | 157,703    |                       |
| 00770 | Lorenzo                    | 62,166               | 5,773                  | 3,575     |          |                                      |                                 |  | 71,514     |                       |
| 00771 | Los Fresnos                | 536,415              | 59,931                 | 29,563    | (3,673)  | 21,010                               | 511                             |  | 600,715    |                       |
| 00773 | Lott                       | 12,642               | 7,843                  | 467       |          |                                      | 5,566                           |  | 15,385     |                       |
| 00778 | Lubbock                    | 76,712,081           | 4,863,650              | 4,196,678 | 10,188   | 5,800,656                            | 857,321                         |  | 79,124,620 |                       |
| 00779 | Lucas                      | 140,772              | 42,327                 | 6,735     |          |                                      | 22,452                          |  | 167,383    |                       |
| 00782 | Lufkin                     | 10,590,053           | 838,470                | 565,169   | 776      | 780,675                              | 329,820                         |  | 10,883,973 |                       |
| 00784 | Luling                     | 1,009,220            | 107,514                | 51,033    |          | 84,644                               | 50,775                          |  | 1,032,348  |                       |
| 00785 | Lumberton                  | 653,334              | 81,551                 | 37,456    |          | 4,449                                | 1,367                           |  | 766,526    |                       |
| 00787 | Lytle                      | 245,438              | 24,371                 | 12,449    |          | 106,376                              | 31,391                          |  | 250,868    |                       |
| 00790 | Madisonville               | 458,901              | 45,781                 | 21,379    | (257)    |                                      | 1,116                           |  | 418,570    |                       |
| 00791 | Magnolia                   | 192,098              | 39,408                 | 9,992     |          |                                      | 15,520                          |  | 225,721    |                       |
| 00792 | Malakoff                   | 239,343              | 30,380                 | 13,372    | (8)      |                                      | 8,614                           |  | 274,473    |                       |
| 00796 | Manor                      | 160,226              | 61,295                 | 7,382     | (9)      | 261,526                              | 34,485                          |  | 194,418    |                       |
| 00798 | Mansfield                  | 12,230,315           | 1,460,073              | 677,371   | (858)    |                                      | 294,945                         |  | 13,811,279 |                       |
| 00799 | Manvel                     | 185,552              | 38,922                 | 9,085     |          |                                      | 25,138                          |  | 207,563    |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 00800 | Marble Falls               | 2,678,302            | 300,803                | 149,099   | (860)    | 10,452                               | 73,815                          | 3,043,077  |  |                       |
| 00802 | Marfa                      | 436,899              | 29,826                 | 24,041    |          | 11,187                               | 11,017                          | 468,563    |  |                       |
| 00804 | Marion                     | 122,950              | 14,581                 | 5,502     |          | 30,262                               | 5,956                           | 106,815    |  |                       |
| 00806 | Marlin                     | 494,349              | 76,105                 | 25,694    | (1,812)  | 6,277                                | 36,936                          | 551,123    |  |                       |
| 00810 | Marshall                   | 6,545,301            | 487,170                | 356,043   |          | 468,407                              | 50,037                          | 6,870,069  |  |                       |
| 00812 | Mart                       | 195,968              | 18,355                 | 11,078    |          |                                      | 2,349                           | 223,052    |  |                       |
| 00814 | Mason                      | 403,042              | 28,380                 | 23,081    |          |                                      | 2,081                           | 452,422    |  |                       |
| 00816 | Matador                    |                      | 4,719                  |           |          |                                      | 446                             | 4,273      |  |                       |
| 00818 | Mathis                     | 666,185              | 73,507                 | 35,140    |          | 68,933                               | 30,646                          | 675,253    |  |                       |
| 00822 | Maypearl                   | 25,952               | 6,736                  | 1,450     |          |                                      | 743                             | 33,394     |  |                       |
| 00824 | McAllen                    | 31,182,719           | 2,686,964              | 1,703,037 | (7,325)  | 1,706,949                            | 600,662                         | 33,257,784 |  |                       |
| 00826 | McCamey                    | 322,057              | 17,456                 | 17,576    |          | 16,388                               |                                 | 340,701    |  |                       |
| 00828 | McGregor                   | 625,418              | 78,068                 | 33,018    |          |                                      | 49,039                          | 687,465    |  |                       |
| 00830 | McKinney                   | 19,622,489           | 2,468,012              | 1,097,182 | (3,464)  | 762,011                              | 157,144                         | 22,265,064 |  |                       |
| 00832 | McLean                     | 41,430               | 7,729                  | 2,217     |          |                                      | 2,867                           | 48,509     |  |                       |
| 00835 | Meadows Place              | 824,021              | 80,701                 | 46,377    |          | 109,158                              | 21,371                          | 820,569    |  |                       |
| 00837 | Melissa                    | 150,892              | 51,698                 | 7,655     |          | 18,544                               | 19,341                          | 172,360    |  |                       |
| 01501 | Memorial Village Police    | 2,149,007            | 162,018                | 122,256   |          | 26,978                               | 25,669                          | 2,380,635  |  |                       |
| 00840 | Memphis                    | 361,800              | 22,657                 | 20,067    |          |                                      | 15,697                          | 388,828    |  |                       |
| 00842 | Menard                     | 362,315              | 11,479                 | 20,833    |          |                                      |                                 | 394,627    |  |                       |
| 00844 | Mercedes                   | 1,426,594            | 151,616                | 81,083    |          | 5,717                                | 13,069                          | 1,640,506  |  |                       |
| 00846 | Meridian                   | 69,519               | 11,245                 | 3,991     |          |                                      | 103                             | 84,653     |  |                       |
| 00848 | Merkel                     | 160,674              | 18,784                 | 8,943     |          | 24,453                               | 3,243                           | 160,705    |  |                       |
| 00852 | Mertzon                    |                      | 3,974                  |           |          |                                      |                                 | 3,974      |  |                       |
| 00854 | Mesquite                   | 63,350,343           | 3,884,695              | 3,478,279 | (18,002) | 4,321,891                            | 318,460                         | 66,054,964 |  |                       |
| 00856 | Mexia                      | 1,610,416            | 210,657                | 84,226    | (134)    | 144,702                              | 77,836                          | 1,682,627  |  |                       |
| 00860 | Midland                    | 41,354,500           | 1,946,010              | 2,288,300 | (574)    | 2,791,853                            | 535,174                         | 42,261,209 |  |                       |
| 00862 | Midlothian                 | 3,065,158            | 454,426                | 166,272   |          | 296,420                              | 72,001                          | 3,317,435  |  |                       |
| 00864 | Miles                      | 43,478               | 2,851                  | 2,500     |          |                                      |                                 | 48,829     |  |                       |
| 00865 | Milford                    | 70,786               | 17,407                 | 3,890     |          |                                      | 4,132                           | 87,951     |  |                       |
| 00868 | Mineola                    | 1,018,400            | 77,343                 | 56,257    | (1,346)  |                                      | 38,125                          | 1,112,529  |  |                       |
| 00870 | Mineral Wells              | 3,942,451            | 273,566                | 197,407   | (567)    | 508,286                              | 95,281                          | 3,809,290  |  |                       |
| 00874 | Mission                    | 8,553,227            | 816,157                | 466,800   | (452)    | 339,116                              | 204,556                         | 9,292,060  |  |                       |
| 00875 | Missouri City              | 13,103,542           | 956,279                | 731,601   | (2,040)  | 650,643                              | 153,757                         | 13,984,982 |  |                       |
| 00876 | Monahans                   | 1,385,538            | 92,132                 | 73,870    |          | 40,555                               | 97,978                          | 1,413,007  |  |                       |
| 00887 | Mont Belvieu               | 2,020,904            | 125,410                | 112,014   |          |                                      | 73,604                          | 2,184,723  |  |                       |
| 00877 | Montgomery                 | 125,973              | 26,454                 | 6,844     |          |                                      | 7,934                           | 151,338    |  |                       |
| 00878 | Moody                      | 98,319               | 15,186                 | 5,653     |          |                                      |                                 | 119,158    |  |                       |
| 00883 | Morgan's Point             | 602,608              | 46,963                 | 34,612    |          |                                      | 288                             | 683,895    |  |                       |
| 00882 | Morgan's Point Resort      | 330,708              | 50,649                 | 17,700    | (1,014)  |                                      | 24,120                          | 373,923    |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |         |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|---------|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |         |            |                       |
| 00884 | Morton                     | 305,866              | 13,753                 | 17,587    |          |                                      |                                 |         | 337,206    |                       |
| 00886 | Moulton                    | 515,931              | 15,841                 | 28,999    |          | 93,374                               |                                 |         | 467,397    |                       |
| 00890 | Mount Enterprise           | 11,125               | 2,632                  | 640       |          |                                      |                                 |         | 14,397     |                       |
| 00892 | Mt. Pleasant               | 3,830,679            | 338,650                | 209,272   |          | 75,898                               |                                 | 146,985 | 4,155,718  |                       |
| 00894 | Mt. Vernon                 | 501,278              | 46,396                 | 25,741    | (63)     | 128,878                              |                                 | 16,353  | 428,121    |                       |
| 00896 | Muenster                   | 299,494              | 13,617                 | 17,221    |          | 163,551                              |                                 | 38,150  | 330,332    |                       |
| 00898 | Muleshoe                   | 1,045,097            | 66,046                 | 55,201    |          |                                      |                                 | 39,532  | 964,643    |                       |
| 00903 | Murphy                     | 820,395              | 260,069                | 45,085    |          | 859,521                              |                                 | 135,265 | 1,086,017  |                       |
| 10904 | Nacogdoches                | 11,602,903           | 808,221                | 636,069   | (20)     |                                      |                                 | 2,467   | 12,052,387 |                       |
| 00906 | Naples                     | 68,847               | 9,564                  | 3,890     |          |                                      |                                 | 18,322  | 79,835     |                       |
| 00907 | Nash                       | 172,025              | 28,301                 | 8,720     |          |                                      |                                 | 13,439  | 190,724    |                       |
| 00905 | Nassau Bay                 | 463,811              | 89,313                 | 25,131    |          | 20,082                               |                                 | 73,822  | 544,734    |                       |
| 00908 | Navasota                   | 1,760,753            | 106,539                | 94,021    | (13)     | 127,343                              |                                 | 13,755  | 1,760,135  |                       |
| 00910 | Nederland                  | 8,478,736            | 346,801                | 462,125   | (45)     | 624,749                              |                                 | 1,715   | 8,649,159  |                       |
| 00912 | Needville                  | 609,721              | 32,556                 | 34,003    |          | 18,272                               |                                 | 13,524  | 656,248    |                       |
| 00914 | New Boston                 | 813,400              | 39,766                 | 43,511    |          | 59,838                               |                                 | 108,277 | 823,315    |                       |
| 10916 | New Braunfels              | 11,307,251           | 1,193,982              | 633,903   | (184)    | 410,661                              |                                 | 145,479 | 12,616,014 |                       |
| 20916 | New Braunfels Utilities    | 8,294,828            | 603,765                | 456,951   | (1,499)  | 516,506                              |                                 | 175     | 8,692,060  |                       |
| 00915 | New Deal                   | 61,718               | 7,784                  | 3,539     |          |                                      |                                 |         | 72,866     |                       |
| 00918 | New London                 | 143,844              | 15,822                 | 8,271     |          |                                      |                                 | 4,368   | 167,937    |                       |
| 00919 | New Summerfield            | 51,699               | 10,809                 | 2,776     |          |                                      |                                 | 18,664  | 60,916     |                       |
| 00917 | New Waverly                | 88,556               | 7,718                  | 4,097     |          | 222,517                              |                                 | 5,635   | 81,707     |                       |
| 00920 | Newton                     | 600,723              | 46,952                 | 31,741    |          |                                      |                                 |         | 451,264    |                       |
| 00922 | Nixon                      | 102,841              | 13,506                 | 5,913     |          |                                      |                                 |         | 122,260    |                       |
| 00924 | Nocona                     | 210,211              | 31,063                 | 11,320    |          |                                      |                                 | 15,055  | 237,539    |                       |
| 00928 | Normangee                  | 32,873               | 4,145                  | 1,806     | (630)    |                                      |                                 | 834     | 37,360     |                       |
| 00931 | North Richland Hills       | 28,171,141           | 1,823,161              | 1,556,292 | (820)    | 1,638,360                            |                                 | 391,446 | 29,519,968 |                       |
| 00930 | Northlake                  | 82,319               | 22,883                 | 4,733     |          | 5,428                                |                                 |         | 104,508    |                       |
| 00936 | Oak Point                  | 112,504              | 32,823                 | 5,149     |          |                                      |                                 | 25,438  | 125,038    |                       |
| 00937 | Oak Ridge North            | 843,387              | 111,632                | 46,902    |          | 19,231                               |                                 | 15,834  | 966,857    |                       |
| 00942 | Odem                       | 146,254              | 15,952                 | 8,410     |          |                                      |                                 |         | 170,615    |                       |
| 00944 | Odessa                     | 29,839,993           | 1,681,369              | 1,638,554 | (25,203) | 2,153,769                            |                                 | 403,467 | 30,577,477 |                       |
| 00935 | O'Donnell                  | 33,599               | 6,445                  | 1,873     |          |                                      |                                 | 1,572   | 40,345     |                       |
| 00945 | Oglesby                    | 11,776               | 2,398                  | 677       |          |                                      |                                 |         | 14,851     |                       |
| 00949 | Old River-Winfree          | 11,041               | 1,649                  | 115       |          |                                      |                                 | 8,108   | 4,697      |                       |
| 00950 | Olimos Park                | 957,143              | 67,021                 | 54,698    |          | 101,093                              |                                 | 6,810   | 970,959    |                       |
| 00951 | Olney                      | 90,174               | 32,338                 | 4,410     |          | 2,105                                |                                 | 14,078  | 110,740    |                       |
| 00953 | Omaha                      | 11,258               | 4,891                  | 647       |          |                                      |                                 |         | 16,796     |                       |
| 00954 | Onalaska                   | 48,237               | 12,318                 | 2,723     | 39       |                                      |                                 | 388     | 62,929     |                       |
| 00958 | Orange                     | 7,521,743            | 435,319                | 414,727   | (140)    | 374,948                              |                                 | 63,165  | 7,933,536  |                       |
| 00960 | Orange Grove               | 325,948              | 15,656                 | 18,731    | (200)    |                                      |                                 |         | 360,135    |                       |
| 00959 | Ore City                   | 61,506               | 12,220                 | 3,066     |          |                                      |                                 | 8,821   | 67,971     |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |             |  | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|-------------|--|-----------------------|
|       |                             |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |             |  |                       |
| 00962 | Overton                     | 203,671              | 19,134                 | 9,169     |          | 2,438                                | 45,335                          | 184,201     |  |                       |
| 00961 | Ovilla                      | 322,857              | 45,168                 | 14,239    |          | 116,142                              | 8,774                           | 257,347     |  |                       |
| 00963 | Oyster Creek                | 440,382              | 28,791                 | 24,073    |          |                                      | 24,018                          | 469,228     |  |                       |
| 00964 | Paducah                     | 286,454              | 12,235                 | 16,214    |          |                                      | 5,554                           | 309,349     |  |                       |
| 00966 | Palacios                    | 453,137              | 48,930                 | 24,842    |          |                                      | 24,899                          | 502,009     |  |                       |
| 00968 | Palestine                   | 6,576,063            | 362,342                | 354,377   | (926)    | 575,566                              | 108,257                         | 6,608,033   |  |                       |
| 00970 | Palmer                      | 96,723               | 28,053                 | 4,448     |          |                                      | 18,951                          | 110,273     |  |                       |
| 00969 | Palmhurst                   | 9,320                | 17,214                 | 536       |          |                                      |                                 | 27,070      |  |                       |
| 00972 | Pampa                       | 4,051,367            | 244,033                | 223,321   |          | 442,366                              | 43,396                          | 4,032,958   |  |                       |
| 00974 | Panhandle                   | 462,698              | 23,026                 | 26,362    |          | 104,382                              | 4,227                           | 403,477     |  |                       |
| 00973 | Panorama Village            | 368,832              | 21,116                 | 21,208    |          |                                      |                                 | 411,155     |  |                       |
| 00975 | Pantego                     | 2,396,155            | 143,021                | 119,298   | (218)    | 605,748                              | 49,810                          | 2,002,698   |  |                       |
| 00976 | Paris                       | 9,368,212            | 572,398                | 522,168   | (1,258)  | 600,114                              | 94,026                          | 9,767,380   |  |                       |
| 00977 | Parker                      | 257,868              | 42,733                 | 9,399     |          | 136,475                              | 40                              | 173,485     |  |                       |
| 00978 | Pasadena                    | 51,569,320           | 3,160,099              | 2,772,505 | 711      | 4,472,866                            | 566,719                         | 52,463,050  |  |                       |
| 00983 | Pearland                    | 9,988,056            | 1,218,028              | 558,726   | (22,655) | 182,677                              | 182,780                         | 11,376,698  |  |                       |
| 00984 | Pearsall                    | 1,052,760            | 64,702                 | 58,224    |          | 98,297                               | 13,268                          | 1,064,121   |  |                       |
| 00988 | Pecos City                  | 1,474,767            | 152,905                | 77,022    |          | 183,508                              | 39,825                          | 1,481,361   |  |                       |
| 00994 | Perryton                    | 2,349,384            | 153,673                | 133,498   |          | 45,493                               | 9,147                           | 2,581,914   |  |                       |
| 01000 | Pflugerville                | 3,408,994            | 537,817                | 192,592   | (327)    | 34,114                               | 52,188                          | 4,052,774   |  |                       |
| 01002 | Pharr                       | 9,089,218            | 1,036,180              | 495,613   | (3,656)  | 673,309                              | 94,658                          | 9,849,388   |  |                       |
| 01004 | Pilot Point                 | 375,235              | 55,328                 | 18,607    | (147)    | 39,820                               | 22,897                          | 386,306     |  |                       |
| 01005 | Pinehurst                   | 637,304              | 65,430                 | 34,350    |          | 96,320                               |                                 | 640,764     |  |                       |
| 01003 | Pineland                    | 306,810              | 14,828                 | 17,642    |          |                                      |                                 | 339,280     |  |                       |
| 01001 | Piney Point Village         | 23,065               | 10,067                 | 1,265     |          |                                      | 1,744                           | 32,653      |  |                       |
| 01006 | Pittsburg                   | 733,944              | 77,782                 | 41,190    |          | 12,112                               | 16,703                          | 824,101     |  |                       |
| 01007 | Plains                      | 275,403              | 15,653                 | 13,739    |          |                                      | 38,286                          | 266,509     |  |                       |
| 01008 | Plainview                   | 5,483,591            | 353,224                | 305,401   | (2,871)  | 261,835                              | 116,940                         | 5,760,570   |  |                       |
| 01010 | Plano                       | 110,160,542          | 8,677,857              | 6,119,109 | (10,062) | 6,668,644                            | 888,171                         | 117,390,631 |  |                       |
| 01012 | Pleasanton                  | 1,603,673            | 109,821                | 88,168    | 152      |                                      | 75,840                          | 1,725,974   |  |                       |
| 01013 | Point                       | 16,724               | 9,022                  | 822       |          |                                      | 2,309                           | 24,259      |  |                       |
| 01017 | Ponder                      | 55,468               | 17,542                 | 2,673     |          |                                      | 8,101                           | 67,581      |  |                       |
| 01014 | Port Aransas                | 1,399,938            | 138,304                | 74,697    | (527)    | 92,147                               | 54,047                          | 1,466,218   |  |                       |
| 11016 | Port Arthur                 | 23,819,107           | 1,071,487              | 1,313,386 | (253)    | 1,481,487                            | 166,882                         | 24,555,612  |  |                       |
| 21016 | Port Arthur Pleasure Island | 221,599              | 15,376                 | 12,172    |          |                                      | 10,196                          | 238,698     |  |                       |
| 01018 | Port Isabel                 | 780,552              | 80,976                 | 43,034    |          | 47,167                               | 26,187                          | 831,208     |  |                       |
| 01020 | Port Lavaca                 | 2,045,725            | 135,257                | 114,075   |          | 183,795                              | 39,151                          | 2,072,111   |  |                       |
| 01022 | Port Neches                 | 6,521,585            | 315,754                | 361,486   |          | 448,371                              | 30,111                          | 6,720,344   |  |                       |
| 01019 | Portland                    | 1,698,677            | 208,489                | 95,542    |          | 89,586                               | 19,594                          | 1,893,528   |  |                       |
| 01024 | Post                        | 284,255              | 21,352                 | 14,999    |          | 37,098                               | 3,800                           | 279,707     |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |          |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|----------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 01026 | Poteet                     | 319,238              | 25,246                 | 16,481    |          | 20,007                               | 30,967                          | 309,990    |  |                       |
| 01028 | Poth                       | 72,384               | 17,080                 | 4,162     |          |                                      |                                 | 93,627     |  |                       |
| 01030 | Pottsboro                  | 113,766              | 23,442                 | 5,001     | (1,172)  |                                      | 25,567                          | 115,470    |  |                       |
| 01032 | Premont                    | 196,808              | 17,403                 | 10,917    | (36)     |                                      | 8,030                           | 217,062    |  |                       |
| 01029 | Presidio                   | 139,759              | 37,186                 | 7,578     |          |                                      | 9,007                           | 175,517    |  |                       |
| 01033 | Primera                    | 91,388               | 16,175                 | 4,102     |          |                                      | 19,937                          | 91,728     |  |                       |
| 01034 | Princeton                  | 194,591              | 88,974                 | 7,648     | (441)    | 7,929                                | 58,079                          | 224,764    |  |                       |
| 01036 | Prosper                    | 320,650              | 126,764                | 17,771    |          |                                      | 16,042                          | 449,143    |  |                       |
| 01042 | Quanah                     | 457,152              | 24,358                 | 25,655    |          |                                      | 11,866                          | 495,299    |  |                       |
| 01045 | Queen City                 | 79,962               | 12,665                 | 4,219     |          |                                      | 7,047                           | 89,798     |  |                       |
| 01044 | Quinlan                    | 44,547               | 9,262                  | 2,438     |          |                                      | 3,075                           | 53,173     |  |                       |
| 01047 | Quintana                   | 590                  | 3,174                  | 20        |          |                                      | 900                             | 2,884      |  |                       |
| 01046 | Quitaque                   | 14,516               | 3,319                  | 835       |          |                                      |                                 | 18,669     |  |                       |
| 01048 | Quitman                    | 701,166              | 34,119                 | 37,947    |          |                                      | 36,996                          | 736,236    |  |                       |
| 01050 | Ralls                      | 321,085              | 17,004                 | 18,200    |          |                                      | 5,955                           | 350,334    |  |                       |
| 01051 | Rancho Viejo               | 436,910              | 25,098                 | 24,956    |          |                                      | 2,893                           | 484,071    |  |                       |
| 01052 | Ranger                     | 254,188              | 27,943                 | 13,940    | (119)    |                                      | 9,404                           | 286,548    |  |                       |
| 01054 | Rankin                     | 144,157              | 6,661                  | 8,289     |          |                                      |                                 | 159,107    |  |                       |
| 01055 | Ransom Canyon              | 30,366               | 15,993                 | 1,746     |          |                                      |                                 | 48,105     |  |                       |
| 01058 | Raymondville               | 1,720,234            | 97,974                 | 86,513    | (15)     | 107,766                              | 126,103                         | 1,670,837  |  |                       |
| 01061 | Red Oak                    | 480,259              | 132,180                | 26,076    | (9)      | 11,742                               | 16,769                          | 609,995    |  |                       |
| 01062 | Redwater                   |                      | 5,827                  |           |          |                                      | 340                             | 5,487      |  |                       |
| 01064 | Refugio                    | 269,439              | 33,914                 | 15,337    |          |                                      | 4,476                           | 314,214    |  |                       |
| 01065 | Reklaw                     | 134,890              | 9,492                  | 6,965     |          |                                      | 13,762                          | 137,585    |  |                       |
| 01066 | Reno (Lamar County)        | 84,854               | 19,653                 | 4,879     |          |                                      |                                 | 109,386    |  |                       |
| 01069 | Reno (Parker County)       | 8,767                | 12,769                 | 361       |          |                                      | 4,026                           | 17,871     |  |                       |
| 01067 | Rhame                      | 97,157               | 17,258                 | 4,835     |          | 6,434                                | 6,977                           | 105,839    |  |                       |
| 01068 | Rice                       | 46,811               | 8,299                  | 1,447     |          |                                      |                                 | 33,509     |  |                       |
| 01070 | Richardson                 | 61,568,126           | 3,658,174              | 3,444,848 | (10,528) | 2,107,182                            | 23,048                          | 66,062,444 |  |                       |
| 01073 | Richland Hills             | 3,428,583            | 218,660                | 191,710   | (207)    | 118,802                              | 37,215                          | 3,682,729  |  |                       |
| 01074 | Richland Springs           | 49,810               | 1,917                  | 2,864     |          |                                      |                                 | 54,591     |  |                       |
| 01076 | Richmond                   | 4,918,805            | 336,962                | 270,197   | (802)    | 223,452                              | 108,029                         | 5,193,681  |  |                       |
| 01077 | Richwood                   | 401,680              | 27,496                 | 23,026    |          |                                      | 1,620                           | 450,582    |  |                       |
| 01075 | Rio Grande City            | 270,481              | 121,506                | 14,516    |          |                                      | 21,808                          | 384,695    |  |                       |
| 01079 | Rio Vista                  | 58,191               | 19,624                 | 3,290     |          |                                      | 1,206                           | 79,899     |  |                       |
| 01080 | Rising Star                | 31,973               | 6,251                  | 1,752     |          |                                      | 1,495                           | 38,481     |  |                       |
| 01082 | River Oaks                 | 1,442,367            | 131,104                | 78,603    | (55)     | 60,460                               | 26,858                          | 1,564,701  |  |                       |
| 01084 | Roanoke                    | 1,388,239            | 310,269                | 76,322    | (3,006)  | 3,460                                | 58,131                          | 1,710,233  |  |                       |
| 01088 | Robert Lee                 | 16,981               | 5,788                  | 945       |          |                                      | 572                             | 23,141     |  |                       |
| 01089 | Robinson                   | 766,844              | 101,492                | 43,006    |          |                                      | 22,444                          | 888,898    |  |                       |
| 21090 | Robstown                   | 2,514,837            | 140,272                | 137,763   |          | 5,780                                | 117,964                         | 2,669,128  |  |                       |
| 11090 | Robstown Utility Systems   | 1,752,540            | 76,863                 | 95,748    |          | 60,326                               | 77,988                          | 1,786,837  |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions              |            |          |                                      | Deductions                      |           |             | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|------------------------|------------|----------|--------------------------------------|---------------------------------|-----------|-------------|-----------------------|
|       |                             |                      | Employee Contributions | Interest*  | Other    | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |           |             |                       |
| 01092 | Roby                        | 31,551               | 6,685                  | 1,814      |          |                                      |                                 |           | 40,050      |                       |
| 01096 | Rockdale                    | 428,972              | 66,216                 | 23,126     | (37)     |                                      |                                 | 31,978    | 486,299     |                       |
| 01098 | Rockport                    | 3,121,669            | 215,506                | 178,839    |          | 78,045                               |                                 | 2,835     | 3,435,134   |                       |
| 01100 | Rocksprings                 | 76,227               | 6,975                  | 4,336      |          |                                      |                                 | 932       | 86,607      |                       |
| 01102 | Rockwall                    | 5,898,923            | 797,359                | 320,468    | (177)    | 268,808                              |                                 | 150,600   | 6,597,165   |                       |
| 01104 | Rogers                      | 99,871               | 12,592                 | 5,697      |          |                                      |                                 | 792       | 117,368     |                       |
| 01105 | Rollingwood                 | 196,210              | 22,733                 | 10,521     |          |                                      |                                 | 16,599    | 212,865     |                       |
| 01106 | Roma                        | 1,279,644            | 125,230                | 66,867     |          | 38,938                               |                                 | 115,131   | 1,317,672   |                       |
| 01109 | Roscoe                      | 63,832               | 10,049                 | 3,210      |          |                                      |                                 | 8,382     | 68,709      |                       |
| 01112 | Rosebud                     | 23,402               | 11,821                 | 1,255      |          | 4,618                                |                                 | 31,860    | 31,860      |                       |
| 01114 | Rosenberg                   | 7,579,830            | 529,024                | 397,348    |          | 1,036,368                            |                                 | 151,680   | 7,318,154   |                       |
| 01116 | Rotan                       | 91,513               | 6,908                  | 4,971      |          | 17,887                               |                                 | 85,505    | 85,505      |                       |
| 01118 | Round Rock                  | 19,325,354           | 2,425,539              | 1,058,044  | (7,912)  | 1,302,939                            |                                 | 282,872   | 21,215,214  |                       |
| 01119 | Rowlett                     | 13,021,393           | 1,334,611              | 737,397    | 1,491    | 190,163                              |                                 | 157,529   | 14,747,200  |                       |
| 20696 | Roy H. Laird Memorial Hosp. | 2,725,575            |                        | 145,214    | (2,655)  | 130,052                              |                                 | 102,605   | 2,635,477   |                       |
| 01120 | Royse City                  | 444,107              | 88,023                 | 21,640     | (151)    | 61,031                               |                                 | 12,231    | 480,357     |                       |
| 01122 | Rule                        | 27,243               | 4,847                  | 1,566      |          |                                      |                                 | 33,656    | 33,656      |                       |
| 01123 | Runaway Bay                 | 129,097              | 24,732                 | 5,534      | (988)    | 18,507                               |                                 | 23,086    | 116,782     |                       |
| 01124 | Runge                       | 47,923               | 7,658                  | 2,592      |          |                                      |                                 | 3,129     | 55,044      |                       |
| 01126 | Rusk                        | 424,829              | 55,297                 | 22,218     |          |                                      |                                 | 41,952    | 460,392     |                       |
| 01128 | Sabinal                     | 99,854               | 9,946                  | 5,129      |          | 13,456                               |                                 | 2,826     | 98,647      |                       |
| 01129 | Sachse                      | 1,980,804            | 320,910                | 106,531    |          | 166,107                              |                                 | 82,521    | 2,159,616   |                       |
| 01131 | Saginaw                     | 1,737,874            | 261,766                | 97,761     |          | 18,081                               |                                 | 22,408    | 2,056,912   |                       |
| 01130 | Saint Jo                    | 63,884               | 10,801                 | 3,508      | (182)    |                                      |                                 | 4,403     | 73,608      |                       |
| 01133 | Salado                      | 34,055               | 11,382                 | 1,882      |          |                                      |                                 | 2,743     | 44,576      |                       |
| 01132 | San Angelo                  | 25,122,307           | 1,691,748              | 1,381,977  | (472)    | 1,429,251                            |                                 | 263,161   | 26,503,148  |                       |
| 21136 | San Antonio                 | 209,681,221          | 13,309,859             | 11,218,212 | (91,047) | 24,944,442                           |                                 | 3,048,232 | 206,125,571 |                       |
| 11136 | San Antonio Water System    | 32,912,303           | 1,974,178              | 1,852,570  | (2,180)  | 1,247,885                            |                                 | 205,289   | 35,283,697  |                       |
| 01138 | San Augustine               | 550,965              | 59,031                 | 31,433     |          |                                      |                                 | 4,722     | 636,708     |                       |
| 01140 | San Benito                  | 1,356,154            | 221,887                | 74,719     | (62)     | 61,970                               |                                 | 34,660    | 1,556,068   |                       |
| 01144 | San Felipe                  | 5,947                | 7,080                  | 342        |          |                                      |                                 | 13,369    | 13,369      |                       |
| 01148 | San Juan                    | 1,741,636            | 237,776                | 94,636     | (40)     | 20,192                               |                                 | 80,995    | 1,972,821   |                       |
| 01150 | San Marcos                  | 18,256,295           | 1,399,682              | 1,015,845  | (1,200)  | 907,492                              |                                 | 227,065   | 19,536,065  |                       |
| 01152 | San Saba                    | 826,985              | 70,685                 | 46,429     |          |                                      |                                 | 21,022    | 923,077     |                       |
| 01146 | Sanger                      | 792,782              | 113,812                | 44,494     |          |                                      |                                 | 20,163    | 930,925     |                       |
| 01153 | Sansom Park                 | 239,891              | 36,621                 | 12,144     | (1,037)  |                                      |                                 | 29,183    | 258,436     |                       |
| 01154 | Santa Anna                  | 302                  |                        | 17         |          |                                      |                                 | 319       | 319         |                       |
| 01155 | Santa Fe                    | 908,610              | 141,486                | 51,663     | (2,445)  | 34,741                               |                                 | 6,642     | 1,057,931   |                       |
| 01158 | Savoy                       | 66,310               | 6,502                  | 3,435      |          |                                      |                                 | 7,646     | 68,601      |                       |
| 01159 | Schertz                     | 2,591,829            | 412,796                | 142,823    | (118)    | 22,309                               |                                 | 105,737   | 3,019,284   |                       |



# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |            |  |                       |
| 01160 | Schulenburg                | 1,730,180            | 96,954                 | 96,229    |         | 93,086                               | 8,110                           | 1,822,167  |  |                       |
| 01161 | Seabrook                   | 3,577,235            | 289,373                | 195,804   |         | 331,413                              | 30,654                          | 3,700,345  |  |                       |
| 01162 | Seadrift                   | 2,977                | 12,653                 | 156       |         |                                      | 625                             | 15,161     |  |                       |
| 01164 | Seagoville                 | 1,898,348            | 196,388                | 107,799   | 32      | 13,824                               | 25,114                          | 2,163,629  |  |                       |
| 01166 | Seagraves                  | 118,123              | 16,398                 | 6,609     |         |                                      | 4,006                           | 137,124    |  |                       |
| 01167 | Sealy                      | 1,341,329            | 110,470                | 67,857    |         | 151,989                              | 39,351                          | 1,328,315  |  |                       |
| 01168 | Seguin                     | 8,546,896            | 521,804                | 483,653   | (8)     | 606,544                              | 22,389                          | 8,923,412  |  |                       |
| 01169 | Selma                      | 899,704              | 167,850                | 50,554    |         |                                      | 25,092                          | 1,093,016  |  |                       |
| 01170 | Seminole                   | 1,687,280            | 114,743                | 93,044    |         |                                      | 77,268                          | 1,817,798  |  |                       |
| 01171 | Seven Points               | 233,522              | 27,333                 | 12,583    | 187     |                                      | 18,262                          | 255,363    |  |                       |
| 01172 | Seymour                    | 715,143              | 58,576                 | 39,213    |         |                                      | 35,911                          | 777,021    |  |                       |
| 01177 | Shallowater                | 166,641              | 16,088                 | 9,548     |         |                                      | 806                             | 191,471    |  |                       |
| 01174 | Shamrock                   | 286,430              | 25,016                 | 16,205    |         | 36,372                               |                                 | 291,280    |  |                       |
| 01173 | Shavano Park               | 354,509              | 86,520                 | 18,775    | (1,562) |                                      | 26,975                          | 431,267    |  |                       |
| 01175 | Shenandoah                 | 194,670              | 124,476                | 10,704    |         |                                      | 9,939                           | 319,911    |  |                       |
| 01181 | Shepherd                   | 74,012               | 13,538                 | 3,811     |         |                                      | 7,738                           | 83,623     |  |                       |
| 01176 | Sherman                    | 17,771,803           | 1,205,636              | 942,252   | 12,785  | 1,984,968                            | 204,768                         | 17,742,740 |  |                       |
| 01178 | Shiner                     | 740,317              | 34,163                 | 36,639    |         | 126,167                              | 8,071                           | 676,881    |  |                       |
| 01179 | Shoreacres                 | 176,984              | 27,370                 | 10,123    |         |                                      | 1,502                           | 212,975    |  |                       |
| 01180 | Sisbee                     | 1,804,528            | 147,374                | 99,568    |         | 66,975                               | 43,873                          | 1,940,622  |  |                       |
| 01182 | Silverton                  | 200,541              | 4,663                  | 11,233    |         |                                      | 5,176                           | 211,261    |  |                       |
| 01184 | Sinton                     | 992,648              | 63,678                 | 51,001    | (1,212) | 163,033                              | 28,911                          | 914,171    |  |                       |
| 01185 | Skellytown                 | 40,557               | 4,071                  | 2,323     |         |                                      |                                 | 46,952     |  |                       |
| 01186 | Slaton                     | 1,254,362            | 80,711                 | 66,327    | (468)   | 44,283                               | 100,115                         | 1,256,534  |  |                       |
| 01188 | Smithville                 | 813,229              | 76,675                 | 43,652    | (1,283) | 4,000                                | 50,184                          | 878,089    |  |                       |
| 01189 | Smyer                      | 22,209               | 2,511                  | 1,277     |         |                                      |                                 | 25,997     |  |                       |
| 01190 | Snyder                     | 3,548,530            | 201,865                | 194,072   | (1,265) | 345,506                              | 35,775                          | 3,561,921  |  |                       |
| 01191 | Somerset                   | 44,781               | 7,710                  | 2,465     | (367)   |                                      | 1,546                           | 53,043     |  |                       |
| 01192 | Somerville                 | 182,496              | 20,259                 | 8,346     |         |                                      | 34,049                          | 177,052    |  |                       |
| 01194 | Sonora                     | 687,935              | 40,089                 | 35,309    |         | 76,845                               | 5,619                           | 680,869    |  |                       |
| 01196 | Sour Lake                  | 147,835              | 17,576                 | 8,108     |         |                                      | 6,914                           | 166,605    |  |                       |
| 01198 | South Houston              | 3,066,448            | 179,587                | 173,279   | (102)   | 14,521                               | 48,098                          | 3,356,593  |  |                       |
| 01199 | South Padre Island         | 2,911,646            | 318,764                | 161,558   |         | 53,422                               | 68,761                          | 3,269,785  |  |                       |
| 01197 | Southlake                  | 8,136,785            | 884,373                | 447,140   | (1,312) | 97,604                               | 289,106                         | 9,080,276  |  |                       |
| 01202 | Southside Place            | 463,449              | 40,856                 | 25,878    | (1,043) | 7,276                                | 6,840                           | 515,024    |  |                       |
| 01204 | Spearman                   | 892,313              | 38,540                 | 49,860    | (1,095) | 2,382                                | 24,024                          | 953,212    |  |                       |
| 01205 | Spring Valley              | 1,321,105            | 109,353                | 75,647    | (988)   | 20,309                               | 5,508                           | 1,500,597  |  |                       |
| 01203 | Springtown                 | 333,720              | 55,869                 | 15,318    |         |                                      | 54,014                          | 329,596    |  |                       |
| 01206 | Spur                       | 195,709              | 13,694                 | 10,979    |         |                                      | 5,108                           | 215,274    |  |                       |
| 01207 | Stafford                   | 4,340,316            | 324,965                | 243,934   | (180)   | 275,389                              | 45,709                          | 4,588,117  |  |                       |
| 01208 | Stamford                   | 573,055              | 35,210                 | 30,380    |         |                                      | 42,786                          | 595,679    |  |                       |
| 01210 | Stanton                    | 379,521              | 32,754                 | 21,274    |         |                                      | 8,517                           | 425,032    |  |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |  |            | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|--|------------|-----------------------|
|       |                             |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |  |            |                       |
| 01211 | Star Harbor                 | 130,553              | 7,275                  | 7,128     |         | 29,572                               | 4,372                           |  | 111,012    |                       |
| 01212 | Stephenville                | 4,830,644            | 302,503                | 272,389   |         | 75,592                               | 52,141                          |  | 5,277,802  |                       |
| 01213 | Sterling City               | 92,062               | 7,543                  | 5,294     |         |                                      |                                 |  | 104,899    |                       |
| 01214 | Stinnett                    | 404,313              | 23,260                 | 22,675    |         |                                      | 3,661                           |  | 446,587    |                       |
| 01218 | Stratford                   | 107,838              | 19,726                 | 5,909     |         |                                      | 5,696                           |  | 127,777    |                       |
| 01224 | Sudan                       | 87,211               | 9,740                  | 5,015     |         |                                      |                                 |  | 101,965    |                       |
| 01225 | Sugar Land                  | 18,230,028           | 1,867,171              | 1,007,359 | (3,232) | 901,156                              | 224,096                         |  | 19,976,074 |                       |
| 01226 | Sulphur Springs             | 5,251,268            | 333,544                | 296,576   |         | 236,040                              | 8,513                           |  | 5,636,835  |                       |
| 01228 | Sundown                     | 362,847              | 19,129                 | 20,149    |         |                                      | 12,426                          |  | 389,700    |                       |
| 01229 | Sunnyvale                   | 419,039              | 61,426                 | 22,685    |         | 48,333                               | 18,175                          |  | 436,642    |                       |
| 01230 | Sunray                      | 262,881              | 26,288                 | 14,210    |         |                                      | 18,433                          |  | 284,946    |                       |
| 01227 | Sunrise Beach Village       | 48,067               | 7,253                  | 2,747     |         |                                      | 653                             |  | 57,415     |                       |
| 01231 | Sunset Valley               | 409,103              | 74,632                 | 23,165    |         |                                      | 6,226                           |  | 500,674    |                       |
| 01233 | Surfside Beach              | 68,805               | 15,961                 | 3,596     |         |                                      | 7,108                           |  | 81,254     |                       |
| 01232 | Sweeny                      | 589,264              | 33,277                 | 32,442    |         | 78,518                               | 10,576                          |  | 565,889    |                       |
| 01234 | Sweetwater                  | 3,410,757            | 233,650                | 186,868   | 302     | 295,421                              | 26,813                          |  | 3,509,343  |                       |
| 01264 | T.M.R.S.                    | 3,580,611            | 301,376                | 197,164   |         | 520,367                              | 77,944                          |  | 3,480,840  |                       |
| 01236 | Taft                        | 350,730              | 33,298                 | 16,110    | (208)   | 28,938                               | 55,735                          |  | 315,257    |                       |
| 01238 | Tahoka                      | 429,238              | 20,370                 | 24,681    |         |                                      |                                 |  | 474,289    |                       |
| 01241 | Tatum                       | 82,347               | 12,118                 | 4,604     |         |                                      | 1,908                           |  | 97,160     |                       |
| 01246 | Taylor                      | 3,291,874            | 321,232                | 179,239   | (590)   | 292,624                              | 57,921                          |  | 3,441,210  |                       |
| 01248 | Teague                      | 295,339              | 34,432                 | 15,005    |         | 9,860                                | 26,665                          |  | 308,251    |                       |
| 01252 | Temple                      | 19,298,238           | 1,385,018              | 1,075,537 | (7,471) | 965,063                              | 176,207                         |  | 20,610,052 |                       |
| 01254 | Tenaha                      | 64,067               | 6,993                  | 3,119     |         |                                      | 10,286                          |  | 63,892     |                       |
| 01256 | Terrell                     | 5,241,182            | 522,718                | 285,511   |         | 558,495                              | 115,503                         |  | 5,375,413  |                       |
| 01258 | Terrell Hills               | 1,401,112            | 101,657                | 73,908    |         | 133,773                              | 22,841                          |  | 1,420,063  |                       |
| 21260 | Texarkana                   | 6,462,054            | 493,430                | 355,651   | (45)    | 226,125                              | 157,049                         |  | 6,927,916  |                       |
| 11260 | Texarkana Police Dept.      | 5,066,597            | 307,513                | 279,806   |         | 726,394                              | 26,809                          |  | 4,900,713  |                       |
| 31260 | Texarkana Water Utilities   | 3,391,968            | 373,673                | 187,454   | (525)   | 247,511                              | 49,755                          |  | 3,655,304  |                       |
| 01262 | Texas City                  | 16,584,029           | 1,083,617              | 877,834   | (2,582) | 1,545,787                            | 370,014                         |  | 16,627,097 |                       |
| 11263 | Texas Municipal League      | 2,049,178            | 129,965                | 113,381   | (533)   | 72,069                               | 10,778                          |  | 2,209,144  |                       |
| 31263 | Texas Municipal League IEBP | 3,702,208            | 438,352                | 197,182   | 14,833  | 25,679                               | 243,392                         |  | 4,083,504  |                       |
| 21263 | Texas Municipal League IRP  | 11,665,717           | 1,061,427              | 651,668   |         | 308,394                              | 138,632                         |  | 12,931,786 |                       |
| 01265 | Texhoma                     | 8,293                | 1,097                  | 477       |         |                                      | 9,867                           |  | 9,867      |                       |
| 01267 | The Colony                  | 7,576,896            | 844,221                | 420,484   | (5,164) | 424,357                              | 88,599                          |  | 8,323,481  |                       |
| 01269 | Thompsons                   | 8,725                | 4,544                  | 502       |         |                                      |                                 |  | 13,770     |                       |
| 01268 | Thorndale                   | 110,637              | 11,790                 | 6,335     |         |                                      | 286                             |  | 128,476    |                       |
| 01274 | Three Rivers                | 783,197              | 51,076                 | 44,455    |         |                                      | 11,256                          |  | 867,472    |                       |
| 01276 | Throckmorton                | 171,021              | 6,613                  | 9,176     |         |                                      | 11,445                          |  | 175,364    |                       |
| 01277 | Tiki Island                 | 14,478               | 13,603                 | 710       |         |                                      | 3,042                           |  | 25,749     |                       |
| 01278 | Timpson                     | 133,360              | 13,374                 | 7,582     |         |                                      | 2,504                           |  | 151,811    |                       |
| 01280 | Tioga                       | 60,880               | 7,655                  | 3,489     |         |                                      | 818                             |  | 71,206     |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions              |           |         |                                      | Deductions                      |  |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|------------------------|-----------|---------|--------------------------------------|---------------------------------|--|------------|-----------------------|
|       |                            |                      | Employee Contributions | Interest* | Other   | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |  |            |                       |
| 01283 | Tolar                      | 26,303               | 9,554                  | 1,512     |         |                                      |                                 |  | 37,370     |                       |
| 01286 | Tom Bean                   | 43,146               | 7,928                  | 1,414     |         | 14,591                               | 11,775                          |  | 26,121     |                       |
| 01284 | Tomball                    | 3,670,722            | 389,756                | 203,070   |         | 222,865                              | 32,798                          |  | 4,007,885  |                       |
| 01290 | Trent                      | 7,822                | 3,674                  | 399       |         |                                      | 875                             |  | 11,020     |                       |
| 01292 | Trenton                    | 67,592               | 7,991                  | 3,307     |         |                                      | 10,526                          |  | 68,364     |                       |
| 01293 | Trinidad                   | 83,732               | 11,673                 | 4,039     |         | 27,845                               | 10,025                          |  | 61,574     |                       |
| 01294 | Trinity                    | 188,348              | 26,548                 | 8,308     | 178     | 23,988                               | 28,112                          |  | 171,282    |                       |
| 01295 | Trophy Club                | 1,091,860            | 218,966                | 58,730    | (919)   | 83,059                               | 50,123                          |  | 1,235,455  |                       |
| 01296 | Troup                      | 273,036              | 19,257                 | 9,757     |         | 49,011                               | 60,525                          |  | 192,513    |                       |
| 01297 | Troy                       | 72,448               | 6,652                  | 3,131     |         |                                      | 20,169                          |  | 62,062     |                       |
| 01298 | Tulia                      | 1,241,968            | 65,847                 | 69,836    | (3,675) | 128,632                              | 24,014                          |  | 1,221,330  |                       |
| 01299 | Turkey                     | 17,684               | 2,842                  | 1,017     |         |                                      | 21,543                          |  | 21,543     |                       |
| 01301 | Tye                        | 69,408               | 16,623                 | 3,812     |         |                                      | 3,439                           |  | 86,404     |                       |
| 01304 | Tyler                      | 24,445,080           | 1,704,940              | 1,335,996 | (9,924) | 1,394,423                            | 521,339                         |  | 25,560,330 |                       |
| 01305 | Universal City             | 2,948,798            | 213,773                | 154,211   |         | 368,007                              | 18,080                          |  | 2,930,696  |                       |
| 01306 | University Park            | 13,418,553           | 803,567                | 749,636   | (984)   | 749,922                              | 4,615                           |  | 14,216,235 |                       |
| 01308 | Uvalde                     | 3,244,569            | 195,877                | 167,156   |         | 322,749                              | 111,576                         |  | 3,173,277  |                       |
| 01314 | Van                        | 249,898              | 24,820                 | 13,286    |         |                                      | 19,198                          |  | 268,806    |                       |
| 01316 | Van Alstyne                | 359,058              | 66,338                 | 19,788    | (401)   | 6,478                                | 10,938                          |  | 427,367    |                       |
| 01318 | Van Horn                   | 642,776              | 36,673                 | 36,035    |         |                                      | 16,414                          |  | 699,070    |                       |
| 01320 | Vega                       | 268,443              | 11,962                 | 14,533    |         |                                      | 16,625                          |  | 278,313    |                       |
| 01324 | Venus                      | 72,672               | 26,196                 | 4,073     |         |                                      | 1,841                           |  | 101,100    |                       |
| 01326 | Vernon                     | 2,562,188            | 215,879                | 139,352   |         | 147,189                              | 66,460                          |  | 2,703,770  |                       |
| 01328 | Victoria                   | 20,384,529           | 1,276,778              | 1,105,987 | (6,316) | 2,062,215                            | 242,591                         |  | 20,456,172 |                       |
| 01329 | Vidor                      | 2,241,352            | 158,200                | 127,973   |         | 73,772                               | 16,840                          |  | 2,436,913  |                       |
| 01500 | Village Fire Department    | 3,722,331            | 178,958                | 213,339   |         |                                      | 3,062                           |  | 4,111,565  |                       |
| 01330 | Waco                       | 58,419,879           | 4,059,247              | 3,251,871 | (7,816) | 2,821,669                            | 524,127                         |  | 62,377,385 |                       |
| 01332 | Waelder                    | 131,745              | 17,762                 | 7,567     | (152)   |                                      | 105                             |  | 156,817    |                       |
| 01334 | Wake Village               | 430,052              | 43,223                 | 24,205    |         |                                      | 10,730                          |  | 486,750    |                       |
| 01336 | Waller                     | 546,733              | 35,061                 | 30,207    |         | 39,531                               | 5,121                           |  | 567,349    |                       |
| 01337 | Wallis                     | 166,204              | 15,140                 | 9,502     |         |                                      | 950                             |  | 189,896    |                       |
| 01338 | Walnut Springs             | 11,154               | 2,894                  | 641       |         |                                      |                                 |  | 14,690     |                       |
| 01340 | Waskom                     | 254,568              | 30,458                 | 14,459    |         |                                      | 1,906                           |  | 297,580    |                       |
| 01341 | Watauga                    | 5,445,261            | 460,449                | 292,552   | (1,697) | 389,142                              | 91,806                          |  | 5,715,617  |                       |
| 01342 | Waxahachie                 | 5,962,679            | 584,950                | 331,135   |         | 148,814                              | 139,539                         |  | 6,590,411  |                       |
| 01344 | Weatherford                | 10,966,845           | 1,006,630              | 614,309   | (598)   | 292,831                              | 221,442                         |  | 12,072,913 |                       |
| 01345 | Webster                    | 5,726,870            | 461,481                | 319,406   |         | 194,338                              | 79,688                          |  | 6,233,730  |                       |
| 01346 | Weimar                     | 779,662              | 43,491                 | 40,368    | (75)    | 124,335                              | 1,352                           |  | 737,833    |                       |
| 01350 | Wellington                 | 411,723              | 15,328                 | 23,638    |         |                                      |                                 |  | 450,614    |                       |
| 01352 | Wells                      | 55,961               | 4,965                  | 3,143     |         |                                      | 1,296                           |  | 62,774     |                       |
| 01354 | Weslaco                    | 5,336,989            | 549,192                | 285,815   | (1,609) | 286,018                              | 153,627                         |  | 5,730,742  |                       |
| 01356 | West                       | 289,079              | 25,019                 | 16,622    |         |                                      |                                 |  | 330,720    |                       |

# Changes in Employees Saving Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006    | Additions              |                       |                      |                                      | Deductions                      |                         |  | Balance Dec. 31, 2006 |
|-------|----------------------------|-------------------------|------------------------|-----------------------|----------------------|--------------------------------------|---------------------------------|-------------------------|--|-----------------------|
|       |                            |                         | Employee Contributions | Interest*             | Other                | Transfers to Current Service Annuity | Withdrawals Death Ineligibility |                         |  |                       |
| 01358 | West Columbia              | 1,027,176               | 55,076                 | 55,655                | (237)                | 91,713                               | 4,395                           | 1,041,562               |  |                       |
| 01359 | West Lake Hills            | 944,193                 | 80,611                 | 48,391                |                      | 138,067                              | 37,534                          | 897,593                 |  |                       |
| 01361 | West Orange                | 1,027,721               | 68,556                 | 58,416                |                      | 17,930                               | 1,031                           | 1,135,732               |  |                       |
| 01365 | West Tawakoni              | 64,155                  | 27,085                 | 3,130                 |                      |                                      | 12,474                          | 81,896                  |  |                       |
| 01364 | West Univ. Place           | 6,050,072               | 414,780                | 340,668               | (284)                | 104,622                              | 95,327                          | 6,605,287               |  |                       |
| 01363 | Westlake                   | 265,641                 | 95,112                 | 13,969                |                      | 8,128                                | 28,785                          | 337,809                 |  |                       |
| 01362 | Westover Hills             | 563,190                 | 38,584                 | 28,042                |                      | 143,604                              | 264                             | 485,948                 |  |                       |
| 01366 | Westworth Village          | 412,068                 | 70,298                 | 21,511                | (805)                | 11,647                               | 38,750                          | 452,675                 |  |                       |
| 01368 | Wharton                    | 2,708,392               | 161,964                | 153,370               | (6,556)              |                                      | 63,417                          | 2,953,753               |  |                       |
| 01370 | Wheeler                    | 133,740                 | 6,055                  | 7,690                 |                      |                                      |                                 | 147,485                 |  |                       |
| 01372 | White Deer                 | 25,950                  | 9,515                  | 861                   |                      |                                      | 11,926                          | 24,400                  |  |                       |
| 01377 | White Oak                  | 1,594,848               | 94,335                 | 77,905                |                      | 442,581                              | 5,598                           | 1,318,909               |  |                       |
| 01378 | White Settlement           | 3,663,367               | 209,993                | 198,463               | (2,559)              | 283,970                              | 36,876                          | 3,748,418               |  |                       |
| 01374 | Whiteface                  | 128,850                 | 5,479                  | 7,409                 |                      |                                      |                                 | 141,738                 |  |                       |
| 01375 | Whitehouse                 | 593,838                 | 71,698                 | 33,171                |                      | 23,787                               | 13,250                          | 661,670                 |  |                       |
| 01376 | Whitesboro                 | 956,207                 | 65,821                 | 52,166                |                      | 37,193                               | 29,002                          | 1,007,999               |  |                       |
| 01380 | Whitewright                | 209,675                 | 17,666                 | 10,787                |                      | 42,384                               | 12,264                          | 183,480                 |  |                       |
| 01382 | Whitney                    | 137,089                 | 28,656                 | 7,362                 |                      |                                      | 10,356                          | 162,751                 |  |                       |
| 01384 | Wichita Falls              | 33,342,028              | 1,899,196              | 1,805,224             | (20,675)             | 3,453,831                            | 485,901                         | 33,086,041              |  |                       |
| 01386 | Willis                     | 556,653                 | 69,496                 | 30,611                |                      | 41,125                               | 7,950                           | 607,685                 |  |                       |
| 01388 | Wills Point                | 531,643                 | 56,123                 | 28,424                |                      | 31,613                               | 16,785                          | 567,792                 |  |                       |
| 01390 | Wilmer                     | 535,567                 | 62,133                 | 25,779                |                      | 70,673                               | 23,732                          | 529,074                 |  |                       |
| 01392 | Wimberley                  |                         | 1,539                  |                       |                      |                                      |                                 | 1,539                   |  |                       |
| 01393 | Windcrest                  | 1,158,247               | 101,940                | 64,960                |                      | 22,635                               | 26,019                          | 1,276,494               |  |                       |
| 01396 | Wink                       | 140,102                 | 8,583                  | 7,431                 | (742)                |                                      | 10,130                          | 145,244                 |  |                       |
| 01398 | Winnsboro                  | 433,252                 | 50,360                 | 21,008                |                      | 13,981                               | 62,740                          | 427,900                 |  |                       |
| 01399 | Winona                     | 101,542                 | 12,859                 | 3,221                 |                      | 55,458                               | 7,142                           | 55,022                  |  |                       |
| 01400 | Winters                    | 685,360                 | 21,322                 | 32,125                | 901                  | 132,455                              | 7,879                           | 599,374                 |  |                       |
| 01403 | Wolfforth                  | 393,976                 | 36,392                 | 21,973                | (1,452)              |                                      | 11,938                          | 438,951                 |  |                       |
| 01409 | Woodcreek                  | 10,011                  | 1,950                  | 576                   |                      |                                      |                                 | 12,537                  |  |                       |
| 01404 | Woodsboro                  | 57,558                  | 11,538                 | 2,833                 |                      |                                      | 9,689                           | 62,241                  |  |                       |
| 01406 | Woodville                  | 705,798                 | 60,989                 | 38,785                | (663)                | 74,284                               | 9,333                           | 721,292                 |  |                       |
| 01407 | Woodway                    | 2,269,385               | 202,565                | 127,558               |                      | 12,498                               | 42,665                          | 2,544,345               |  |                       |
| 01408 | Wortham                    | 74,858                  | 14,401                 | 3,037                 |                      |                                      | 23,584                          | 68,712                  |  |                       |
| 01410 | Wylie                      | 3,999,813               | 643,570                | 223,326               | (351)                | 246,365                              | 45,589                          | 4,574,404               |  |                       |
| 01412 | Yoakum                     | 2,813,970               | 147,823                | 152,125               | (13)                 | 127,731                              | 81,189                          | 2,904,985               |  |                       |
| 01414 | Yorktown                   | 224,499                 | 19,577                 | 12,412                | (89)                 |                                      | 9,105                           | 247,294                 |  |                       |
| 01415 | Zavalla                    | 107,692                 | 14,342                 | 6,140                 |                      |                                      | 906                             | 127,268                 |  |                       |
|       | <b>TOTALS</b>              | <b>\$ 3,453,938,264</b> | <b>\$ 257,268,310</b>  | <b>\$ 189,607,517</b> | <b>\$ (6,15,483)</b> | <b>\$ 226,253,425</b>                | <b>\$ 48,991,124</b>            | <b>\$ 3,624,954,060</b> |  |                       |

\* Interest includes (1) annual interest allocated to each member, based on their January 1st balance, as approved by the Board and (2) prorated interest credited at retirement.  
 Note: Columns may not total, due to rounding.

# Changes in Municipality Accumulation Fund

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |            |            |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|------------|------------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest   | Other      | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00004 | Abernathy                  | \$ 119,592           | \$ 26,176                  | \$ 6,877   | \$         | \$                                   | \$ 21,961                    | \$ 51                           | \$ 130,633 |                       |
| 00006 | Abilene                    | 57,950,399           | 5,188,841                  | 3,332,148  |            | 1,990,418                            | 21,483                       | 57,258,139                      |            |                       |
| 00007 | Addison                    | 27,125,641           | 1,889,938                  | 1,559,724  |            | 290,284                              | 5,330                        | 27,286,878                      |            |                       |
| 00010 | Alamo                      | 916,820              | 148,379                    | 52,717     |            | 9,432                                |                              | 1,083,166                       |            |                       |
| 00012 | Alamo Heights              | 2,306,192            | 566,912                    | 132,606    |            | 119,250                              | 8,910                        | 1,591,967                       |            |                       |
| 00014 | Alba                       | 12,378               | 7,401                      | 712        |            |                                      |                              | 20,491                          |            |                       |
| 00016 | Albany                     | 183,294              | 10,833                     | 10,539     |            | 9,492                                |                              | 140,739                         |            |                       |
| 00017 | Aledo                      | 39,323               | 13,963                     | 2,261      |            | 4,127                                |                              | 32,079                          |            |                       |
| 00018 | Alice                      | 6,763,721            | 602,480                    | 388,914    |            | 196,446                              | 4,408                        | 7,339,386                       |            |                       |
| 00019 | Allen                      | 20,418,816           | 2,581,837                  | 1,174,082  |            | 202,655                              | 1,959                        | 23,381,778                      |            |                       |
| 00020 | Alpine                     | 1,502,754            | 78,785                     | 86,408     |            | 9,629                                |                              | 1,658,318                       |            |                       |
| 00022 | Alto                       | 206,481              | 24,797                     | 11,873     |            | 6,105                                |                              | 237,046                         |            |                       |
| 00023 | Alton                      | 388,016              | 41,819                     | 22,311     | 7,618      |                                      |                              | 444,528                         |            |                       |
| 00024 | Alvarado                   | 99,455               | 53,805                     | 5,719      |            | 5,112                                |                              | 153,866                         |            |                       |
| 00026 | Alvin                      | 8,554,663            | 626,423                    | 491,893    | 687,148    | 80,007                               | 8,050                        | 8,897,775                       |            |                       |
| 00028 | Alvord                     | 6,868                | 8,006                      | 395        |            |                                      |                              | 15,269                          |            |                       |
| 00030 | Amarillo                   | 77,540,931           | 8,595,166                  | 4,458,604  | 10,193,498 | 2,902,187                            | 64,875                       | 77,434,140                      |            |                       |
| 00032 | Amherst                    | 152,851              | 7,462                      | 8,789      | 22,726     | 5,036                                |                              | 141,340                         |            |                       |
| 00034 | Anahuac                    | 380,578              | 37,101                     | 21,883     |            | 66,861                               |                              | 372,701                         |            |                       |
| 00036 | Andrews                    | 4,260,590            | 368,881                    | 244,984    | 46,432     | 180,376                              | 11,741                       | 4,635,906                       |            |                       |
| 00038 | Angleton                   | 3,505,985            | 409,300                    | 201,594    | 161,310    | 131,006                              | 2,488                        | 3,822,075                       |            |                       |
| 00040 | Anna                       | 52,078               | 39,841                     | 2,995      |            |                                      |                              | 94,914                          |            |                       |
| 00044 | Anson                      | 274,377              | 24,083                     | 15,777     |            | 7,786                                |                              | 306,451                         |            |                       |
| 00045 | Anthony                    | 44,054               | 47,353                     | 2,533      | 4,028      | 3,577                                |                              | 86,336                          |            |                       |
| 00048 | Aransas Pass               | 2,601,630            | 276,407                    | 149,594    | 649,598    | 131,074                              | 3,672                        | 2,243,287                       |            |                       |
| 00050 | Archer City                | 95,838               | 15,242                     | 5,511      | 12,556     | 9,570                                |                              | 94,465                          |            |                       |
| 00051 | Argyle                     | 276,561              | 57,596                     | 15,902     |            | 886                                  |                              | 349,173                         |            |                       |
| 00052 | Arlington                  | 196,278,592          | 16,992,007                 | 11,286,019 | 19,931,333 | 5,205,267                            | 159,193                      | 199,260,825                     |            |                       |
| 00054 | Arp                        | 166,661              | 9,256                      | 9,583      | 26,214     | 10,929                               |                              | 148,357                         |            |                       |
| 00060 | Aspermont                  | 203,184              | 2,260                      | 11,683     |            |                                      |                              | 217,127                         |            |                       |
| 00062 | Athens                     | 4,070,607            | 610,464                    | 234,060    | 252,930    | 118,930                              |                              | 4,543,271                       |            |                       |
| 00064 | Atlanta                    | 788,326              | 67,959                     | 45,329     |            | 55,489                               | 1,034                        | 845,090                         |            |                       |
| 00066 | Aubrey                     | 268,062              | 31,129                     | 15,414     |            |                                      |                              | 314,605                         |            |                       |
| 00074 | Avinger                    | 13,447               | 1,083                      | 773        |            |                                      |                              | 15,304                          |            |                       |
| 00075 | Azle                       | 2,673,206            | 276,527                    | 153,709    | 566        | 47,020                               | 831                          | 3,055,026                       |            |                       |
| 00077 | Baird                      | 172,802              | 20,092                     | 9,936      |            | 21,668                               |                              | 181,163                         |            |                       |
| 00078 | Balch Springs              | 3,488,395            | 451,202                    | 200,583    | 301,050    | 42,842                               | 708                          | 3,795,580                       |            |                       |
| 00079 | Balcones Heights           | 2,484,850            | 190,373                    | 142,879    | 6,154      | 36,803                               | 4,650                        | 2,770,495                       |            |                       |
| 00080 | Ballinger                  | 817,692              | 37,531                     | 47,017     | 76,006     | 5,545                                |                              | 820,689                         |            |                       |
| 00082 | Balmorhea                  | 6,285                | 1,480                      | 361        |            |                                      |                              | 8,127                           |            |                       |
| 00083 | Bandera                    | 414,520              | 42,766                     | 23,835     |            | 3,507                                |                              | 477,614                         |            |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00084 | Bangs                      | 366,949              | 47,933                     | 21,100    |       |                                      | 14,821                       |                                 | 421,161    |                       |
| 00090 | Bartlett                   | 402,789              | 576                        | 23,160    |       | 104,114                              | 3,466                        |                                 | 318,946    |                       |
| 00091 | Bartonville                | 15,593               | 9,587                      | 897       |       |                                      |                              |                                 | 26,076     |                       |
| 00092 | Bastrop                    | 1,897,051            | 221,525                    | 109,080   |       | 251,558                              | 27,734                       | 1,597                           | 1,946,767  |                       |
| 00094 | Bay City                   | 7,770,623            | 436,058                    | 446,811   |       | 1,361,748                            | 201,553                      | 1,882                           | 7,088,309  |                       |
| 00093 | Bayou Vista                | 25,347               | 9,548                      | 1,457     |       |                                      |                              |                                 | 36,353     |                       |
| 00096 | Baytown                    | 48,125,248           | 4,529,254                  | 2,767,202 |       | 5,586,762                            | 1,740,602                    | 74,195                          | 48,020,145 |                       |
| 00098 | Beaumont                   | 78,471,586           | 5,616,769                  | 4,512,116 |       | 7,513,087                            | 2,213,332                    | 61,000                          | 78,813,052 |                       |
| 00101 | Bee Cave                   | 240,039              | 78,204                     | 13,802    |       | 46,789                               | 557                          |                                 | 284,700    |                       |
| 00102 | Beeville                   | 3,056,468            | 94,258                     | 175,747   |       | 365,873                              | 25,749                       |                                 | 2,934,851  |                       |
| 00106 | Bellaire                   | 14,671,407           | 1,237,363                  | 843,606   |       | 300,568                              | 557,375                      | 10,067                          | 15,884,366 |                       |
| 00109 | Bellmead                   | 2,629,639            | 188,071                    | 151,204   |       | 5,224                                | 26,677                       | 6,450                           | 2,930,563  |                       |
| 00110 | Bells                      | 72,006               | 7,901                      | 4,140     |       |                                      | 1,339                        |                                 | 82,709     |                       |
| 00112 | Belville                   | 2,134,029            | 197,012                    | 122,707   |       | 116,133                              | 146,676                      | 321                             | 2,190,618  |                       |
| 00114 | Belton                     | 3,262,156            | 336,699                    | 187,574   |       | 935,270                              | 39,582                       |                                 | 2,811,577  |                       |
| 00118 | Benbrook                   | 8,130,946            | 824,921                    | 467,529   |       | 370,403                              | 87,451                       | 7,461                           | 8,958,081  |                       |
| 00121 | Berryville                 | 48,185               | 2,550                      | 2,771     |       | 4,890                                | 572                          | 814                             | 47,230     |                       |
| 00123 | Bertram                    | 113,056              | 13,922                     | 6,501     |       |                                      | 5,961                        |                                 | 127,518    |                       |
| 00124 | Big Lake                   | 433,404              | 86,777                     | 24,921    |       |                                      | 47,206                       |                                 | 497,896    |                       |
| 00126 | Big Sandy                  | 144,975              | 19,146                     | 8,336     |       | 2,355                                |                              |                                 | 170,102    |                       |
| 00128 | Big Spring                 | 8,731,593            | 667,953                    | 502,067   |       | 80,766                               | 226,257                      | 10,579                          | 9,584,011  |                       |
| 00132 | Bishop                     | 557,398              | 28,667                     | 32,050    |       |                                      | 19,327                       |                                 | 598,788    |                       |
| 00134 | Blanco                     | 117,223              | 11,059                     | 6,740     |       |                                      | 4,236                        |                                 | 130,786    |                       |
| 00140 | Blooming Grove             | 70,633               | 6,782                      | 4,061     |       |                                      | 6,191                        |                                 | 75,285     |                       |
| 00142 | Blossom                    | 189,750              | 10,428                     | 10,911    |       | 16,689                               |                              | 2,283                           | 192,117    |                       |
| 00143 | Blue Mound                 | 27,203               | 17,834                     | 1,564     |       |                                      |                              |                                 | 46,601     |                       |
| 00144 | Blue Ridge                 | 6,680                | 6,373                      | 384       |       |                                      | 1,271                        |                                 | 12,166     |                       |
| 00148 | Boerne                     | 3,955,287            | 837,399                    | 227,429   |       | 378,651                              | 75,299                       | 729                             | 4,565,436  |                       |
| 00150 | Bogata                     | 78,891               | 3,478                      | 4,536     |       |                                      | 1,167                        |                                 | 85,738     |                       |
| 00152 | Bonham                     | 2,345,330            | 180,934                    | 134,856   |       | 16,668                               | 28,202                       | 649                             | 2,615,602  |                       |
| 00154 | Booker                     | 193,663              | 8,398                      | 11,136    |       |                                      | 9,051                        |                                 | 204,146    |                       |
| 00156 | Borger                     | 7,123,725            | 710,211                    | 409,614   |       | 466,286                              | 496,703                      | 3,613                           | 7,276,948  |                       |
| 00158 | Bovina                     | 172,114              | 5,418                      | 9,897     |       |                                      | 3,456                        |                                 | 183,973    |                       |
| 00160 | Bowie                      | 2,449,907            | 219,351                    | 140,870   |       | 57,943                               | 59,672                       | 109                             | 2,692,403  |                       |
| 00162 | Boyd                       | 105,457              | 13,295                     | 6,064     |       | 11,085                               |                              |                                 | 113,731    |                       |
| 00166 | Brady                      | 1,031,438            | 88,502                     | 59,308    |       | 68,716                               | 47,369                       | 380                             | 1,062,783  |                       |
| 00170 | Brazoria                   | 747,140              | 45,429                     | 42,961    |       | 32,872                               | 10,958                       |                                 | 791,699    |                       |
| 00172 | Breckenridge               | 1,592,142            | 148,720                    | 91,548    |       | 42,438                               | 73,104                       |                                 | 1,716,869  |                       |
| 00174 | Bremond                    | 59,986               | 4,763                      | 3,449     |       | 18,160                               | 664                          |                                 | 49,374     |                       |
| 00176 | Brenham                    | 7,785,265            | 764,238                    | 447,653   |       | 650,563                              | 171,801                      | 3,253                           | 8,171,538  |                       |



# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00177 | Bridge City                | 2,805,782            | 289,376                    | 161,332   |       | 430,579                              | 35,703                       | 13,937                          | 2,776,271  |                       |
| 00178 | Bridgeport                 | 1,566,507            | 129,243                    | 90,074    |       |                                      | 12,238                       | 867                             | 1,772,719  |                       |
| 00180 | Bronte                     | 36,175               | 6,587                      | 2,080     |       |                                      |                              |                                 | 44,842     |                       |
| 00182 | Brookshire                 | 1,226,725            | 54,111                     | 70,537    |       | 198,243                              | 17,321                       |                                 | 1,135,809  |                       |
| 00184 | Brownfield                 | 3,336,230            | 313,310                    | 191,833   |       | 860,943                              | 170,221                      | 743                             | 2,809,466  |                       |
| 10188 | Brownsville                | 41,719,643           | 5,589,209                  | 2,398,879 |       | 1,472,678                            | 1,511,894                    | 12,633                          | 46,710,526 |                       |
| 20188 | Brownsville Public Utility | 18,948,923           | 1,938,827                  | 1,089,563 |       | 1,562,743                            | 859,794                      | 9,105                           | 19,545,671 |                       |
| 10190 | Brownwood                  | 7,709,159            | 809,454                    | 443,277   |       | 336,040                              | 235,967                      | 14,713                          | 8,375,169  |                       |
| 30190 | Brownwood Health Dept.     | 410,701              | 27,804                     | 23,615    |       | 165,719                              | 16,291                       |                                 | 280,110    |                       |
| 20190 | Brownwood Public Library   | 76,951               | 1,357                      | 4,425     |       |                                      | 1,339                        |                                 | 81,394     |                       |
| 00195 | Bruceville-Eddy            | 240,879              | 25,564                     | 13,851    |       | 48,561                               | 249                          |                                 | 231,483    |                       |
| 00192 | Bryan                      | 48,920,791           | 4,899,865                  | 2,812,945 |       | 5,152,664                            | 998,056                      | 10,457                          | 50,472,425 |                       |
| 00193 | Bryson                     | 231,544              | 3,200                      | 13,314    |       |                                      |                              |                                 | 248,058    |                       |
| 00194 | Buda                       | 246,374              | 49,747                     | 14,167    |       | 797                                  | 4,206                        |                                 | 306,082    |                       |
| 00196 | Buffalo                    | 227,175              | 22,468                     | 13,063    |       |                                      | 12,948                       |                                 | 248,961    |                       |
| 00198 | Bullard                    | 80,560               | 14,877                     | 4,632     |       |                                      | 1,887                        |                                 | 98,182     |                       |
| 00203 | Bulverde                   | 56,952               | 42,073                     | 3,275     |       | 13,483                               | 5,407                        |                                 | 88,817     |                       |
| 00199 | Bunker Hill Village        | 947,426              | 32,105                     | 54,477    |       | 63,106                               |                              |                                 | 965,495    |                       |
| 00200 | Burkburnett                | 2,540,763            | 312,389                    | 146,094   |       | 586,270                              | 134,703                      | 8,773                           | 2,269,500  |                       |
| 00202 | Burleson                   | 10,307,273           | 1,222,465                  | 592,668   |       | 560,847                              | 245,130                      | 8,169                           | 11,308,260 |                       |
| 00204 | Burnet                     | 2,782,230            | 330,061                    | 159,978   |       | 79,487                               | 66,355                       | 3,057                           | 3,123,370  |                       |
| 00206 | Burton                     | 46,131               |                            | 2,653     |       |                                      |                              |                                 | 48,784     |                       |
| 00207 | Cactus                     | 325,394              | 17,759                     | 18,710    |       | 64,132                               | 4,674                        |                                 | 293,057    |                       |
| 00208 | Caddo Mills                | 3,393                | 20,363                     | 195       |       |                                      | 4,710                        |                                 | 19,241     |                       |
| 00210 | Caldwell                   | 2,131,214            | 137,403                    | 122,545   |       | 79,502                               | 43,730                       |                                 | 2,267,930  |                       |
| 00212 | Calvert                    | 47,573               | 6,723                      | 2,735     |       |                                      |                              |                                 | 57,031     |                       |
| 00214 | Cameron                    | 833,988              | 99,647                     | 47,954    |       | 58,780                               | 64,284                       |                                 | 858,525    |                       |
| 00220 | Canadian                   | 619,710              | 99,556                     | 35,633    |       |                                      | 35,221                       | 378                             | 719,300    |                       |
| 00222 | Canton                     | 961,229              | 264,530                    | 55,271    |       | 24,884                               | 45,199                       |                                 | 1,210,946  |                       |
| 00224 | Canyon                     | 6,105,106            | 359,540                    | 351,044   |       |                                      | 92,617                       | 519                             | 6,722,553  |                       |
| 00227 | Carmine                    | 29,474               | 1,203                      | 1,695     |       |                                      | 8                            | 138                             | 32,226     |                       |
| 00228 | Carrizo Springs            | 1,710,796            | 53,417                     | 98,371    |       | 196,207                              | 32,056                       | 220                             | 1,634,101  |                       |
| 00230 | Carrollton                 | 81,117,498           | 5,134,009                  | 4,664,256 |       | 3,724,424                            | 929,296                      | 26,546                          | 86,235,497 |                       |
| 00232 | Carthage                   | 5,334,981            | 537,758                    | 306,761   |       | 461,058                              | 172,397                      | 570                             | 5,545,476  |                       |
| 00231 | Castle Hills               | 2,537,493            | 229,280                    | 145,906   |       | 211,895                              | 54,518                       | 75                              | 2,646,191  |                       |
| 00234 | Castroville                | 953,519              | 80,748                     | 54,827    |       |                                      | 20,712                       |                                 | 1,068,382  |                       |
| 00238 | Cedar Hill                 | 12,419,228           | 1,566,707                  | 714,106   |       | 628,295                              | 143,736                      | 9,822                           | 13,918,188 |                       |
| 00239 | Cedar Park                 | 6,650,421            | 1,200,808                  | 382,399   |       | 142,086                              | 68,360                       | 3,050                           | 8,020,132  |                       |
| 00242 | Celina                     | 457,337              | 74,837                     | 26,297    |       |                                      |                              |                                 | 558,471    |                       |
| 00244 | Center                     | 1,423,728            | 138,995                    | 81,864    |       | 239,155                              | 70,412                       | 3,936                           | 1,331,084  |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |         | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|---------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |         |                       |
| 00246 | Centerville                | 122,259              | 12,479                     | 7,030     |       |                                      |                              |                                 |         | 141,768               |
| 00248 | Charlotte                  | 124,220              | 8,115                      | 7,143     |       | 52,108                               |                              |                                 |         | 87,370                |
| 00249 | Chester                    | 121,548              | 4,358                      | 6,989     |       |                                      |                              | 996                             |         | 131,898               |
| 00245 | Chico                      | 52,997               | 7,174                      | 3,047     |       | 9,568                                |                              | 2,422                           |         | 51,228                |
| 00250 | Childress                  | 647,795              | 138,577                    | 37,248    |       | 131,721                              |                              | 29,559                          | 1,282   | 661,058               |
| 00253 | Chireno                    | 151,417              | 39,306                     | 8,706     |       |                                      |                              | 28,479                          |         | 170,950               |
| 00254 | Christine                  | 13,896               | 2,296                      | 799       |       |                                      |                              | 460                             |         | 16,531                |
| 00255 | Cibola                     | 536,619              | 136,962                    | 30,856    |       |                                      |                              | 1,688                           | 2,204   | 700,544               |
| 00256 | Cisco                      | 805,118              | 30,436                     | 46,294    |       | 51,440                               |                              | 6,124                           | 575     | 823,709               |
| 00258 | Clarendon                  | 143,017              | 13,361                     | 8,223     |       |                                      |                              | 779                             |         | 163,823               |
| 00259 | Clarksville                | 1,022,723            | 19,941                     | 58,807    |       |                                      |                              | 7,445                           |         | 1,094,025             |
| 00260 | Clarksville City           | 421,943              | 9,640                      | 24,262    |       |                                      |                              |                                 |         | 455,845               |
| 00263 | Clear Lake Shores          | 124,301              | 16,615                     | 7,147     |       |                                      |                              |                                 |         | 148,064               |
| 00264 | Cleburne                   | 14,244,546           | 1,534,421                  | 819,061   |       | 1,880,586                            |                              | 583,079                         | 6,012   | 14,128,351            |
| 00266 | Cleveland                  | 1,730,397            | 144,045                    | 99,498    |       |                                      |                              | 52,216                          | 2,815   | 1,918,909             |
| 00268 | Clifton                    | 438,927              | 41,693                     | 25,238    |       |                                      |                              | 13,026                          | 5,560   | 487,272               |
| 00271 | Clute                      | 4,198,127            | 268,810                    | 241,392   |       | 249,150                              |                              | 50,843                          | 1,009   | 4,407,327             |
| 00272 | Clyde                      | 346,514              | 66,862                     | 19,925    |       |                                      |                              | 18,666                          |         | 414,635               |
| 00274 | Coahoma                    | 95,197               | 9,503                      | 5,474     |       |                                      |                              | 4,027                           |         | 106,147               |
| 00276 | Cockrell Hill              | 1,280,804            | 17,405                     | 73,646    |       | 217,168                              |                              | 1,137                           |         | 1,153,550             |
| 00278 | Coleman                    | 1,959,673            | 260,223                    | 112,681   |       | 53,146                               |                              | 71,296                          | 641     | 2,207,494             |
| 00280 | College Station            | 45,183,624           | 4,101,452                  | 2,598,058 |       | 3,179,241                            |                              | 511,935                         | 2,918   | 48,189,041            |
| 00281 | Colleyville                | 11,707,948           | 975,448                    | 673,207   |       | 1,122,941                            |                              | 21,251                          | 319     | 12,212,092            |
| 00282 | Collinsville               | 90,571               | 6,696                      | 5,208     |       |                                      |                              |                                 |         | 102,475               |
| 00283 | Colmesneil                 | 8,448                | 4,205                      | 486       |       |                                      |                              |                                 |         | 13,138                |
| 00284 | Colorado City              | 1,097,819            | 82,998                     | 63,125    |       |                                      |                              | 17,470                          | 1,000   | 1,225,472             |
| 00286 | Columbus                   | 839,601              | 91,602                     | 48,277    |       | 9,559                                |                              | 17,703                          | 1,063   | 951,155               |
| 00288 | Comanche                   | 580,062              | 41,452                     | 33,354    |       |                                      |                              | 31,525                          |         | 623,343               |
| 00290 | Commerce                   | 1,728,299            | 161,853                    | 99,377    |       | 452,703                              |                              | 38,357                          | 640     | 1,497,829             |
| 00294 | Conroe                     | 16,324,306           | 1,915,630                  | 938,648   |       | 1,563,767                            |                              | 279,297                         | 7,007   | 17,328,513            |
| 00295 | Converse                   | 2,787,409            | 339,553                    | 160,276   |       | 40,650                               |                              | 30,979                          | 790     | 3,214,819             |
| 00298 | Cooper                     | 247,363              | 20,348                     | 14,223    |       |                                      |                              | 6,402                           |         | 275,532               |
| 00299 | Coppell                    | 20,545,485           | 2,163,722                  | 1,181,365 |       | 646,096                              |                              | 150,052                         | 4,623   | 23,089,801            |
| 00297 | Copper Canyon              | 15,972               | 4,756                      | 918       |       |                                      |                              |                                 |         | 21,647                |
| 00300 | Copperas Cove              | 8,974,207            | 729,011                    | 516,017   |       | 761,950                              |                              | 145,350                         | 5,848   | 9,306,087             |
| 00301 | Corinth                    | 3,407,930            | 606,937                    | 195,956   |       | 353,444                              |                              | 25,395                          |         | 3,831,984             |
| 00302 | Corpus Christi             | 132,686,968          | 14,295,795                 | 7,629,501 |       | 17,423,522                           |                              | 5,720,238                       | 191,676 | 131,276,828           |
| 00304 | Corrigan                   | 275,055              | 29,979                     | 15,816    |       | 10,318                               |                              | 7,557                           |         | 302,975               |
| 00306 | Corsicana                  | 8,484,252            | 738,449                    | 487,844   |       | 658,810                              |                              | 226,987                         | 13,193  | 8,811,555             |
| 00308 | Cotulla                    | 386,738              | 26,375                     | 22,237    |       | 4,805                                |                              | 44,261                          | 1,672   | 384,613               |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality     | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|--------------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                                |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00310 | Crandall                       | 473,774              | 68,640                     | 27,242    |       |                                      | 3,395                        |                                 | 566,262    |                       |
| 00312 | Crane                          | 1,295,912            | 101,355                    | 74,515    |       | 34,065                               | 53,894                       |                                 | 1,383,823  |                       |
| 00314 | Crawford                       | 14,645               | 2,379                      | 842       |       |                                      |                              |                                 | 17,866     |                       |
| 00316 | Crockett                       | 2,473,622            | 157,209                    | 142,233   |       | 272,112                              | 24,547                       | 134                             | 2,476,271  |                       |
| 00318 | Crosbyton                      | 234,062              | 16,744                     | 13,459    |       |                                      | 17,121                       |                                 | 247,143    |                       |
| 00320 | Cross Plains                   | 193,677              | 10,086                     | 11,136    |       |                                      | 6,079                        |                                 | 208,821    |                       |
| 00323 | Crowley                        | 2,293,182            | 215,551                    | 131,858   |       | 28,785                               | 13,647                       |                                 | 2,598,158  |                       |
| 00325 | Crystal Beach                  | 246,571              | 56,214                     | 14,178    |       | 29,642                               | 852                          |                                 | 230,255    |                       |
| 00324 | Crystal City                   | 1,187,026            | 170,056                    | 68,254    |       | 519,855                              | 1,024                        |                                 | 790,615    |                       |
| 00326 | Cuero                          | 1,761,146            | 101,266                    | 101,266   |       | 127,572                              | 99,962                       | 199                             | 1,804,735  |                       |
| 00332 | Daingerfield                   | 395,231              | 15,637                     | 22,726    |       |                                      | 3,788                        |                                 | 429,806    |                       |
| 00334 | Daisetta                       | 20,910               | 5,992                      | 1,202     |       |                                      |                              |                                 | 28,105     |                       |
| 00336 | Dalhart                        | 1,357,226            | 117,856                    | 78,041    |       | 155,222                              | 13,118                       | 845                             | 1,383,938  |                       |
| 00339 | Dalworthington Gardens         | 347,557              | 189,100                    | 19,985    |       |                                      | 4,548                        |                                 | 552,093    |                       |
| 00341 | Darrouzett                     | 39,825               | 4,142                      | 2,290     |       |                                      |                              |                                 | 46,257     |                       |
| 00344 | Dayton                         | 804,965              | 96,611                     | 46,286    |       | 844                                  | 24,140                       | 1,545                           | 921,333    |                       |
| 00352 | De Leon                        | 165,950              | 19,250                     | 9,542     |       |                                      | 20,325                       |                                 | 174,417    |                       |
| 00346 | Decatur                        | 1,933,895            | 385,542                    | 111,199   |       | 138,884                              | 76,959                       | 7                               | 2,214,786  |                       |
| 00348 | Deer Park                      | 22,716,353           | 1,886,774                  | 1,306,190 |       | 1,433,866                            | 304,835                      | 8,358                           | 24,162,259 |                       |
| 00350 | Dekalb                         | 152,102              | 14,530                     | 8,746     |       |                                      | 27                           |                                 | 175,351    |                       |
| 00354 | Del Rio                        | 220,076              | 943,422                    | 12,654    |       | 7,396                                | 53,566                       |                                 | 1,115,191  |                       |
| 00353 | Dell City                      | 109,722              | 8,886                      | 6,309     |       |                                      |                              |                                 | 124,917    |                       |
| 00356 | Denison                        | 13,024,769           | 999,514                    | 748,924   |       | 700,591                              | 208,586                      | 15,899                          | 13,848,131 |                       |
| 00358 | Denton                         | 56,023,072           | 5,864,090                  | 3,221,327 |       | 3,418,251                            | 1,228,865                    | 34,193                          | 60,427,180 |                       |
| 00360 | Denver City                    | 2,634,160            | 123,440                    | 151,464   |       | 76,372                               | 77,198                       |                                 | 2,755,494  |                       |
| 00362 | Deport                         | 33,825               | 6,801                      | 1,945     |       |                                      | 1,585                        |                                 | 40,986     |                       |
| 10366 | DeSoto                         | 23,285,249           | 2,025,507                  | 1,338,902 |       | 1,291,549                            | 360,270                      | 14,326                          | 24,983,513 |                       |
| 20366 | DeSoto Economic Develop. Corp. | 67,094               | 29,888                     | 3,858     |       | 71,665                               | 6,872                        |                                 | 22,303     |                       |
| 00370 | Devine                         | 177,786              | 63,934                     | 10,223    |       | 3,439                                | 14,458                       |                                 | 234,046    |                       |
| 00371 | Diboll                         | 2,304,287            | 132,436                    | 132,497   |       | 650,431                              | 37,380                       | 4,043                           | 1,877,366  |                       |
| 00372 | Dickens                        |                      | 757                        |           |       |                                      |                              |                                 | 757        |                       |
| 00373 | Dickinson                      | 2,127,023            | 299,893                    | 122,304   |       |                                      | 1,019                        |                                 | 2,548,201  |                       |
| 00374 | Dilley                         | 396,925              | 30,446                     | 22,823    |       | 34,752                               | 22,243                       |                                 | 393,199    |                       |
| 00376 | Dimmitt                        | 893,781              | 45,508                     | 51,392    |       | 11,617                               | 13,208                       |                                 | 965,856    |                       |
| 00382 | Donna                          | 1,094,515            | 39,837                     | 62,935    |       | 6,715                                | 7,637                        |                                 | 1,182,934  |                       |
| 00379 | Double Oak                     | 30,594               | 8,612                      | 1,759     |       |                                      | 1,377                        |                                 | 39,588     |                       |
| 00383 | Dripping Spring                | 6,137                | 7,750                      | 353       |       |                                      |                              |                                 | 14,240     |                       |
| 00384 | Dublin                         | 443,247              | 27,503                     | 25,487    |       | 10,107                               | 4,912                        |                                 | 481,217    |                       |
| 00386 | Dumas                          | 3,338,509            | 272,821                    | 191,964   |       | 539,664                              | 149,718                      | 174                             | 3,113,739  |                       |
| 00388 | Duncanville                    | 27,274,008           | 1,789,593                  | 1,568,255 |       | 3,598,860                            | 446,128                      | 12,486                          | 26,574,383 |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00394 | Eagle Lake                 | 1,045,224            | 55,867                     | 60,100    |       |                                      | 30,795                       | 832                             | 1,129,565  |                       |
| 00396 | Eagle Pass                 | 13,480,045           | 898,522                    | 775,103   |       | 533,436                              | 197,751                      | 13,347                          | 14,409,136 |                       |
| 00397 | Early                      | 520,922              | 28,579                     | 29,953    |       |                                      | 4,125                        |                                 | 575,329    |                       |
| 00399 | Earth                      | 42,160               | 2,278                      | 2,424     |       |                                      | 6,871                        |                                 | 39,991     |                       |
| 00401 | East Mountain              | 10,500               | 4,981                      | 604       |       |                                      |                              |                                 | 16,085     |                       |
| 00395 | East Tawakoni              | 158,191              | 26,952                     | 9,096     |       |                                      |                              |                                 | 194,239    |                       |
| 00398 | Eastland                   | 541,772              | 42,259                     | 31,152    |       |                                      |                              |                                 | 609,154    |                       |
| 00402 | Ector                      | 24,834               | 5,230                      | 1,428     |       | 11,137                               | 6,028                        |                                 | 20,246     |                       |
| 00406 | Eden                       | 252,615              | 24,729                     | 14,525    |       | 14,976                               | 8,258                        | 502                             | 268,133    |                       |
| 00408 | Edgewood                   | 40,469               | 10,077                     | 2,327     |       | 9,931                                | 7,305                        |                                 | 35,637     |                       |
| 00410 | Edinburg                   | 13,879,125           | 1,721,179                  | 798,050   |       | 672,464                              | 333,515                      | 9,578                           | 15,382,797 |                       |
| 00412 | Edna                       | 838,120              | 77,730                     | 48,192    |       |                                      | 33,028                       | 592                             | 930,422    |                       |
| 00414 | El Campo                   | 5,158,227            | 332,010                    | 296,598   |       | 426,046                              | 118,186                      | 7,258                           | 5,235,345  |                       |
| 00416 | Eldorado                   | 370,464              | 14,721                     | 21,302    |       |                                      | 8,194                        | 1,252                           | 397,041    |                       |
| 00418 | Electra                    | 428,402              | 61,572                     | 24,633    |       | 17,585                               | 33,064                       | 2,653                           | 461,305    |                       |
| 00420 | Elgin                      | 1,282,380            | 126,086                    | 73,737    |       | 100,187                              | 10,966                       |                                 | 1,371,050  |                       |
| 00422 | Elkhart                    | 116,640              | 12,614                     | 6,707     |       |                                      | 5,028                        |                                 | 130,932    |                       |
| 00432 | Emory                      | 223,558              | 21,674                     | 12,855    |       |                                      | 1,068                        |                                 | 257,019    |                       |
| 00436 | Ennis                      | 12,803,025           | 892,088                    | 736,174   |       | 234,850                              | 89,336                       | 2,599                           | 14,104,502 |                       |
| 00439 | Eules                      | 34,824,884           | 2,682,970                  | 2,002,431 |       | 1,276,646                            | 629,070                      | 7,254                           | 37,597,314 |                       |
| 00440 | Eustace                    | 83,202               | 8,879                      | 4,784     |       | 4,262                                |                              |                                 | 92,603     |                       |
| 00441 | Everman                    | 1,398,240            | 77,626                     | 80,399    |       |                                      | 25,863                       | 6,208                           | 1,524,194  |                       |
| 00443 | Fair Oaks Ranch            | 551,971              | 91,597                     | 31,738    |       | 77,323                               | 45                           |                                 | 597,938    |                       |
| 00442 | Fairfield                  | 1,280,155            | 80,629                     | 73,609    |       |                                      | 17,890                       |                                 | 1,416,503  |                       |
| 00445 | Fairview                   | 278,381              | 87,228                     | 16,007    |       | 50,600                               | 10,105                       |                                 | 331,016    |                       |
| 20444 | Falfurrias                 | 258,391              | 30,058                     | 14,857    |       |                                      | 31,233                       |                                 | 293,202    |                       |
| 10444 | Falfurrias Utility Board   | 149,037              | 32,693                     | 8,570     |       |                                      | 6,521                        |                                 | 159,066    |                       |
| 00446 | Falls City                 | 9,802                | 6,959                      | 564       |       |                                      |                              |                                 | 10,803     |                       |
| 00448 | Farmers Branch             | 49,640,571           | 3,402,314                  | 2,854,333 |       | 4,557,381                            | 1,136,019                    | 44,799                          | 50,159,019 |                       |
| 00450 | Farmersville               | 974,545              | 96,798                     | 56,036    |       | 26,213                               | 14,434                       |                                 | 1,086,732  |                       |
| 00451 | Farwell                    | 290,026              | 24,478                     | 16,676    |       | 152,199                              | 1,828                        |                                 | 177,153    |                       |
| 00452 | Fate                       | 39,151               | 21,900                     | 2,251     |       |                                      |                              |                                 | 63,302     |                       |
| 00454 | Fayetteville               | 15,677               | 1,978                      | 901       |       |                                      | 1,196                        |                                 | 17,360     |                       |
| 00456 | Ferris                     | 602,100              | 69,702                     | 34,621    |       |                                      | 14,049                       |                                 | 692,374    |                       |
| 00458 | Flatonia                   | 539,632              | 76,030                     | 31,029    |       | 11,205                               | 14,976                       |                                 | 620,510    |                       |
| 00460 | Florence                   | 22,264               | 5,851                      | 1,280     |       |                                      |                              |                                 | 29,395     |                       |
| 20462 | Floresville                | 703,949              | 88,241                     | 40,477    |       | 77,380                               | 3,512                        | 289                             | 751,486    |                       |
| 00463 | Flower Mound               | 15,941,744           | 1,986,594                  | 916,650   |       | 558,768                              | 121,435                      | 309                             | 18,164,476 |                       |
| 00464 | Floydada                   | 847,883              | 71,348                     | 48,753    |       |                                      | 69,744                       |                                 | 898,241    |                       |
| 00468 | Forest Hill                | 3,455,728            | 253,255                    | 198,704   |       | 19,393                               | 21,372                       | 356                             | 3,866,566  |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality   | Balance Jan. 1, 2006 | Additions                  |            |       |                                      | Deductions                   |                                 |             | Balance Dec. 31, 2006 |
|-------|------------------------------|----------------------|----------------------------|------------|-------|--------------------------------------|------------------------------|---------------------------------|-------------|-----------------------|
|       |                              |                      | Municipality Contributions | Interest   | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |             |                       |
| 00470 | Forney                       | 1,116,528            | 204,071                    | 64,200     |       | 17,367                               | 6,945                        |                                 | 1,360,488   |                       |
| 00472 | Fort Stockton                | 1,381,335            | 161,878                    | 79,427     |       |                                      | 93,677                       | 2,835                           | 1,526,128   |                       |
| 00476 | Franklin                     | 132,252              | 13,394                     | 7,605      |       |                                      |                              | 491                             | 152,760     |                       |
| 00478 | Frankston                    | 47,496               | 15,123                     | 2,731      |       |                                      | 9,852                        |                                 | 55,498      |                       |
| 00480 | Fredericksburg               | 6,373,039            | 576,241                    | 366,450    |       | 76,798                               | 104,621                      | 1,263                           | 7,133,047   |                       |
| 00482 | Freeport                     | 3,970,701            | 267,137                    | 228,315    |       | 267,622                              | 148,683                      | 359                             | 4,049,489   |                       |
| 00481 | Freer                        | 87,288               | 25,109                     | 5,019      |       | 16,708                               | 4,616                        | 6,660                           | 89,432      |                       |
| 00483 | Friendswood                  | 11,006,868           | 1,032,577                  | 632,895    |       | 1,149,109                            | 302,801                      |                                 | 11,220,430  |                       |
| 00484 | Friena                       | 786,999              | 86,490                     | 45,252     |       | 27,591                               | 45,081                       |                                 | 846,069     |                       |
| 00486 | Frisco                       | 13,225,397           | 3,060,557                  | 760,460    |       | 409,701                              | 109,101                      | 3,068                           | 16,524,544  |                       |
| 00487 | Fritch                       | 577,704              | 17,261                     | 33,218     |       | 67,391                               | 6,213                        |                                 | 554,579     |                       |
| 00488 | Frost                        | 70,248               | 6,258                      | 4,039      |       |                                      |                              |                                 | 80,545      |                       |
| 00492 | Gainesville                  | 5,214,911            | 634,918                    | 299,857    |       | 407,747                              | 222,792                      | 4,512                           | 5,514,636   |                       |
| 00494 | Galena Park                  | 3,593,760            | 325,730                    | 206,641    |       | 823,232                              | 106,943                      | 8,329                           | 3,187,627   |                       |
| 00498 | Ganado                       | 767,737              | 24,539                     | 44,145     |       |                                      | 3,385                        |                                 | 833,036     |                       |
| 00499 | Garden Ridge                 | 146,956              | 23,414                     | 8,450      |       |                                      |                              |                                 | 178,820     |                       |
| 00500 | Garland                      | 188,120,569          | 16,452,202                 | 10,816,933 |       | 15,351,825                           | 5,291,691                    | 33,864                          | 194,712,324 |                       |
| 00502 | Garrison                     | 389,486              | 29,173                     | 22,395     |       |                                      | 11,439                       |                                 | 429,615     |                       |
| 00503 | Gary                         | 93,849               | 7,737                      | 5,396      |       | 22,487                               | 2,313                        |                                 | 82,183      |                       |
| 00504 | Gatesville                   | 2,400,769            | 275,653                    | 138,044    |       | 122,661                              | 78,727                       |                                 | 2,613,079   |                       |
| 00505 | George West                  |                      | 42,258                     |            |       | 156                                  | 3,088                        |                                 | 39,014      |                       |
| 00506 | Georgetown                   | 13,871,561           | 1,855,714                  | 797,615    |       | 417,281                              | 82,918                       | 1,076                           | 16,023,614  |                       |
| 00510 | Giddings                     | 1,951,529            | 180,348                    | 112,213    |       | 14,125                               | 27,666                       |                                 | 2,202,298   |                       |
| 00512 | Gilmer                       | 1,386,968            | 173,855                    | 79,751     |       | 23,290                               | 59,696                       | 1,549                           | 1,556,039   |                       |
| 00514 | Gladewater                   | 1,350,197            | 34,035                     | 77,636     |       | 166,017                              | 31,460                       |                                 | 1,264,391   |                       |
| 00516 | Glen Rose                    | 445,484              | 74,896                     | 25,615     |       |                                      | 11,646                       | 3,390                           | 530,959     |                       |
| 00517 | Glenn Heights                | 1,639,321            | 119,105                    | 94,261     |       |                                      | 3,815                        |                                 | 1,848,872   |                       |
| 00518 | Godley                       | 39,574               | 10,988                     | 2,276      |       |                                      | 6,846                        |                                 | 45,992      |                       |
| 00519 | Goldsmith                    | 34,714               | 2,668                      | 1,996      |       |                                      |                              |                                 | 39,378      |                       |
| 00520 | Goldthwaite                  | 902,342              | 92,905                     | 51,885     |       |                                      | 75,967                       |                                 | 971,165     |                       |
| 00522 | Goliad                       | 260,744              | 37,930                     | 14,993     |       |                                      | 3,537                        |                                 | 310,129     |                       |
| 00524 | Gonzales                     | 2,536,564            | 277,973                    | 145,852    |       |                                      | 131,429                      | 2,457                           | 2,826,503   |                       |
| 10534 | Graham                       | 3,247,893            | 300,229                    | 186,754    |       | 55,334                               | 152,926                      | 3,340                           | 3,523,275   |                       |
| 20534 | Graham Regional Medical Ctr. | 4,327,775            | 276,844                    | 248,847    |       | 34,945                               | 14,853                       |                                 | 4,803,668   |                       |
| 00536 | Granbury                     | 5,277,310            | 593,922                    | 303,445    |       | 59,673                               | 146,842                      | 1,425                           | 5,966,737   |                       |
| 00540 | Grand Prairie                | 96,821,976           | 7,669,769                  | 5,567,264  |       | 5,176,120                            | 1,875,985                    | 93,643                          | 102,913,261 |                       |
| 00542 | Grand Saline                 | 511,993              | 29,265                     | 29,440     |       | 9,169                                | 19,425                       |                                 | 542,104     |                       |
| 00544 | Grandview                    | 382,568              | 20,525                     | 21,998     |       |                                      | 3,882                        |                                 | 421,209     |                       |
| 00546 | Granger                      | 89,271               | 8,954                      | 5,133      |       |                                      | 341                          |                                 | 103,017     |                       |
| 00547 | Granite Shoals               | 72,110               | 21,811                     | 4,146      |       |                                      |                              |                                 | 98,067      |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                             |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00548 | Grapeland                   | 131,863              | 12,799                     | 7,582     |       | 29,275                               | 4,380                        |                                 | 118,590    |                       |
| 00550 | Grapevine                   | 41,293,888           | 3,643,258                  | 2,374,399 |       | 2,462,853                            | 402,750                      | 8,067                           | 44,437,875 |                       |
| 00552 | Greenville                  | 22,088,165           | 1,952,752                  | 1,270,069 |       | 1,395,672                            | 584,094                      | 8,261                           | 23,322,960 |                       |
| 00551 | Gregory                     | 170,186              | 4,140                      | 9,786     |       | 641,048                              | 8,762                        |                                 | 175,350    |                       |
| 00553 | Grey Forest Utilities       | 2,239,852            | 176,971                    | 128,791   |       |                                      | 22,555                       |                                 | 1,882,011  |                       |
| 00556 | Groesbeck                   | 68,000               | 47,423                     | 3,910     |       |                                      | 2,012                        |                                 | 117,321    |                       |
| 00558 | Groom                       | 22,834               | 4,264                      | 1,313     |       |                                      | 2,136                        |                                 | 26,275     |                       |
| 00559 | Groves                      | 8,269,859            | 671,698                    | 475,517   |       | 654,444                              | 229,821                      |                                 | 8,532,809  |                       |
| 00560 | Groveton                    | 11,881               | 4,411                      | 683       |       |                                      | 860                          |                                 | 16,116     |                       |
| 00562 | Gruver                      | 362,974              | 20,889                     | 20,871    |       | 159,695                              | 13,050                       |                                 | 231,989    |                       |
| 00563 | Gun Barrel City             | 517,017              | 56,445                     | 29,728    |       |                                      | 5,632                        | 65                              | 597,493    |                       |
| 00564 | Gunter                      | 40,427               | 8,346                      | 2,325     |       |                                      |                              |                                 | 51,097     |                       |
| 00568 | Hale Center                 |                      | 1,789                      |           |       |                                      |                              |                                 | 1,789      |                       |
| 00570 | Hallettsville               | 1,095,990            | 71,583                     | 63,019    |       | 50,607                               | 44,909                       |                                 | 1,135,076  |                       |
| 00572 | Hallsville                  |                      | 29,922                     |           |       | 561                                  | 584                          |                                 | 28,777     |                       |
| 00574 | Haltom City                 | 15,128,995           | 1,683,926                  | 869,917   |       | 1,716,995                            | 341,771                      | 1,428                           | 15,622,645 |                       |
| 00576 | Hamilton                    | 582,978              | 55,790                     | 33,521    |       |                                      | 45,371                       | 288                             | 626,631    |                       |
| 00578 | Hamlin                      | 789,160              | 52,272                     | 45,377    |       |                                      | 34,198                       | 868                             | 851,743    |                       |
| 00580 | Happy                       | 207,068              | 9,480                      | 11,906    |       |                                      | 8,595                        |                                 | 219,859    |                       |
| 00581 | Harker Heights              | 4,396,610            | 634,301                    | 252,805   |       | 442,112                              | 37,520                       | 394                             | 4,803,690  |                       |
| 10582 | Harlingen                   | 20,076,593           | 1,890,502                  | 1,154,404 |       | 1,502,697                            | 848,629                      | 23,958                          | 20,746,215 |                       |
| 20582 | Harlingen Waterworks System | 5,811,311            | 375,398                    | 334,150   |       | 419,892                              | 197,353                      | 9,492                           | 5,894,122  |                       |
| 00583 | Hart                        | 11,260               | 12,035                     | 647       |       |                                      | 7,292                        |                                 | 16,651     |                       |
| 00586 | Haskell                     | 372,071              | 19,782                     | 21,394    |       |                                      | 8,143                        |                                 | 405,104    |                       |
| 00587 | Haslet                      | 238,915              | 48,014                     | 13,738    |       |                                      |                              |                                 | 300,667    |                       |
| 00588 | Hawkins                     | 354,241              | 20,931                     | 20,369    |       |                                      | 4,378                        |                                 | 391,162    |                       |
| 00585 | Hays                        | 16,962               | 9,205                      | 975       |       |                                      |                              |                                 | 27,142     |                       |
| 00590 | Hearne                      | 1,383,137            | 96,320                     | 79,530    |       | 80,654                               | 123,739                      | 292                             | 1,354,302  |                       |
| 00591 | Heath                       | 760,477              | 216,773                    | 43,727    |       | 7,579                                | 14,938                       |                                 | 998,461    |                       |
| 00592 | Hedley                      | 45,982               | 3,826                      | 2,644     |       | 17,661                               | 65                           |                                 | 34,726     |                       |
| 00595 | Hedwig Village              | 411,820              | 145,420                    | 23,680    |       |                                      | 12,634                       |                                 | 568,286    |                       |
| 00593 | Helotes                     | 433,337              | 95,940                     | 24,917    |       | 41,612                               | 302                          |                                 | 512,279    |                       |
| 00594 | Hemphill                    | 395,698              | 23,912                     | 22,753    |       |                                      | 4,016                        |                                 | 438,347    |                       |
| 00596 | Hempstead                   | 897,059              | 179,374                    | 51,581    |       |                                      | 59,956                       | 6,178                           | 1,061,880  |                       |
| 00598 | Henderson                   | 3,855,777            | 313,517                    | 221,707   |       | 61,279                               | 88,952                       | 1,931                           | 4,238,840  |                       |
| 00600 | Henrietta                   | 353,701              | 55,863                     | 20,338    |       |                                      | 10,955                       | 370                             | 418,576    |                       |
| 00602 | Hereford                    | 5,616,395            | 264,958                    | 322,943   |       | 197,983                              | 222,929                      |                                 | 5,783,384  |                       |
| 00605 | Hewitt                      | 2,459,861            | 220,606                    | 141,442   |       | 15,189                               | 38,363                       | 714                             | 2,767,643  |                       |
| 00609 | Hickory Creek               | 234,164              | 36,957                     | 13,464    |       | 24,188                               |                              |                                 | 260,398    |                       |
| 00606 | Hico                        | 211,047              | 20,813                     | 12,135    |       | 1,104                                | 10,264                       |                                 | 232,627    |                       |



# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |             | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|-------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |             |                       |
| 00607 | Hidalgo                    | 1,841,252            | 246,406                    | 105,872   |       | 22,385                               | 1,198                        |                                 | 2,169,946   |                       |
| 00608 | Higgins                    | 51,243               | 2,190                      | 2,946     |       |                                      |                              | 676                             | 55,703      |                       |
| 00610 | Highland Park              | 20,058,595           | 1,274,606                  | 1,153,369 |       | 1,137,768                            | 311,308                      | 6,531                           | 21,030,963  |                       |
| 00611 | Highland Village           | 4,425,718            | 445,267                    | 254,479   |       | 85,304                               | 16,722                       | 283                             | 5,023,155   |                       |
| 00613 | Hill Country Village       | 337,007              | 43,006                     | 19,378    |       |                                      | 17,342                       |                                 | 382,049     |                       |
| 00612 | Hillsboro                  | 2,136,642            | 311,694                    | 122,857   |       | 118,855                              | 103,875                      |                                 | 2,348,463   |                       |
| 00614 | Hitchcock                  | 758,359              | 52,265                     | 43,606    |       |                                      | 7,764                        | 374                             | 846,092     |                       |
| 00615 | Holland                    | 72,931               | 13,174                     | 4,194     |       |                                      | 2,853                        |                                 | 87,446      |                       |
| 00616 | Holiday                    | 60,508               | 7,237                      | 3,479     |       |                                      |                              |                                 | 71,224      |                       |
| 00617 | Hollywood Park             | 708,552              | 73,298                     | 40,742    |       | 13,214                               | 5,132                        | 5,935                           | 798,311     |                       |
| 00618 | Hondo                      | 2,477,873            | 196,010                    | 142,478   |       | 139,837                              | 74,693                       | 834                             | 2,600,997   |                       |
| 00620 | Honey Grove                | 180,177              | 13,540                     | 10,360    |       |                                      | 1,593                        |                                 | 202,484     |                       |
| 00622 | Hooks                      | 225,888              | 10,789                     | 12,989    |       | 117,275                              | 3,990                        |                                 | 128,400     |                       |
| 00626 | Howe                       | 393,945              | 31,982                     | 22,652    |       |                                      | 7,470                        |                                 | 441,109     |                       |
| 00627 | Hubbard                    | 35,315               | 15,531                     | 2,031     |       | 6,216                                | 12,245                       |                                 | 34,416      |                       |
| 00628 | Hudson                     | 32,397               | 12,300                     | 1,863     |       |                                      |                              |                                 | 46,560      |                       |
| 00629 | Hudson Oaks                | 322,249              | 46,951                     | 18,529    |       |                                      | 37                           |                                 | 387,692     |                       |
| 00630 | Hughes Springs             | 831,889              | 46,753                     | 47,834    |       |                                      | 5,039                        |                                 | 921,436     |                       |
| 00632 | Humble                     | 10,639,376           | 967,646                    | 611,764   |       | 1,585,425                            | 127,100                      | 5,195                           | 10,501,067  |                       |
| 00633 | Hunters Creek Village      | 76,598               | 15,693                     | 4,404     |       |                                      | 16,354                       |                                 | 80,341      |                       |
| 00634 | Huntington                 | 495,187              | 82,323                     | 28,473    |       | 47,009                               | 8,449                        | 5,351                           | 545,174     |                       |
| 00636 | Huntsville                 | 15,326,595           | 1,703,143                  | 881,279   |       | 1,214,496                            | 699,109                      | 14,612                          | 15,982,801  |                       |
| 00637 | Hurst                      | 29,631,231           | 2,670,913                  | 1,703,796 |       | 1,876,602                            | 903,630                      | 3,969                           | 31,221,739  |                       |
| 00638 | Hutchins                   | 993,962              | 80,347                     | 57,153    |       | 15,264                               | 7,974                        |                                 | 1,108,224   |                       |
| 00640 | Hutto                      | 346,750              | 185,322                    | 19,938    |       |                                      | 2,213                        | 4,572                           | 545,225     |                       |
| 00641 | Huxley                     | 201,569              | 10,476                     | 11,590    |       |                                      | 9,257                        |                                 | 214,378     |                       |
| 00643 | Ingleside                  | 1,245,348            | 129,558                    | 71,607    |       | 116,529                              | 39,230                       | 855                             | 1,289,899   |                       |
| 00646 | Ingram                     | 96,979               | 13,589                     | 5,576     |       |                                      | 716                          | 1,439                           | 113,989     |                       |
| 00644 | Iowa Park                  | 956,604              | 93,395                     | 55,005    |       |                                      | 10,811                       | 171                             | 1,094,022   |                       |
| 00645 | Iraan                      | 165,071              | 38,405                     | 9,492     |       |                                      | 16,200                       |                                 | 196,768     |                       |
| 00648 | Irving                     | 152,493,366          | 11,438,548                 | 8,768,369 |       | 20,254,995                           | 2,387,064                    | 69,126                          | 149,989,097 |                       |
| 00650 | Italy                      |                      | 7,416                      |           |       |                                      |                              |                                 | 7,416       |                       |
| 00652 | Itasca                     | 354,985              | 39,379                     | 20,412    |       | 4,126                                | 2,883                        |                                 | 407,767     |                       |
| 00654 | Jacinto City               | 1,141,694            | 122,410                    | 65,647    |       | 31,093                               | 57,359                       | 2,085                           | 1,239,215   |                       |
| 00656 | Jacksboro                  | 1,005,232            | 110,989                    | 57,801    |       |                                      | 32,084                       | 2,847                           | 1,139,091   |                       |
| 00658 | Jacksonville               | 4,627,298            | 380,220                    | 266,070   |       | 783,800                              | 106,899                      | 5,312                           | 4,377,576   |                       |
| 00660 | Jasper                     | 3,787,421            | 490,941                    | 217,777   |       | 36,489                               | 221,278                      | 15,287                          | 4,223,085   |                       |
| 00664 | Jefferson                  | 354,367              | 50,909                     | 20,376    |       |                                      | 12,395                       | 1,853                           | 411,404     |                       |
| 00665 | Jersey Village             | 3,541,305            | 478,542                    | 203,625   |       |                                      | 70,266                       |                                 | 4,153,206   |                       |
| 00666 | Jewett                     | 94,911               | 14,574                     | 5,457     |       |                                      | 2,109                        |                                 | 112,833     |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |        | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|--------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |        |                       |
| 00668 | Joaquin                    | 47,815               | 5,334                      | 2,749     |       |                                      | 4,758                        |                                 |        | 51,140                |
| 00670 | Johnson City               | 280,914              | 24,636                     | 16,153    |       | 65,274                               | 6,636                        |                                 |        | 249,793               |
| 00673 | Jones Creek                | 38,571               | 7,549                      | 2,218     |       |                                      | 5,854                        |                                 |        | 42,484                |
| 00675 | Jonestown                  | 29,312               | 22,398                     | 1,685     |       |                                      |                              |                                 |        | 53,396                |
| 00677 | Josephine                  | 3,063                | 4,020                      | 176       |       |                                      |                              |                                 |        | 7,260                 |
| 00671 | Joshua                     | 444,856              | 26,814                     | 25,579    |       |                                      | 457                          |                                 |        | 496,792               |
| 00672 | Jourdanton                 | 271,078              | 35,194                     | 15,587    |       | 43,502                               | 6,879                        |                                 | 1,036  | 270,442               |
| 00674 | Junction                   | 834,263              | 61,560                     | 47,970    |       | 90,945                               | 29,131                       |                                 |        | 823,717               |
| 00676 | Justin                     | 154,999              | 32,863                     | 8,912     |       |                                      | 10,108                       |                                 |        | 186,666               |
| 00678 | Karnes City                | 201,458              | 23,910                     | 11,584    |       | 429,790                              | 18,007                       |                                 |        | 218,945               |
| 00680 | Katy                       | 6,206,503            | 640,265                    | 356,874   |       |                                      | 158,450                      |                                 |        | 6,615,402             |
| 00682 | Kaufman                    | 1,843,827            | 178,426                    | 106,020   |       |                                      | 5,758                        |                                 | 331    | 2,122,184             |
| 00683 | Keene                      | 1,192,616            | 139,600                    | 68,575    |       |                                      | 12,735                       |                                 | 1,517  | 1,386,540             |
| 00681 | Keller                     | 10,752,517           | 1,580,025                  | 618,270   |       | 475,173                              | 65,629                       |                                 | 126    | 12,409,884            |
| 00685 | Kemah                      | 594,983              | 94,074                     | 34,212    |       |                                      | 4,103                        |                                 | 218    | 718,948               |
| 00684 | Kemp                       | 258,952              | 5,298                      | 14,890    |       | 109,839                              |                              |                                 |        | 169,301               |
| 00686 | Kenedy                     | 373,747              | 17,077                     | 21,490    |       |                                      | 31,761                       |                                 | 1,149  | 379,404               |
| 00688 | Kennedale                  | 1,633,560            | 310,945                    | 93,930    |       | 131,930                              | 45,320                       |                                 |        | 1,861,185             |
| 00692 | Kernit                     | 924,296              | 187,245                    | 53,147    |       | 14,954                               | 50,598                       |                                 | 5,711  | 1,093,425             |
| 10694 | Kerrville                  | 14,729,597           | 1,404,672                  | 846,952   |       | 1,671,961                            | 187,503                      |                                 | 11,128 | 15,110,628            |
| 20694 | Kerrville Public Utility   | 5,488,373            | 330,623                    | 315,581   |       | 169,613                              |                              |                                 |        | 5,964,965             |
| 10696 | Kilgore                    | 7,063,948            | 723,941                    | 406,177   |       | 997,499                              | 145,064                      |                                 | 10,082 | 7,041,421             |
| 00698 | Killeen                    | 24,350,859           | 3,556,201                  | 1,400,174 |       | 2,617,115                            | 631,907                      |                                 | 10,496 | 26,047,717            |
| 00700 | Kingsville                 | 9,653,959            | 738,772                    | 555,103   |       | 763,979                              | 252,098                      |                                 | 13,203 | 9,918,554             |
| 00701 | Kirby                      | 864,919              | 83,901                     | 49,733    |       | 82,384                               | 1,183                        |                                 | 688    | 914,986               |
| 00702 | Kirbyville                 | 326,711              | 26,535                     | 18,786    |       | 162,917                              | 9,959                        |                                 |        | 198,468               |
| 00704 | Knox City                  | 178,054              | 4,932                      | 10,238    |       |                                      | 3,082                        |                                 |        | 190,142               |
| 00708 | Kountze                    | 40,115               | 16,223                     | 2,307     |       |                                      |                              |                                 |        | 58,645                |
| 00709 | Kress                      | 57,820               | 5,714                      | 3,325     |       |                                      | 2,370                        |                                 |        | 64,489                |
| 00699 | Krugerville                |                      | 603                        |           |       |                                      |                              |                                 |        | 603                   |
| 00707 | Krum                       | 193,750              | 25,976                     | 11,141    |       |                                      |                              |                                 |        | 230,867               |
| 00710 | Kyle                       | 1,224,193            | 191,860                    | 70,391    |       |                                      | 25,086                       |                                 |        | 1,461,358             |
| 00725 | La Coste                   | 43,350               | 4,642                      | 2,493     |       |                                      |                              |                                 |        | 50,484                |
| 00714 | La Feria                   | 601,683              | 103,111                    | 34,597    |       | 42,534                               | 38,579                       |                                 |        | 658,277               |
| 00716 | La Grange                  | 1,951,888            | 186,730                    | 112,234   |       | 205,204                              | 92,795                       |                                 |        | 1,952,853             |
| 00723 | La Grulla                  | 126,081              | 6,794                      | 7,250     |       |                                      |                              |                                 |        | 140,124               |
| 00721 | La Marque                  | 4,604,881            | 353,988                    | 264,781   |       | 1,034,352                            | 107,938                      |                                 | 8,977  | 4,072,382             |
| 00728 | La Porte                   | 25,071,582           | 1,964,072                  | 1,441,616 |       | 537,145                              | 290,605                      |                                 | 25,296 | 27,624,224            |
| 00711 | Lacy-Lakeview              | 998,324              | 114,043                    | 57,404    |       | 185,655                              | 17,247                       |                                 | 242    | 966,626               |
| 00712 | Ladonia                    | 34,486               | 5,832                      | 1,983     |       |                                      | 158                          |                                 |        | 42,143                |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |         | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|---------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |         |                       |
| 00713 | Lago Vista                 | 1,251,436            | 180,972                    | 71,958    |       |                                      |                              | 8,808                           |         | 1,495,558             |
| 00705 | Laguna Vista               | 52,100               | 17,117                     | 2,996     |       |                                      |                              |                                 |         | 72,213                |
| 00717 | Lake Dallas                | 1,153,602            | 132,235                    | 66,332    |       |                                      | 79,132                       | 17,710                          | 337     | 1,254,990             |
| 00718 | Lake Jackson               | 12,910,993           | 695,163                    | 742,382   |       |                                      | 731,293                      | 130,452                         | 23,243  | 13,463,550            |
| 00719 | Lake Worth                 | 2,589,666            | 237,928                    | 148,906   |       |                                      | 45,546                       | 65,145                          | 726     | 2,865,082             |
| 00727 | Lakeport                   | 31,138               | 5,448                      | 1,790     |       |                                      |                              |                                 |         | 38,377                |
| 00715 | Lakeside                   | 95,258               | 24,921                     | 5,477     |       |                                      |                              | 7,817                           |         | 117,839               |
| 00729 | Lakeside City              | 11,851               | 4,205                      | 681       |       |                                      | 9,814                        | 11                              |         | 6,913                 |
| 00720 | Lakeway                    | 1,657,010            | 225,920                    | 95,278    |       |                                      | 226,725                      | 6,781                           |         | 1,744,702             |
| 00722 | Lamesa                     | 3,812,034            | 287,794                    | 219,192   |       |                                      | 681,659                      | 104,639                         | 1,798   | 3,530,924             |
| 00724 | Lampasas                   | 3,003,228            | 319,636                    | 172,686   |       |                                      | 239,645                      | 102,370                         | 8,048   | 3,145,487             |
| 00726 | Lancaster                  | 13,658,541           | 1,362,738                  | 785,366   |       |                                      | 679,518                      | 344,961                         | 7,139   | 14,775,027            |
| 00730 | Laredo                     | 65,500,259           | 10,880,587                 | 3,766,265 |       |                                      | 3,185,622                    | 2,765,107                       | 185,900 | 74,010,481            |
| 00733 | Lavon                      | 28,298               | 14,701                     | 1,627     |       |                                      |                              |                                 |         | 44,626                |
| 00736 | League City                | 17,179,231           | 1,942,014                  | 987,806   |       |                                      | 1,097,569                    | 229,953                         | 6,653   | 18,774,876            |
| 00737 | Leander                    | 1,400,271            | 354,032                    | 80,516    |       |                                      | 79,705                       | 18,372                          |         | 1,736,741             |
| 00739 | Leon Valley                | 8,300,998            | 540,638                    | 477,307   |       |                                      | 863,442                      | 112,182                         | 635     | 8,342,684             |
| 00738 | Leonard                    | 117,666              | 16,956                     | 6,766     |       |                                      |                              |                                 |         | 141,388               |
| 00740 | Levelland                  | 5,081,513            | 356,560                    | 292,187   |       |                                      | 361,335                      | 93,157                          | 2,411   | 5,273,357             |
| 00742 | Lewisville                 | 42,597,438           | 4,148,042                  | 2,449,353 |       |                                      | 2,972,558                    | 552,846                         | 16,930  | 45,652,499            |
| 00744 | Lexington                  | 335,862              | 30,350                     | 19,312    |       |                                      |                              | 23,538                          |         | 361,986               |
| 00746 | Liberty                    | 1,090,035            | 337,291                    | 62,677    |       |                                      | 24,638                       | 41,397                          |         | 1,423,968             |
| 00748 | Lindale                    | 120,327              | 103,884                    | 6,919     |       |                                      |                              | 39                              |         | 231,091               |
| 00750 | Linden                     | 115,819              | 13,739                     | 6,660     |       |                                      |                              | 7,107                           |         | 129,110               |
| 00755 | Lipan                      | 6,059                | 6,511                      | 348       |       |                                      |                              |                                 |         | 12,919                |
| 00751 | Little Elm                 | 1,154,557            | 421,495                    | 66,387    |       |                                      | 86,841                       | 4,728                           | 8,226   | 1,542,644             |
| 00752 | Littlefield                | 1,574,180            | 93,830                     | 90,515    |       |                                      | 132,921                      | 47,869                          | 966     | 1,576,769             |
| 00753 | Live Oak                   | 4,171,423            | 422,872                    | 239,857   |       |                                      | 235,316                      | 11,404                          | 234     | 4,587,198             |
| 00754 | Livingston                 | 4,712,933            | 369,917                    | 270,994   |       |                                      |                              | 104,242                         | 2,373   | 5,247,228             |
| 00756 | Llano                      | 736,989              | 87,353                     | 42,377    |       |                                      | 122,976                      | 66,817                          | 5,707   | 671,219               |
| 00758 | Lockhart                   | 4,682,489            | 453,731                    | 269,243   |       |                                      | 475,149                      | 135,161                         | 5,224   | 4,789,929             |
| 00760 | Lockney                    | 208,973              | 3,852                      | 12,016    |       |                                      |                              | 1,985                           |         | 222,856               |
| 00765 | Lone Star                  | 267,562              | 10,461                     | 15,385    |       |                                      |                              | 5,632                           |         | 287,776               |
| 00766 | Longview                   | 29,365,338           | 3,062,922                  | 1,688,507 |       |                                      | 4,275,472                    | 723,096                         | 27,387  | 29,090,812            |
| 00768 | Loraine                    | 5,348                | 3,178                      | 308       |       |                                      |                              |                                 |         | 8,833                 |
| 00769 | Lorena                     | 148,444              | 21,494                     | 8,536     |       |                                      | 7,351                        | 1,351                           |         | 169,772               |
| 00770 | Lorenzo                    | 171,437              | 1,718                      | 9,858     |       |                                      |                              | 5,396                           |         | 177,617               |
| 00771 | Los Fresnos                | 695,127              | 57,271                     | 39,970    |       |                                      | 29,008                       | 2,576                           |         | 760,783               |
| 00773 | Lott                       | 7,884                | 3,593                      | 453       |       |                                      |                              |                                 |         | 11,930                |
| 00778 | Lubbock                    | 118,334,549          | 11,005,746                 | 6,804,237 |       |                                      | 11,332,995                   | 3,982,378                       | 88,011  | 120,741,148           |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 00779 | Lucas                      | 171,914              | 52,368                     | 9,885     |       | 1,270,200                            | 563,721                      | 7,985                           | 234,167    |                       |
| 00782 | Lufkin                     | 13,797,216           | 1,610,363                  | 793,340   |       | 165,974                              | 59,585                       | 1,013                           | 14,359,013 |                       |
| 00784 | Luling                     | 1,197,395            | 136,113                    | 68,850    |       | 4,449                                | 16,816                       | 5,949                           | 1,175,787  |                       |
| 00785 | Lumberton                  | 905,985              | 159,956                    | 52,094    |       | 166,493                              | 1,985                        | 2,846                           | 1,090,822  |                       |
| 00787 | Lytle                      | 418,113              | 26,759                     | 24,041    |       |                                      | 18,989                       |                                 | 464,082    |                       |
| 00790 | Madisonville               | 661,519              | 51,641                     | 38,037    |       |                                      | 6,251                        |                                 | 565,716    |                       |
| 00791 | Magnolia                   | 175,169              | 25,142                     | 10,072    |       |                                      | 1,823                        |                                 | 204,132    |                       |
| 00792 | Malakoff                   | 281,694              | 22,967                     | 16,197    |       |                                      |                              |                                 | 319,035    |                       |
| 00796 | Manor                      | 121,832              | 62,153                     | 7,005     |       |                                      |                              |                                 | 190,990    |                       |
| 00798 | Mansfield                  | 17,367,218           | 2,043,866                  | 998,615   |       | 518,599                              | 153,617                      | 4,623                           | 19,732,860 |                       |
| 00799 | Manvel                     | 158,703              | 30,108                     | 9,125     |       |                                      | 1,976                        |                                 | 195,961    |                       |
| 00800 | Marble Falls               | 3,481,003            | 367,031                    | 200,158   |       | 20,903                               | 8,886                        |                                 | 4,018,403  |                       |
| 00802 | Marfa                      | 841,138              | 33,092                     | 48,365    |       | 22,375                               | 4,132                        |                                 | 896,089    |                       |
| 00804 | Marion                     | 187,000              | 8,078                      | 10,752    |       | 30,262                               | 1,384                        |                                 | 174,184    |                       |
| 00806 | Marlin                     | 980,374              | 63,345                     | 56,371    |       | 12,553                               | 69,071                       | 3,075                           | 1,015,391  |                       |
| 00810 | Marshall                   | 8,065,202            | 1,102,398                  | 463,749   |       | 840,221                              | 380,750                      | 26,068                          | 8,384,310  |                       |
| 00812 | Mart                       | 461,542              | 5,947                      | 26,539    |       |                                      | 4,209                        |                                 | 489,819    |                       |
| 00814 | Mason                      | 339,567              | 20,188                     | 19,525    |       |                                      | 5,016                        |                                 | 374,264    |                       |
| 00816 | Matador                    |                      | 3,955                      |           |       |                                      |                              |                                 | 3,955      |                       |
| 00818 | Mathis                     | 758,524              | 33,772                     | 43,615    |       | 68,933                               | 25,124                       | 257                             | 741,597    |                       |
| 00822 | Maypearl                   | 34,032               | 3,942                      | 1,957     |       |                                      |                              |                                 | 39,930     |                       |
| 00824 | McAllen                    | 47,342,609           | 3,546,104                  | 2,722,200 |       | 3,413,899                            | 188,405                      |                                 | 50,008,609 |                       |
| 00826 | McCamey                    | 373,614              | 11,244                     | 21,483    |       | 16,388                               | 4,238                        | 220                             | 385,495    |                       |
| 00828 | McGregor                   | 1,062,724            | 107,252                    | 61,107    |       | 1,469,540                            | 45,287                       | 3,421                           | 1,182,374  |                       |
| 00830 | McKinney                   | 26,839,461           | 3,779,581                  | 1,543,269 |       |                                      | 363,612                      | 13,109                          | 30,316,050 |                       |
| 00832 | McLean                     | 48,368               | 6,988                      | 2,781     |       |                                      | 197                          |                                 | 57,941     |                       |
| 00835 | Meadows Place              | 1,234,983            | 127,968                    | 71,012    |       | 199,069                              | 4,535                        | 321                             | 1,230,038  |                       |
| 00837 | Melissa                    | 105,366              | 62,551                     | 6,059     |       | 23,031                               | 1,994                        |                                 | 148,951    |                       |
| 01501 | Memorial Village Police    | 2,391,300            | 434,903                    | 137,500   |       | 53,957                               | 136,669                      | 9,559                           | 2,763,518  |                       |
| 00840 | Memphis                    | 481,249              | 31,506                     | 27,672    |       |                                      | 28,317                       | 461                             | 511,649    |                       |
| 00842 | Menard                     | 302,280              | 18,481                     | 17,381    |       |                                      | 1,794                        |                                 | 336,348    |                       |
| 00844 | Mercedes                   | 2,025,279            | 227,541                    | 116,454   |       | 5,717                                | 76,460                       | 2,134                           | 2,284,962  |                       |
| 00846 | Meridian                   | 127,671              | 12,407                     | 7,341     |       |                                      |                              |                                 | 147,419    |                       |
| 00848 | Merkel                     | 243,187              | 40,447                     | 13,983    |       | 32,783                               | 21,402                       |                                 | 243,432    |                       |
| 00852 | Mertzon                    |                      | 13,407                     |           |       |                                      |                              |                                 | 13,407     |                       |
| 00854 | Mesquite                   | 90,511,776           | 8,536,782                  | 5,204,427 |       | 8,533,813                            | 3,151,857                    | 89,292                          | 92,478,023 |                       |
| 00856 | Mexia                      | 2,371,798            | 224,010                    | 136,378   |       | 248,791                              | 57,576                       | 106                             | 2,425,714  |                       |
| 00860 | Midland                    | 57,163,123           | 4,762,096                  | 3,286,880 |       | 5,583,706                            | 1,676,001                    | 37,642                          | 57,914,750 |                       |
| 00862 | Midlothian                 | 4,660,122            | 651,393                    | 267,957   |       | 528,166                              | 85,865                       | 2,920                           | 4,962,521  |                       |
| 00864 | Miles                      | 61,485               | 972                        | 3,535     |       |                                      |                              |                                 | 65,993     |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality    | Balance Jan. 1, 2006 | Additions                  |           |         |                                      | Deductions                   |                                 |        | Balance Dec. 31, 2006 |
|-------|-------------------------------|----------------------|----------------------------|-----------|---------|--------------------------------------|------------------------------|---------------------------------|--------|-----------------------|
|       |                               |                      | Municipality Contributions | Interest  | Other   | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |        |                       |
| 00865 | Milford                       | 85,538               | 22,927                     | 4,918     |         |                                      |                              | 1,926                           |        | 111,457               |
| 00868 | Mineola                       | 1,552,961            | 107,660                    | 89,295    |         |                                      |                              | 12,128                          | 2,078  | 1,735,710             |
| 00870 | Mineral Wells                 | 6,161,386            | 416,365                    | 354,280   |         |                                      | 1,016,573                    | 124,618                         | 3,527  | 5,787,313             |
| 00874 | Mission                       | 10,481,817           | 1,211,171                  | 602,704   |         |                                      | 422,030                      | 168,314                         | 4,639  | 11,700,710            |
| 00875 | Missouri City                 | 21,055,695           | 1,689,794                  | 1,210,702 |         |                                      | 1,301,287                    | 288,159                         | 102    | 22,366,644            |
| 00876 | Monahans                      | 1,940,806            | 197,715                    | 111,596   |         |                                      | 64,536                       | 116,717                         | 1,132  | 2,067,733             |
| 00887 | Mont Belvieu                  | 3,190,449            | 200,403                    | 183,451   |         |                                      |                              | 6,874                           |        | 3,567,428             |
| 00877 | Montgomery                    | 98,532               | 14,466                     | 5,666     |         |                                      |                              |                                 |        | 118,664               |
| 00878 | Moody                         | 150,429              | 20,319                     | 8,650     |         |                                      |                              |                                 |        | 179,397               |
| 00883 | Morgan's Point                | 792,187              | 96,475                     | 45,551    |         |                                      |                              | 15,478                          |        | 918,734               |
| 00882 | Morgan's Point Resort         | 326,087              | 55,995                     | 18,750    |         |                                      |                              | 6,632                           | 139    | 394,061               |
| 00884 | Morton                        | 470,714              | 30,366                     | 27,066    |         |                                      |                              | 20,325                          |        | 507,821               |
| 00886 | Moulton                       | 454,063              | 17,580                     | 26,109    |         |                                      | 93,374                       | 5,142                           |        | 399,236               |
| 00890 | Mount Enterprise              | 24,739               | 4,782                      | 1,422     |         |                                      |                              |                                 |        | 30,943                |
| 00892 | Mt. Pleasant                  | 4,119,174            | 593,124                    | 236,853   |         |                                      | 117,883                      | 111,477                         | 3,400  | 4,716,391             |
| 00894 | Mt. Vernon                    | 606,251              | 58,724                     | 34,859    |         |                                      | 257,756                      | 8,188                           | 1,794  | 432,097               |
| 00896 | Muenster                      | 519,087              | 20,889                     | 29,848    |         |                                      |                              | 594                             |        | 569,230               |
| 00898 | Muleshoe                      | 1,587,581            | 121,525                    | 91,286    |         |                                      | 327,102                      | 63,266                          |        | 1,410,024             |
| 00903 | Murphy                        | 1,140,836            | 358,524                    | 65,598    |         |                                      |                              | 51,810                          |        | 1,513,148             |
| 10904 | Nacogdoches                   | 14,510,494           | 1,628,554                  | 834,353   | (3,600) |                                      | 1,719,042                    | 463,121                         | 616    | 14,787,023            |
| 20904 | Nacogdoches Memorial Hospital | 986,940              |                            | 56,749    |         |                                      |                              | 199                             |        | 1,043,490             |
| 00906 | Naples                        | 92,702               | 1,856                      | 5,330     |         |                                      |                              |                                 |        | 99,889                |
| 00907 | Nash                          | 314,332              | 29,942                     | 18,074    |         |                                      |                              | 2,979                           | 3,432  | 355,937               |
| 00905 | Nassau Bay                    | 596,960              | 182,734                    | 34,325    |         |                                      | 31,473                       | 7,382                           | 1,899  | 773,266               |
| 00908 | Navasota                      | 2,509,400            | 142,375                    | 144,290   |         |                                      | 189,930                      | 23,167                          | 447    | 2,582,521             |
| 00910 | Nederland                     | 13,289,244           | 870,470                    | 764,132   |         |                                      | 1,249,498                    | 283,319                         | 22,004 | 13,369,025            |
| 00912 | Needville                     | 487,598              | 27,207                     | 28,037    |         |                                      | 18,272                       | 10,126                          |        | 514,444               |
| 00914 | New Boston                    | 779,383              | 33,925                     | 44,815    |         |                                      | 59,838                       | 8,593                           |        | 789,692               |
| 10916 | New Braunfels                 | 13,168,631           | 2,238,634                  | 757,196   |         |                                      | 599,698                      | 470,973                         | 6,454  | 15,087,336            |
| 20916 | New Braunfels Utilities       | 9,774,668            | 1,150,602                  | 562,043   |         |                                      | 655,217                      | 514,507                         | 11,951 | 10,305,638            |
| 00915 | New Deal                      | 56,383               | 4,764                      | 3,242     |         |                                      |                              |                                 |        | 64,389                |
| 00918 | New London                    | 127,923              | 14,399                     | 7,356     |         |                                      |                              | 4,245                           | 1,342  | 144,091               |
| 00919 | New Summerfield               | 85,183               | 4,004                      | 4,898     |         |                                      |                              | 15                              |        | 94,070                |
| 00917 | New Waverly                   | 139,317              | 8,906                      | 8,011     |         |                                      |                              | 8,626                           |        | 147,608               |
| 00920 | Newton                        | 1,202,958            | 120,734                    | 69,170    |         |                                      | 375,067                      | 21,909                          | 2,765  | 993,121               |
| 00922 | Nixon                         | 132,421              | 18,311                     | 7,614     |         |                                      |                              | 4,867                           |        | 153,480               |
| 00924 | Nocona                        | 355,396              | 31,001                     | 20,435    |         |                                      |                              | 16,609                          | 837    | 389,386               |
| 00928 | Normangee                     | 66,215               | 3,836                      | 3,807     |         |                                      |                              |                                 |        | 73,858                |
| 00931 | North Richland Hills          | 43,958,277           | 3,373,695                  | 2,527,601 |         |                                      | 2,983,822                    | 597,845                         | 48,979 | 46,228,927            |
| 00930 | Northlake                     | 80,137               | 28,919                     | 4,608     |         |                                      | 10,855                       |                                 |        | 102,808               |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |           | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|-----------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |           |                       |
| 00936 | Oak Point                  | 104,697              | 29,021                     | 6,020     |       |                                      |                              |                                 |           | 139,738               |
| 00937 | Oak Ridge North            | 613,167              | 69,052                     | 35,257    |       |                                      | 19,231                       |                                 |           | 698,245               |
| 00942 | Odem                       | 212,749              | 19,567                     | 12,233    |       |                                      |                              |                                 | 7,359     | 237,190               |
| 00944 | Odessa                     | 39,390,196           | 3,457,489                  | 2,264,936 |       |                                      | 4,307,538                    |                                 | 1,069,104 | 39,711,124            |
| 00935 | O'Donnell                  | 45,216               | 8,890                      | 2,600     |       |                                      |                              |                                 |           | 56,706                |
| 00945 | Oglesby                    | 12,473               | 1,394                      | 717       |       |                                      |                              |                                 |           | 14,584                |
| 00949 | Old River-Winfree          | 15,285               | 820                        | 879       |       |                                      |                              |                                 |           | 16,984                |
| 00950 | Olmos Park                 | 1,004,350            | 72,651                     | 57,750    |       |                                      | 158,561                      |                                 | 2,921     | 973,265               |
| 00951 | Olney                      | 99,963               | 28,780                     | 5,748     |       |                                      | 1,530                        |                                 | 1,630     | 131,331               |
| 00953 | Omaha                      | 5,661                | 8,806                      | 325       |       |                                      |                              |                                 | 6,051     | 8,741                 |
| 00954 | Onalaska                   | 30,470               | 6,475                      | 1,752     |       |                                      |                              |                                 | 309       | 38,389                |
| 00958 | Orange                     | 12,682,338           | 1,046,630                  | 729,234   |       |                                      | 749,895                      |                                 | 387,163   | 13,313,588            |
| 00960 | Orange Grove               | 498,688              | 17,973                     | 28,675    |       |                                      |                              |                                 | 9,552     | 535,783               |
| 00959 | Ore City                   | 30,695               | 10,577                     | 1,765     |       |                                      |                              |                                 | 3,401     | 39,636                |
| 00962 | Overton                    | 414,501              | 15,269                     | 23,834    |       |                                      | 3,985                        |                                 | 31        | 449,588               |
| 00961 | Ovilla                     | 331,283              | 44,264                     | 19,049    |       |                                      | 148,798                      |                                 | 2,935     | 242,500               |
| 00963 | Oyster Creek               | 448,067              | 12,777                     | 25,764    |       |                                      |                              |                                 | 54        | 485,592               |
| 00964 | Paducah                    | 370,891              | 19,146                     | 21,326    |       |                                      |                              |                                 | 13,286    | 398,077               |
| 00966 | Palacios                   | 603,388              | 57,639                     | 34,695    |       |                                      |                              |                                 | 14,700    | 675,417               |
| 00968 | Palestine                  | 7,177,499            | 781,454                    | 412,706   |       |                                      | 848,584                      |                                 | 243,640   | 7,268,399             |
| 00970 | Palmer                     | 209,441              | 24,324                     | 12,043    |       |                                      |                              |                                 | 5,116     | 240,692               |
| 00969 | Palmhurst                  | 3,747                | 6,920                      | 215       |       |                                      |                              |                                 |           | 10,882                |
| 00972 | Pampa                      | 4,799,308            | 694,514                    | 275,960   |       |                                      | 742,322                      |                                 | 480,135   | 4,539,709             |
| 00974 | Panhandle                  | 390,902              | 23,850                     | 22,477    |       |                                      | 104,382                      |                                 | 8,734     | 324,112               |
| 00973 | Panorama Village           | 438,664              | 29,946                     | 25,223    |       |                                      |                              |                                 | 6,404     | 487,430               |
| 00975 | Pantego                    | 3,999,262            | 279,298                    | 229,958   |       |                                      | 1,211,495                    |                                 | 83,270    | 3,213,753             |
| 00976 | Paris                      | 11,954,283           | 1,221,117                  | 687,371   |       |                                      | 1,051,235                    |                                 | 413,296   | 12,391,611            |
| 00977 | Parker                     | 700,421              | 66,664                     | 40,274    |       |                                      | 241,630                      |                                 | 49,563    | 516,166               |
| 00978 | Pasadena                   | 79,317,428           | 6,411,916                  | 4,560,752 |       |                                      | 8,918,261                    |                                 | 2,485,419 | 78,779,354            |
| 00983 | Pearland                   | 14,673,874           | 1,731,282                  | 843,748   |       |                                      | 365,354                      |                                 | 210,711   | 16,672,488            |
| 00984 | Pearsall                   | 1,283,682            | 58,779                     | 73,812    |       |                                      | 92,240                       |                                 | 25,935    | 1,298,098             |
| 00988 | Pecos City                 | 2,405,028            | 196,293                    | 138,289   |       |                                      | 367,016                      |                                 | 39,885    | 2,331,651             |
| 00994 | Perryton                   | 3,242,538            | 323,372                    | 186,446   |       |                                      | 90,986                       |                                 | 166,742   | 3,494,259             |
| 01000 | Pflugerville               | 3,995,963            | 800,730                    | 229,768   |       |                                      | 66,608                       |                                 | 22,018    | 4,937,284             |
| 01002 | Pharr                      | 11,581,481           | 1,924,448                  | 665,935   |       |                                      | 868,585                      |                                 | 354,813   | 12,946,434            |
| 01004 | Pilot Point                | 559,448              | 77,244                     | 32,168    |       |                                      | 53,834                       |                                 | 10,947    | 604,079               |
| 01005 | Pinehurst                  | 745,526              | 92,723                     | 42,868    |       |                                      | 113,205                      |                                 | 20,753    | 743,723               |
| 01003 | Pineland                   | 419,125              | 28,944                     | 24,100    |       |                                      |                              |                                 | 5,446     | 466,723               |
| 01001 | Piney Point Village        | 86,402               | 24,239                     | 4,968     |       |                                      |                              |                                 | 5,062     | 110,547               |
| 01006 | Pittsburg                  | 1,077,594            | 104,782                    | 61,962    |       |                                      | 24,224                       |                                 | 33,311    | 1,181,496             |



# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |             | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|-------------|-----------------------|
|       |                             |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |             |                       |
| 01007 | Plains                      | 348,164              | 27,058                     | 20,019    |       |                                      | 1,970                        |                                 | 393,272     |                       |
| 01008 | Plainview                   | 8,082,401            | 597,957                    | 464,738   |       |                                      | 171,958                      | 11,130                          | 8,438,339   |                       |
| 01010 | Plano                       | 170,138,027          | 14,505,031                 | 9,782,937 |       |                                      | 1,812,317                    | 67,821                          | 179,473,140 |                       |
| 01012 | Pleasanton                  | 1,940,114            | 120,364                    | 111,557   |       |                                      | 10,417                       | 4,277                           | 2,157,341   |                       |
| 01013 | Point                       | 96,585               | 4,195                      | 5,554     |       |                                      | 7,419                        |                                 | 98,915      |                       |
| 01017 | Ponder                      | 69,797               | 25,651                     | 4,013     |       |                                      |                              |                                 | 99,462      |                       |
| 01014 | Port Aransas                | 1,483,762            | 191,308                    | 85,316    |       |                                      | 12,867                       |                                 | 1,642,622   |                       |
| 11016 | Port Arthur                 | 31,874,133           | 2,876,987                  | 1,832,763 |       |                                      | 1,484,036                    | 43,742                          | 32,437,341  |                       |
| 21016 | Port Arthur Pleasure Island | 244,741              | 16,176                     | 14,073    |       |                                      |                              |                                 | 274,990     |                       |
| 01018 | Port Isabel                 | 1,399,052            | 48,324                     | 80,445    |       |                                      | 41,064                       | 2,214                           | 1,413,792   |                       |
| 01020 | Port Lavaca                 | 1,814,241            | 145,625                    | 104,319   |       |                                      | 91,678                       | 112                             | 1,789,206   |                       |
| 01022 | Port Neches                 | 9,783,638            | 784,920                    | 562,559   |       |                                      | 274,562                      | 2,175                           | 9,968,418   |                       |
| 01019 | Portland                    | 2,839,893            | 434,111                    | 163,294   |       |                                      | 142,713                      | 1,077                           | 3,166,278   |                       |
| 01024 | Post                        | 305,334              | 52,654                     | 17,557    |       |                                      | 31,701                       |                                 | 297,048     |                       |
| 01026 | Poteet                      | 397,379              | 11,905                     | 22,849    |       |                                      | 14                           | 1,249                           | 410,863     |                       |
| 01028 | Poth                        | 87,610               | 17,934                     | 5,038     |       |                                      | 3,267                        |                                 | 107,314     |                       |
| 01030 | Pottsboro                   | 177,217              | 10,221                     | 10,190    |       |                                      | 7,781                        | 3,195                           | 186,652     |                       |
| 01032 | Premont                     | 290,268              | 13,602                     | 16,690    |       |                                      | 6,458                        |                                 | 314,103     |                       |
| 01029 | Presidio                    | 134,011              | 28,501                     | 7,706     |       |                                      | 1,361                        |                                 | 168,857     |                       |
| 01033 | Primera                     | 82,721               | 12,455                     | 4,756     |       |                                      |                              |                                 | 99,933      |                       |
| 01034 | Princeton                   | 674,765              | 73,848                     | 38,799    |       |                                      | 25,727                       |                                 | 753,704     |                       |
| 01036 | Prosper                     | 245,609              | 130,928                    | 14,123    |       |                                      | 823                          |                                 | 389,836     |                       |
| 01042 | Quanah                      | 616,685              | 33,265                     | 35,459    |       |                                      | 14,498                       |                                 | 670,911     |                       |
| 01045 | Queen City                  | 100,193              | 10,842                     | 5,761     |       |                                      | 4,008                        |                                 | 112,788     |                       |
| 01044 | Quinlan                     | 57,731               | 5,742                      | 3,320     |       |                                      | 4,097                        |                                 | 62,696      |                       |
| 01047 | Quintana                    | 410                  | 2,224                      | 24        |       |                                      |                              |                                 | 2,658       |                       |
| 01046 | Quitaque                    | 19,887               | 4,787                      | 1,144     |       |                                      |                              |                                 | 25,817      |                       |
| 01048 | Quitman                     | 957,790              | 67,458                     | 55,073    |       |                                      | 12,881                       | 1,374                           | 1,066,066   |                       |
| 01050 | Ralls                       | 350,293              | 17,583                     | 20,142    |       |                                      | 11,774                       |                                 | 376,244     |                       |
| 01051 | Rancho Viejo                | 496,974              | 27,321                     | 28,576    |       |                                      | 6,900                        |                                 | 552,871     |                       |
| 01052 | Ranger                      | 278,692              | 29,981                     | 16,025    |       |                                      | 4,846                        |                                 | 317,798     |                       |
| 01054 | Rankin                      | 191,079              | 7,500                      | 10,987    |       |                                      |                              |                                 | 204,720     |                       |
| 01055 | Ransom Canyon               | 58,425               | 28,765                     | 3,359     |       |                                      |                              |                                 | 90,550      |                       |
| 01058 | Raymondville                | 2,590,492            | 187,971                    | 148,953   |       |                                      | 78,281                       |                                 | 2,667,953   |                       |
| 01061 | Red Oak                     | 450,759              | 67,411                     | 25,919    |       |                                      | 2,274                        | 1,920                           | 528,152     |                       |
| 01062 | Redwater                    |                      | 4,591                      |           |       |                                      |                              |                                 | 4,591       |                       |
| 01064 | Refugio                     | 648,426              | 5,902                      | 37,285    |       |                                      | 42,078                       |                                 | 649,535     |                       |
| 01065 | Reklaw                      | 117,455              | 14,997                     | 6,754     |       |                                      | 5,801                        |                                 | 133,405     |                       |
| 01066 | Reno (Lamar County)         | 165,571              | 23,387                     | 9,520     |       |                                      |                              |                                 | 198,478     |                       |
| 01069 | Reno (Parker County)        | 6,169                | 6,679                      | 355       |       |                                      |                              |                                 | 13,203      |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality     | Balance Jan. 1, 2006 | Additions                  |           |       |                                      |                              | Deductions                      |             |  | Balance Dec. 31, 2006 |
|-------|--------------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|-------------|--|-----------------------|
|       |                                |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |             |  |                       |
| 01067 | Rhame                          | 137,082              | 20,166                     | 7,882     |       | 12,868                               | 4,392                        |                                 | 147,870     |  |                       |
| 01068 | Rice                           | 34,877               | 6,733                      | 2,005     |       |                                      |                              |                                 | 43,616      |  |                       |
| 01070 | Richardson                     | 93,908,421           | 7,900,424                  | 5,399,734 |       | 4,158,331                            | 2,836,531                    | 52,030                          | 100,161,687 |  |                       |
| 01073 | Richland Hills                 | 5,067,083            | 378,595                    | 291,357   |       | 223,767                              | 91,238                       | 1,073                           | 5,420,957   |  |                       |
| 01074 | Richland Springs               | 90,561               | 3,714                      | 5,207     |       |                                      |                              |                                 | 99,482      |  |                       |
| 01076 | Richmond                       | 6,577,213            | 574,340                    | 378,190   |       | 446,904                              | 116,329                      |                                 | 6,966,510   |  |                       |
| 01077 | Richwood                       | 633,979              | 56,487                     | 36,454    |       |                                      | 3,091                        | 1,154                           | 722,674     |  |                       |
| 01075 | Rio Grande City                | 222,000              | 95,503                     | 12,765    |       |                                      | 1,811                        |                                 | 328,457     |  |                       |
| 01079 | Rio Vista                      | 65,660               | 24,672                     | 3,775     |       |                                      | 14,097                       |                                 | 80,011      |  |                       |
| 01080 | Rising Star                    | 48,497               | 6,301                      | 2,789     |       |                                      |                              |                                 | 57,587      |  |                       |
| 01082 | River Oaks                     | 2,066,867            | 224,563                    | 118,845   |       | 120,920                              | 87,197                       | 6,324                           | 2,195,834   |  |                       |
| 01084 | Roanoke                        | 2,060,290            | 305,767                    | 118,467   |       | 6,920                                | 27,928                       |                                 | 2,449,675   |  |                       |
| 01088 | Robert Lee                     | 18,390               | 11,414                     | 1,057     |       |                                      | 6,201                        |                                 | 24,661      |  |                       |
| 01089 | Robinson                       | 942,935              | 148,348                    | 54,219    |       |                                      | 13,954                       |                                 | 1,131,548   |  |                       |
| 21090 | Robstown                       | 2,068,046            | 174,183                    | 118,913   |       | 4,936                                | 65,191                       |                                 | 2,291,015   |  |                       |
| 11090 | Robstown Utility Systems       | 1,810,255            | 168,483                    | 104,090   |       | 65,690                               | 108,994                      | 1,186                           | 1,906,958   |  |                       |
| 01092 | Roby                           | 73,577               | 10,921                     | 4,231     |       |                                      | 7,720                        |                                 | 81,009      |  |                       |
| 01096 | Rockdale                       | 489,704              | 99,348                     | 28,158    |       |                                      | 44,531                       | 1,690                           | 570,989     |  |                       |
| 01098 | Rockport                       | 4,570,157            | 404,534                    | 262,784   |       | 156,089                              | 80,255                       | 2,025                           | 4,999,106   |  |                       |
| 01100 | Rocksprings                    | 90,747               | 24,736                     | 5,218     |       |                                      | 2,819                        |                                 | 117,882     |  |                       |
| 01102 | Rockwall                       | 10,070,071           | 1,360,733                  | 579,029   |       | 491,552                              | 236,472                      |                                 | 11,281,809  |  |                       |
| 01104 | Rogers                         | 142,375              | 13,297                     | 8,187     |       |                                      | 8,435                        |                                 | 155,423     |  |                       |
| 01105 | Rollingwood                    | 352,881              | 31,713                     | 20,291    |       |                                      | 996                          |                                 | 403,888     |  |                       |
| 01106 | Roma                           | 1,655,146            | 157,934                    | 95,171    |       | 46,128                               | 23,304                       | 2,023                           | 1,836,796   |  |                       |
| 01109 | Roscoe                         | 56,483               | 8,703                      | 3,248     |       |                                      |                              |                                 | 68,434      |  |                       |
| 01112 | Rosebud                        | 12,785               | 7,145                      | 735       |       |                                      | 4,088                        |                                 | 11,960      |  |                       |
| 01114 | Rosenberg                      | 9,113,385            | 1,025,422                  | 524,020   |       | 1,899,595                            | 198,811                      | 3,688                           | 8,560,733   |  |                       |
| 01116 | Rotan                          | 121,968              | 5,959                      | 7,013     |       | 17,887                               | 2,457                        | 208                             | 114,389     |  |                       |
| 01118 | Round Rock                     | 28,150,736           | 4,031,175                  | 1,618,667 |       | 2,267,380                            | 377,845                      | 478                             | 31,154,875  |  |                       |
| 01119 | Rowlett                        | 18,934,535           | 2,183,057                  | 1,088,736 |       | 315,432                              | 107,849                      | 83                              | 21,782,964  |  |                       |
| 20696 | Roy H. Laird Memorial Hospital | 3,073,367            | 134,259                    | 176,719   |       | 207,527                              | 165,254                      | 1,859                           | 3,009,705   |  |                       |
| 01120 | Royse City                     | 292,657              | 120,101                    | 16,828    |       | 61,387                               | 8,943                        | 4,223                           | 355,033     |  |                       |
| 01122 | Rule                           | 46,187               | 5,685                      | 2,656     |       |                                      |                              |                                 | 54,527      |  |                       |
| 01123 | Runaway Bay                    | 124,167              | 12,321                     | 7,140     |       | 18,507                               |                              |                                 | 125,121     |  |                       |
| 01124 | Runge                          | 64,204               | 10,021                     | 3,692     |       |                                      | 6,323                        |                                 | 71,594      |  |                       |
| 01126 | Rusk                           | 538,470              | 50,044                     | 30,962    |       |                                      | 19,893                       | 415                             | 599,168     |  |                       |
| 01128 | Sabinal                        | 310,006              | 23,305                     | 17,825    |       | 21,363                               | 12,919                       | 179                             | 316,675     |  |                       |
| 01129 | Sachse                         | 2,718,565            | 494,536                    | 156,317   |       | 281,617                              | 39,875                       | 1,369                           | 3,046,557   |  |                       |
| 01131 | Saginaw                        | 3,571,459            | 599,090                    | 205,359   |       | 36,162                               | 76,476                       |                                 | 4,263,270   |  |                       |
| 01130 | Saint Jo                       | 199,661              | 9,523                      | 11,480    |       |                                      | 9,634                        | 934                             | 210,096     |  |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |            |       |                                      | Deductions                   |                                 |         | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|------------|-------|--------------------------------------|------------------------------|---------------------------------|---------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest   | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |         |                       |
| 01133 | Salado                     | 30,870               | 13,954                     | 1,775      |       |                                      |                              | 72                              |         | 46,527                |
| 01132 | San Angelo                 | 27,231,546           | 4,006,801                  | 1,565,814  |       |                                      |                              | 1,360,505                       | 38,411  | 28,551,819            |
| 21136 | San Antonio                | 265,643,699          | 27,052,380                 | 15,274,513 |       |                                      |                              | 10,275,768                      | 360,838 | 258,161,258           |
| 11136 | San Antonio Water System   | 22,989,236           | 2,196,988                  | 1,321,881  |       |                                      |                              | 729,769                         | 18,535  | 24,517,641            |
| 01138 | San Augustine              | 941,542              | 89,558                     | 54,139     |       |                                      |                              | 44,743                          | 1,178   | 1,039,318             |
| 01140 | San Benito                 | 1,925,439            | 414,815                    | 110,713    |       |                                      |                              | 90,236                          | 1,937   | 2,282,529             |
| 01144 | San Felipe                 | 5,533                | 6,091                      | 318        |       |                                      |                              |                                 |         | 11,942                |
| 01148 | San Juan                   | 1,558,848            | 206,864                    | 89,634     |       |                                      |                              | 24,925                          | 4,732   | 1,805,497             |
| 01150 | San Marcos                 | 25,551,227           | 2,798,034                  | 1,469,196  |       |                                      |                              | 492,844                         | 2,436   | 27,654,657            |
| 01152 | San Saba                   | 1,008,589            | 79,756                     | 57,994     |       |                                      |                              | 46,211                          |         | 1,100,127             |
| 01146 | Sanger                     | 1,285,713            | 126,806                    | 73,929     |       |                                      |                              | 25,119                          |         | 1,461,329             |
| 01153 | Sansom Park                | 276,036              | 9,015                      | 15,872     |       |                                      |                              | 257                             |         | 300,666               |
| 01154 | Santa Anna                 | 263,877              |                            | 15,173     |       |                                      |                              |                                 |         | 279,050               |
| 01155 | Santa Fe                   | 1,149,082            | 243,355                    | 66,072     |       |                                      |                              | 38,030                          | 7,061   | 1,378,677             |
| 01158 | Savoy                      | 78,839               | 3,148                      | 4,533      |       |                                      |                              |                                 |         | 86,520                |
| 01159 | Schertz                    | 3,450,608            | 741,384                    | 198,410    |       |                                      |                              | 82,549                          | 1,257   | 4,270,891             |
| 01160 | Schulenburg                | 2,115,841            | 249,040                    | 121,661    |       |                                      |                              | 53,954                          |         | 2,313,444             |
| 01161 | Seabrook                   | 5,671,392            | 558,651                    | 326,105    |       |                                      |                              | 60,820                          | 5,820   | 5,837,577             |
| 01162 | Seadrift                   | 4,442                | 18,876                     | 255        |       |                                      |                              |                                 |         | 23,574                |
| 01164 | Seagoville                 | 2,058,796            | 298,839                    | 118,381    |       |                                      |                              | 6,618                           | 600     | 2,454,974             |
| 01166 | Seagraves                  | 85,126               | 31,026                     | 4,895      |       |                                      |                              | 10,690                          | 73      | 110,284               |
| 01167 | Sealy                      | 1,628,175            | 199,069                    | 93,620     |       |                                      |                              | 36,429                          | 2,388   | 1,652,907             |
| 01168 | Seguin                     | 11,610,333           | 1,069,697                  | 667,594    |       |                                      |                              | 325,482                         | 15,024  | 11,799,131            |
| 01169 | Selma                      | 1,775,419            | 229,955                    | 102,087    |       |                                      |                              | 36,385                          | 3,990   | 2,071,075             |
| 01170 | Seminole                   | 2,430,975            | 233,748                    | 139,781    |       |                                      |                              | 95,730                          |         | 2,704,784             |
| 01171 | Seven Points               | 524,242              | 18,512                     | 30,144     |       |                                      |                              | 134                             |         | 572,764               |
| 01172 | Seymour                    | 503,141              | 52,425                     | 28,931     |       |                                      |                              | 37,170                          | 1,302   | 546,025               |
| 01177 | Shallowater                | 235,524              | 14,786                     | 13,543     |       |                                      |                              | 149                             |         | 263,703               |
| 01174 | Shamrock                   | 343,414              | 35,273                     | 19,746     |       |                                      |                              | 38,742                          |         | 323,320               |
| 01173 | Shavano Park               | 486,294              | 99,556                     | 27,962     |       |                                      |                              | 2,329                           | 776     | 610,707               |
| 01175 | Shenandoah                 | 209,326              | 172,944                    | 12,036     |       |                                      |                              | 3,725                           |         | 390,582               |
| 01181 | Shepherd                   | 111,565              | 15,047                     | 6,415      |       |                                      |                              | 6,081                           |         | 126,946               |
| 01176 | Sherman                    | 19,337,096           | 2,065,834                  | 1,111,883  |       |                                      |                              | 788,772                         | 18,460  | 18,262,908            |
| 01178 | Shiner                     | 841,582              | 38,877                     | 48,391     |       |                                      |                              | 38,953                          |         | 763,730               |
| 01179 | Shoreacres                 | 334,036              | 23,158                     | 19,207     |       |                                      |                              | 6,711                           | 1,253   | 368,437               |
| 01180 | Silsbee                    | 2,266,104            | 303,341                    | 130,301    |       |                                      |                              | 166,533                         | 6,227   | 2,400,608             |
| 01182 | Silverton                  | 250,665              | 10,127                     | 14,413     |       |                                      |                              | 6,073                           |         | 269,132               |
| 01184 | Sinton                     | 1,271,648            | 65,460                     | 73,120     |       |                                      |                              | 28,011                          |         | 1,209,336             |
| 01185 | Skellytown                 | 65,998               |                            | 3,795      |       |                                      |                              |                                 |         | 69,792                |
| 01186 | Slaton                     | 1,755,168            | 115,820                    | 100,922    |       |                                      |                              | 88,567                          | 289     | 1,851,021             |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      |                              | Deductions                      |            |  | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|--|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |  |                       |
| 01188 | Smithville                 | 957,204              | 70,997                     | 55,039    |       | 6,000                                | 37,758                       | 2,154                           | 1,037,329  |  |                       |
| 01189 | Smyer                      | 15,284               | 2,305                      | 879       |       |                                      |                              |                                 | 18,467     |  |                       |
| 01190 | Snyder                     | 5,523,958            | 385,562                    | 317,628   |       | 691,013                              | 222,905                      |                                 | 5,313,229  |  |                       |
| 01191 | Somerset                   | 53,446               | 5,353                      | 3,073     |       |                                      | 5,436                        |                                 | 56,436     |  |                       |
| 01192 | Somerville                 | 218,742              | 18,395                     | 12,578    |       |                                      | 5,068                        |                                 | 244,646    |  |                       |
| 01194 | Sonora                     | 813,410              | 63,501                     | 46,771    |       | 100,203                              | 32,065                       | 307                             | 791,107    |  |                       |
| 01196 | Sour Lake                  | 141,180              | 12,906                     | 8,118     |       |                                      |                              |                                 | 162,204    |  |                       |
| 01198 | South Houston              | 3,960,331            | 240,691                    | 227,719   |       | 21,781                               | 114,733                      | 23,847                          | 4,268,380  |  |                       |
| 01199 | South Padre Island         | 5,542,362            | 418,947                    | 318,686   |       | 106,844                              | 28,123                       | 510                             | 6,144,518  |  |                       |
| 01197 | Southlake                  | 11,541,814           | 1,507,225                  | 663,654   |       | 168,226                              | 184,806                      | 4,124                           | 13,355,537 |  |                       |
| 01202 | Southside Place            | 438,340              | 55,718                     | 25,205    |       | 9,311                                | 335                          | 1,132                           | 508,485    |  |                       |
| 01204 | Spearman                   | 1,378,762            | 60,343                     | 79,279    |       | 4,764                                | 13,353                       | 1,919                           | 1,498,348  |  |                       |
| 01205 | Spring Valley              | 2,336,075            | 246,200                    | 134,324   |       |                                      | 49,593                       |                                 | 2,667,006  |  |                       |
| 01203 | Springtown                 | 629,099              | 58,011                     | 36,173    |       | 40,618                               | 5,792                        |                                 | 676,873    |  |                       |
| 01206 | Spur                       | 39,134               | 14,734                     | 2,250     |       |                                      |                              |                                 | 56,118     |  |                       |
| 01207 | Stafford                   | 7,685,990            | 543,618                    | 441,944   |       | 550,778                              | 45,804                       | 6,574                           | 8,074,970  |  |                       |
| 01208 | Stamford                   | 1,016,948            | 37,534                     | 58,475    |       |                                      | 47,667                       |                                 | 1,058,716  |  |                       |
| 01210 | Stanton                    | 448,263              | 40,943                     | 25,775    |       |                                      | 10,713                       |                                 | 504,268    |  |                       |
| 01211 | Star Harbor                | 184,791              | 12,876                     | 10,626    |       | 59,143                               | 1,690                        |                                 | 147,460    |  |                       |
| 01212 | Stephenville               | 6,871,531            | 611,807                    | 395,113   |       | 123,591                              | 144,994                      | 3,103                           | 7,606,763  |  |                       |
| 01213 | Sterling City              | 79,861               | 8,191                      | 4,592     |       |                                      | 3,183                        |                                 | 89,461     |  |                       |
| 01214 | Stinnett                   | 570,679              | 26,115                     | 32,814    |       |                                      | 5,360                        |                                 | 624,248    |  |                       |
| 01218 | Stratford                  | 18,930               | 33,154                     | 1,088     |       |                                      | 24,706                       |                                 | 28,467     |  |                       |
| 01224 | Sudan                      | 88,477               | 8,513                      | 5,087     |       |                                      | 5,174                        | 497                             | 96,407     |  |                       |
| 01225 | Sugar Land                 | 26,682,862           | 3,187,480                  | 1,534,265 |       | 1,767,484                            | 239,194                      | 7,281                           | 29,390,648 |  |                       |
| 01226 | Sulphur Springs            | 6,692,081            | 699,886                    | 384,795   |       | 440,798                              | 169,543                      | 627                             | 7,165,793  |  |                       |
| 01228 | Sundown                    | 406,527              | 33,629                     | 23,375    |       |                                      | 4,718                        |                                 | 458,813    |  |                       |
| 01229 | Sunnyvale                  | 575,500              | 108,220                    | 33,091    |       | 96,666                               | 19,375                       |                                 | 600,770    |  |                       |
| 01230 | Sunray                     | 290,549              | 68,686                     | 16,707    |       |                                      | 45,216                       | 8,543                           | 322,182    |  |                       |
| 01227 | Sunrise Beach Village      | 38,548               | 7,297                      | 2,217     |       |                                      |                              |                                 | 48,062     |  |                       |
| 01231 | Sunset Valley              | 637,802              | 95,792                     | 36,674    |       |                                      | 323                          |                                 | 769,945    |  |                       |
| 01233 | Surfside Beach             | 54,322               | 11,943                     | 3,124     |       |                                      | 5,486                        |                                 | 63,903     |  |                       |
| 01232 | Sweeny                     | 951,489              | 89,350                     | 54,711    |       | 157,036                              | 62,762                       |                                 | 875,751    |  |                       |
| 01234 | Sweetwater                 | 5,300,111            | 514,024                    | 304,756   |       | 589,025                              | 210,677                      | 341                             | 5,319,190  |  |                       |
| 01264 | T.M.R.S.                   | 5,623,397            | 532,143                    | 323,345   |       | 1,040,735                            | 144,394                      |                                 | 5,293,416  |  |                       |
| 01236 | Taft                       | 424,785              | 47,737                     | 24,425    |       | 43,408                               | 37,381                       |                                 | 416,158    |  |                       |
| 01238 | Tahoka                     | 813,870              | 31,019                     | 46,798    |       |                                      | 4,505                        |                                 | 887,181    |  |                       |
| 01241 | Tatum                      | 60,797               | 10,809                     | 3,496     |       |                                      | 9,334                        |                                 | 65,767     |  |                       |
| 01246 | Taylor                     | 2,621,393            | 451,838                    | 150,730   |       | 321,085                              | 139,521                      | 1,692                           | 2,761,663  |  |                       |
| 01248 | Teague                     | 428,389              | 22,433                     | 24,632    |       | 18,733                               | 9,195                        |                                 | 447,526    |  |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality  | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|-----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                             |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 01252 | Temple                      | 25,959,240           | 2,756,189                  | 1,492,656 |       | 1,928,013                            | 869,124                      | 9,776                           | 27,401,172 |                       |
| 01254 | Tenaha                      | 92,810               | 4,853                      | 5,337     |       |                                      |                              |                                 | 102,999    |                       |
| 01256 | Terrell                     | 7,097,715            | 896,569                    | 408,119   |       | 1,116,989                            | 219,907                      | 5,430                           | 7,060,077  |                       |
| 01258 | Terrell Hills               | 2,635,464            | 179,929                    | 151,539   |       | 267,547                              | 54,964                       |                                 | 2,644,421  |                       |
| 21260 | Texarkana                   | 9,779,694            | 838,829                    | 562,332   |       | 388,905                              | 214,283                      | 4,066                           | 10,573,601 |                       |
| 11260 | Texarkana Police Dept.      | 6,283,774            | 734,515                    | 361,317   |       | 1,324,436                            | 235,523                      | 1,211                           | 5,818,436  |                       |
| 31260 | Texarkana Water Utilities   | 5,155,691            | 672,079                    | 296,452   |       | 466,537                              | 182,390                      | 6,243                           | 5,469,052  |                       |
| 01262 | Texas City                  | 21,862,214           | 2,361,098                  | 1,257,077 |       | 3,091,574                            | 638,844                      | 46,311                          | 21,703,661 |                       |
| 11263 | Texas Municipal League      | 3,840,658            | 244,994                    | 220,838   |       | 144,138                              | 49,702                       |                                 | 4,112,650  |                       |
| 31263 | Texas Municipal League IEBP | 5,027,956            | 534,059                    | 289,107   |       | 51,357                               | 1,011                        |                                 | 5,798,755  |                       |
| 21263 | Texas Municipal League IRP  | 17,024,556           | 1,834,714                  | 978,912   |       | 616,788                              | 2,980                        |                                 | 19,218,413 |                       |
| 01265 | Texhoma                     | 16,373               | 621                        | 941       |       |                                      | 700                          |                                 | 17,236     |                       |
| 01267 | The Colony                  | 11,423,587           | 1,520,751                  | 656,856   |       | 848,713                              | 165,547                      | 987                             | 12,585,947 |                       |
| 01269 | Thompsons                   | 5,270                | 3,099                      | 303       |       |                                      |                              |                                 | 8,672      |                       |
| 01268 | Thorndale                   | 124,362              | 5,966                      | 7,151     |       |                                      | 6,220                        |                                 | 131,259    |                       |
| 01274 | Three Rivers                | 880,759              | 53,835                     | 50,644    |       |                                      | 14,289                       |                                 | 970,949    |                       |
| 01276 | Throckmorton                | 181,466              | 7,608                      | 10,434    |       |                                      | 2,780                        |                                 | 196,728    |                       |
| 01277 | Tiki Island                 | 11,839               | 12,020                     | 681       |       |                                      | 480                          |                                 | 24,540     |                       |
| 01278 | Timpson                     | 145,313              | 11,735                     | 8,355     |       |                                      |                              |                                 | 164,923    |                       |
| 01280 | Tioga                       | 40,186               | 4,945                      | 2,311     |       |                                      |                              |                                 | 47,442     |                       |
| 01283 | Tolar                       | 19,139               | 5,965                      | 1,101     |       |                                      |                              |                                 | 26,205     |                       |
| 01286 | Tom Bean                    | 44,818               | 7,431                      | 2,577     |       | 14,591                               | 2,816                        |                                 | 37,419     |                       |
| 01284 | Tomball                     | 5,067,831            | 599,063                    | 291,400   |       | 349,675                              | 56,319                       | 2,822                           | 5,549,479  |                       |
| 01290 | Trent                       | 13,247               | 2,204                      | 762       |       |                                      |                              | 406                             | 15,807     |                       |
| 01292 | Trenton                     | 115,320              | 11,268                     | 6,631     |       |                                      |                              |                                 | 133,219    |                       |
| 01293 | Trinidad                    | 112,173              | 17,141                     | 6,450     |       | 22,374                               | 8,375                        |                                 | 105,015    |                       |
| 01294 | Trinity                     | 359,704              | 17,098                     | 20,683    |       | 23,988                               | 6,644                        |                                 | 366,853    |                       |
| 01295 | Trophy Club                 | 1,889,846            | 359,417                    | 108,666   |       | 157,044                              | 47,683                       |                                 | 2,153,202  |                       |
| 01296 | Troup                       | 273,512              | 13,409                     | 15,727    |       | 49,011                               | 4,550                        |                                 | 249,087    |                       |
| 01297 | Troy                        | 135,091              | 3,073                      | 7,768     |       |                                      | 8,378                        |                                 | 137,554    |                       |
| 01298 | Tulia                       | 1,964,230            | 132,573                    | 112,943   |       | 199,769                              | 54,568                       | 3,810                           | 1,951,599  |                       |
| 01299 | Turkey                      | 45,821               | 6,481                      | 2,635     |       |                                      |                              |                                 | 54,937     |                       |
| 01301 | Tye                         | 101,312              | 23,161                     | 5,825     |       |                                      | 10,986                       |                                 | 119,312    |                       |
| 01304 | Tyler                       | 30,927,110           | 3,475,848                  | 1,778,309 |       | 2,776,933                            | 1,236,957                    | 21,752                          | 32,145,625 |                       |
| 01305 | Universal City              | 3,121,673            | 311,253                    | 179,496   |       | 398,922                              | 43,698                       | 106                             | 3,169,696  |                       |
| 01306 | University Park             | 17,988,884           | 1,708,150                  | 1,034,361 |       | 1,499,844                            | 291,001                      | 8,853                           | 18,931,697 |                       |
| 01308 | Uvalde                      | 2,684,242            | 168,455                    | 154,344   |       | 322,749                              | 64,281                       | 196                             | 2,619,815  |                       |
| 01314 | Van                         | 402,455              | 35,896                     | 23,141    |       |                                      | 9,380                        | 1,451                           | 450,661    |                       |
| 01316 | Van Alstyne                 | 510,730              | 67,228                     | 29,367    |       | 12,955                               | 16,717                       |                                 | 577,653    |                       |
| 01318 | Van Horn                    | 835,844              | 43,048                     | 48,061    |       |                                      | 6,326                        |                                 | 920,627    |                       |

# Changes in Municipality Accumulation Fund

CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006 | Additions                  |           |       |                                      | Deductions                   |                                 |            | Balance Dec. 31, 2006 |
|-------|----------------------------|----------------------|----------------------------|-----------|-------|--------------------------------------|------------------------------|---------------------------------|------------|-----------------------|
|       |                            |                      | Municipality Contributions | Interest  | Other | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |            |                       |
| 01320 | Vega                       | 429,413              | 26,478                     | 24,691    |       |                                      | 11,673                       |                                 | 468,909    |                       |
| 01324 | Venus                      | 152,929              | 22,878                     | 8,793     |       |                                      | 3,070                        |                                 | 181,531    |                       |
| 01326 | Vernon                     | 3,338,451            | 438,850                    | 191,961   |       | 294,379                              | 209,063                      | 8,308                           | 3,457,512  |                       |
| 01328 | Victoria                   | 26,836,838           | 2,798,271                  | 1,543,118 |       | 3,964,491                            | 1,348,748                    | 38,515                          | 25,826,473 |                       |
| 01329 | Vidor                      | 3,117,435            | 341,486                    | 179,253   |       | 99,461                               | 44,748                       | 9,966                           | 3,483,999  |                       |
| 01500 | Village Fire Department    | 3,005,713            | 460,688                    | 172,829   |       |                                      | 79,576                       |                                 | 3,559,654  |                       |
| 01330 | Waco                       | 78,372,504           | 8,534,059                  | 4,506,419 |       | 5,296,613                            | 3,790,894                    | 83,751                          | 82,241,724 |                       |
| 01332 | Waelder                    | 47,826               | 16,187                     | 2,750     |       |                                      | 2,260                        |                                 | 64,503     |                       |
| 01334 | Wake Village               | 534,786              | 68,293                     | 30,750    |       |                                      | 14,373                       |                                 | 619,456    |                       |
| 01336 | Waller                     | 597,073              | 31,080                     | 34,332    |       | 39,531                               | 20,245                       |                                 | 602,709    |                       |
| 01337 | Wallis                     | 185,564              | 18,354                     | 10,670    |       |                                      | 11,181                       |                                 | 203,407    |                       |
| 01338 | Walnut Springs             | 5,921                | 2,523                      | 340       |       |                                      | 218                          |                                 | 8,567      |                       |
| 01340 | Waskom                     | 287,916              | 29,484                     | 16,555    |       |                                      |                              |                                 | 333,955    |                       |
| 01341 | Watauga                    | 6,178,514            | 668,307                    | 355,265   |       | 428,719                              | 38,284                       | 3,348                           | 6,731,735  |                       |
| 01342 | Waxahachie                 | 7,840,483            | 1,005,279                  | 450,828   |       | 287,198                              | 331,551                      | 5,699                           | 8,672,142  |                       |
| 01344 | Weatherford                | 15,920,595           | 1,960,608                  | 915,434   |       | 585,663                              | 347,050                      | 4,316                           | 17,859,609 |                       |
| 01345 | Webster                    | 8,695,519            | 913,732                    | 499,992   |       | 374,225                              | 141,201                      | 3,029                           | 9,590,788  |                       |
| 01346 | Weimar                     | 934,901              | 96,301                     | 53,757    |       | 248,670                              | 28,521                       | 7,181                           | 800,587    |                       |
| 01350 | Wellington                 | 507,001              | 49,970                     | 29,153    |       |                                      | 11,701                       | 6,048                           | 568,374    |                       |
| 01352 | Wells                      | 50,718               | 3,346                      | 2,916     |       |                                      | 105                          | 1,713                           | 55,162     |                       |
| 01354 | Weslaco                    | 8,575,846            | 790,506                    | 493,111   |       | 572,035                              | 106,105                      | 2,037                           | 9,179,286  |                       |
| 01356 | West                       | 496,111              | 33,425                     | 28,526    |       |                                      | 4,541                        |                                 | 553,522    |                       |
| 01358 | West Columbia              | 1,155,398            | 86,359                     | 66,435    |       | 68,746                               | 9,956                        |                                 | 1,229,491  |                       |
| 01359 | West Lake Hills            | 1,133,810            | 132,451                    | 65,194    |       | 202,072                              | 19,390                       |                                 | 1,109,993  |                       |
| 01361 | West Orange                | 1,159,828            | 165,033                    | 66,690    |       | 26,896                               | 43,789                       |                                 | 1,320,866  |                       |
| 01365 | West Tawakoni              | 56,084               | 37,051                     | 3,225     |       |                                      | 987                          |                                 | 95,373     |                       |
| 01364 | West Univ. Place           | 8,045,803            | 940,754                    | 462,634   | 1,133 | 209,244                              | 197,421                      | 477                             | 9,043,182  |                       |
| 01363 | Westlake                   | 332,352              | 100,398                    | 19,110    |       | 16,257                               |                              |                                 | 435,603    |                       |
| 01362 | Westover Hills             | 563,906              | 44,912                     | 32,425    |       | 143,604                              | 23,583                       | 1,562                           | 472,493    |                       |
| 01366 | Westworth Village          | 456,313              | 42,762                     | 26,238    |       | 17,471                               | 5,364                        |                                 | 502,478    |                       |
| 01368 | Wharton                    | 2,162,238            | 124,387                    | 124,329   |       |                                      | 22,031                       |                                 | 2,388,923  |                       |
| 01370 | Wheeler                    | 215,906              | 13,101                     | 12,415    |       |                                      | 3,971                        |                                 | 237,450    |                       |
| 01372 | White Deer                 | 81,152               | 8,620                      | 4,666     |       |                                      | 10,265                       | 150                             | 84,024     |                       |
| 01377 | White Oak                  | 2,645,636            | 160,743                    | 152,124   |       | 834,193                              | 47,033                       | 3,350                           | 2,073,927  |                       |
| 01378 | White Settlement           | 5,788,500            | 332,206                    | 332,839   |       | 415,864                              | 95,796                       | 1,571                           | 5,940,314  |                       |
| 01374 | Whiteface                  | 158,417              | 9,852                      | 9,109     |       |                                      | 10,409                       |                                 | 166,969    |                       |
| 01375 | Whitehouse                 | 700,628              | 60,943                     | 40,286    |       | 28,811                               | 1,926                        |                                 | 771,120    |                       |
| 01376 | Whitesboro                 | 1,070,481            | 82,540                     | 61,553    |       | 48,307                               | 26,591                       |                                 | 1,139,675  |                       |
| 01380 | Whitewright                | 294,926              | 16,464                     | 16,958    |       | 61,672                               | 7,011                        | 3,624                           | 256,041    |                       |
| 01382 | Whitney                    | 62,905               | 23,327                     | 3,617     |       |                                      | 16,581                       | 1,289                           | 71,979     |                       |



# Changes in Municipality Accumulation Fund

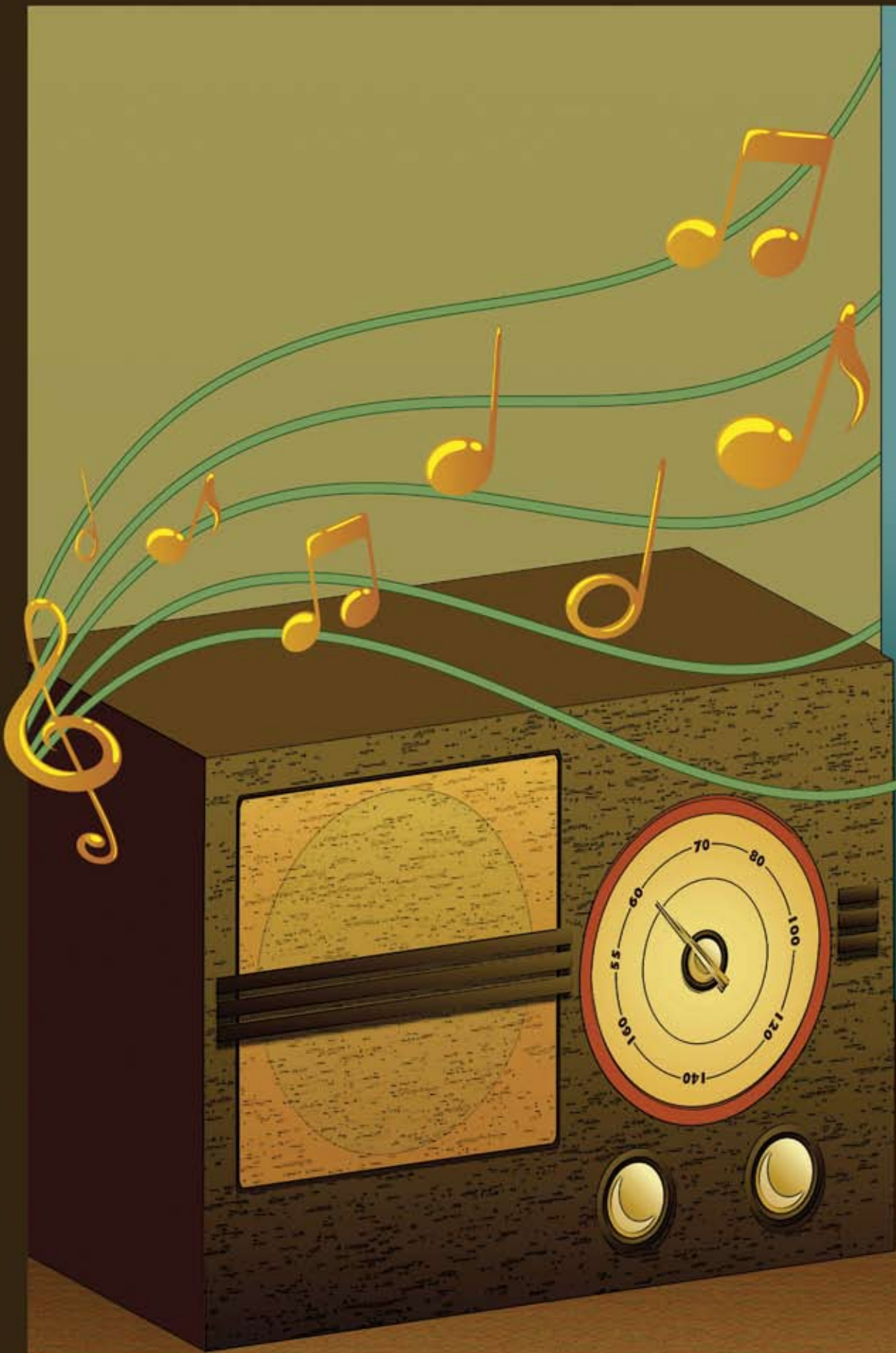
CONTINUED

| No.   | Participating Municipality | Balance Jan. 1, 2006    | Additions                  |                       |                   |                                      | Deductions                   |                                 |                         | Balance Dec. 31, 2006 |
|-------|----------------------------|-------------------------|----------------------------|-----------------------|-------------------|--------------------------------------|------------------------------|---------------------------------|-------------------------|-----------------------|
|       |                            |                         | Municipality Contributions | Interest              | Other             | Transfers to Current Service Annuity | Service Retirement Allowance | Disability Retirement Allowance |                         |                       |
| 01384 | Wichita Falls              | 38,051,864              | 3,904,932                  | 2,187,982             |                   | 6,898,382                            | 1,088,065                    | 42,915                          | 36,115,416              |                       |
| 01386 | Willis                     | 701,973                 | 55,481                     | 40,363                |                   | 61,687                               | 575                          | 4,271                           | 731,285                 |                       |
| 01388 | Willis Point               | 694,069                 | 95,967                     | 39,909                |                   | 39,076                               | 9,525                        | 2,170                           | 779,174                 |                       |
| 01390 | Wilmer                     | 739,092                 | 52,815                     | 42,498                |                   | 115,248                              | 3,986                        |                                 | 715,171                 |                       |
| 01392 | Wimberley                  |                         | 918                        |                       |                   |                                      |                              |                                 | 918                     |                       |
| 01393 | Windcrest                  | 1,490,396               | 107,037                    | 85,698                |                   | 33,952                               | 11,790                       | 208                             | 1,637,181               |                       |
| 01396 | Wink                       | 165,735                 | 10,638                     | 9,530                 |                   |                                      | 5,591                        |                                 | 180,311                 |                       |
| 01398 | Winnsboro                  | 573,137                 | 79,569                     | 32,955                |                   | 27,962                               | 16,270                       | 3,433                           | 637,996                 |                       |
| 01399 | Winona                     | 212,163                 | 19,463                     | 12,199                |                   | 78,307                               | 10,011                       |                                 | 155,507                 |                       |
| 01400 | Winters                    | 869,233                 | 37,867                     | 49,981                |                   | 157,191                              | 18,787                       | 182                             | 780,921                 |                       |
| 01403 | Wofforth                   | 381,118                 | 42,519                     | 21,914                |                   |                                      | 5,870                        |                                 | 439,681                 |                       |
| 01409 | Woodcreek                  | 17,480                  | 2,474                      | 1,005                 |                   |                                      |                              |                                 | 20,959                  |                       |
| 01404 | Woodsboro                  | 137,976                 | 5,084                      | 7,934                 |                   |                                      | 6,975                        |                                 | 144,019                 |                       |
| 01406 | Woodville                  | 1,003,015               | 95,745                     | 57,673                |                   | 148,569                              | 29,748                       | 206                             | 977,910                 |                       |
| 01407 | Woodway                    | 2,718,901               | 291,984                    | 156,337               |                   | 24,995                               | 53,238                       | 507                             | 3,088,482               |                       |
| 01408 | Wortham                    | 114,649                 | 15,745                     | 6,592                 |                   |                                      |                              |                                 | 136,987                 |                       |
| 01410 | Wylie                      | 5,135,084               | 782,367                    | 295,267               |                   | 444,197                              | 49,084                       |                                 | 5,719,438               |                       |
| 01412 | Yoakum                     | 4,115,184               | 336,051                    | 236,623               |                   | 253,956                              | 129,713                      | 7,723                           | 4,296,466               |                       |
| 01414 | Yorktown                   | 171,999                 | 21,077                     | 9,890                 |                   |                                      | 11,292                       |                                 | 191,674                 |                       |
| 01415 | Zavalla                    | 97,101                  | 11,546                     | 5,583                 |                   |                                      |                              |                                 | 114,230                 |                       |
|       | <b>TOTALS</b>              | <b>\$ 4,810,938,331</b> | <b>\$ 470,710,457</b>      | <b>\$ 276,628,954</b> | <b>\$ (2,467)</b> | <b>\$ 412,142,037</b>                | <b>\$ 124,889,410</b>        | <b>\$ 3,564,142</b>             | <b>\$ 5,017,679,686</b> |                       |

Note: Columns may not total, due to rounding.



# Investment



# Report on Investment Activity

---



April 30, 2007

To: The Board of Trustees and  
Participants of the Texas Municipal Retirement System

The objective of the TMRS investment program is to generate consistent income to meet statutory requirements and credit supplemental interest, when available, to member and municipality accounts. TMRS achieves this by investing in quality bonds with long maturities and with an emphasis on protection from the likelihood of a bond being retired prematurely. As a result, the investment program objectives focus on income rates of return rather than total rates of return that are affected by volatile valuations in a changing interest rate environment. Depending on the interest rate environment, the total rate of return of the TMRS investment portfolio can fluctuate significantly, while the income rate of return is relatively stable. The focus on income return and a consistent strategy of holding quality long-term bonds has allowed the TMRS Board to credit 5.75% interest to member and municipality accounts for 2006. This was above the general market environment and above the statutory target rate of 5%. In addition, TMRS paid an “extra payment” to annuitants equivalent to 30% of one month’s retirement benefit.

The interest rate environment stabilized in 2006, with short-term interest rates increasing from 4.25% to 5.25% as of year-end. Higher rates usually result in lower bond prices, which enables TMRS to purchase securities at lower prices while earning more income for the portfolio. Even though short-term rates increased slightly during 2006, TMRS’ economic advisors, A. Gary Shilling and Co., Inc. and Hillswick Asset Management, LLC, continue to project an environment of lower long-term interest rates. During 2006, long Treasury yields ranged from a low of 4.48% to a high of 5.31%. We continue to focus on maintaining the overall quality of the portfolio while facing ongoing challenges of finding high-quality investments at relatively attractive yields.

The TMRS portfolio performance was calculated by State Street Analytics, a division of State Street Corporation. Rates of return presented were calculated using a time-weighted rate of return methodology based upon market values. Comparisons were made to other pension plans in the State Street Universe (SSU), without regard for the investment objectives of the individual plans in the universe. The State Street Universe is a proprietary comparative universe service developed by State Street Corporation, representing more than \$1.4 trillion in assets and containing over 4,000 portfolios. Additional comparisons are made to a relevant nationally recognized bond index, the Lehman Government/Credit Long Bond Index (LG/C Long Bond Index).

Given the long-term nature of the TMRS fund objectives, performance for longer periods is most relevant. The performance measurement reveals that the TMRS income rate of return, a measure that is appropriate for the investment program objectives, remains consistent and was 6.8% over the past ten years. TMRS ranked in the top 1% of SSU's Total Fund income returns whose Median Total Fund return was 2.7% and also exceeded the LG/C Long Bond Index income return of 6.6%. For the past ten years the total rate of return was 8.6%, consistent with the return of the SSU's Median Public Fund, which represents ownership of all classes of security investments. In addition, TMRS exceeded the LG/C Long Bond Index total return of 7.7%. The portfolio's high relative total rate of return is a result of the portfolio's long-term maturity structure and higher concentration in zero coupon securities. The investment results were achieved within the investment policies established by the TMRS Board of Trustees.

Respectfully submitted,



Preston G. Craig  
Director of Investments

# Outline of Investment Policies

---

**B**ecause the plan design depends on a relatively consistent level of credited interest across all plan years, and because compound interest credited annually at the highest feasible rate best assures the highest amount of accumulated deposits of the member at retirement, TMRS' goals are best achieved by an income-producing portfolio management strategy, rather than a total return strategy that may result in credits below the 5% statutory minimum target level.

As such, neither market value declines nor rises of its fixed-income portfolio are of material significance to the System's investment objectives. Periods of rising interest rates, which, by definition, will result in erosion of bond market values, should be regarded as opportunities to increase the yield on the total portfolio, and fixed income market volatility should be regarded as opportunities to realize gains.

## Investment Objectives

The basic objectives of investment and reinvestment of system assets are:

1. To assure preservation of (and return of) principal.
2. To earn income sufficient to:
  - a) allow annual interest credit on the reserve funds at the minimum statutory rate;
  - b) pay annual administrative costs of the System; and
  - c) allow annual interest credit on the member and municipality accumulation accounts at the minimum statutory rate.
3. To consistently earn additional income, if feasible, to:
  - a) maintain and continue an "interest reserve" to better ensure continued credits at the statutory minimum target rate during low yielding market periods;
  - b) pay a distributive benefit to annuitants on December 31st of each year; and
  - c) credit additional annual interest to the individual accounts of members and to the accumulation accounts of municipalities.
4. To maintain sufficient liquidity to pay benefits.

## General Investment Policies

1. Funds of the System shall be invested, without distinction as to source, only in securities as that term is defined in the TMRS Act, and as authorized by the TMRS Board of Trustees' investment policies. Board policy limits on amounts of any security or class of securities shall be observed.
2. Investments shall be made with the degree of judgment and care, under the circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, considering the probable income from the securities and probable safety of their capital.

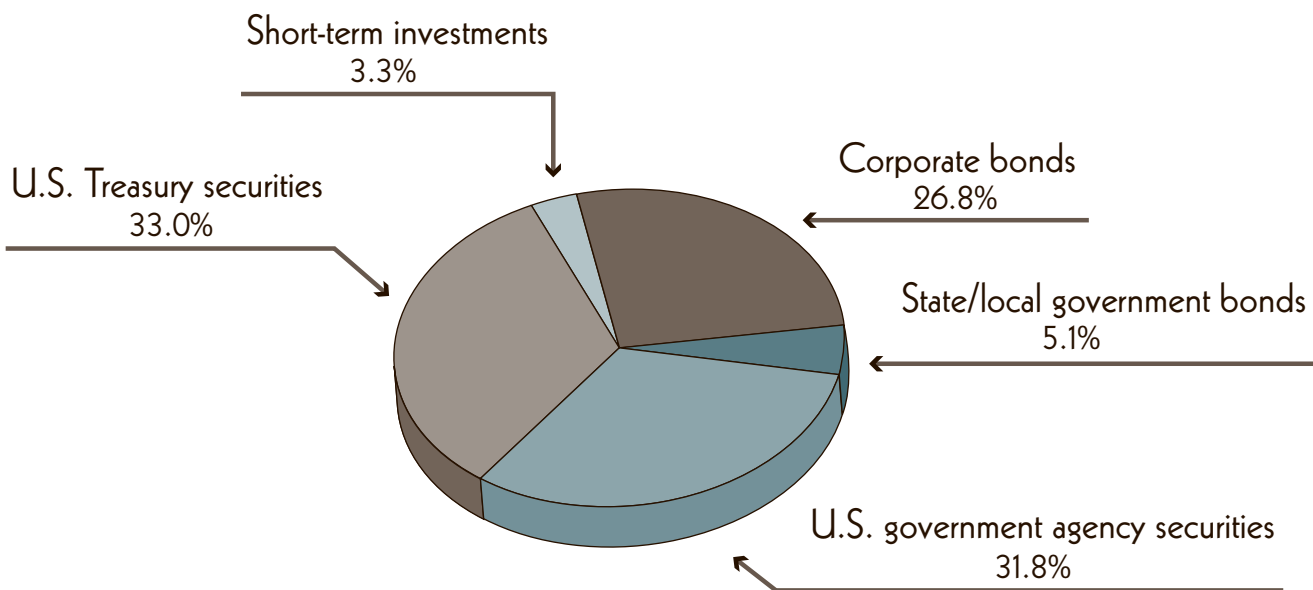


# Summary of Investments

| As of December 31, 2006           |                          |                             |
|-----------------------------------|--------------------------|-----------------------------|
|                                   | Fair Value               | Percent of Total Fair Value |
| <b>Short-term investments</b>     | \$ 455,199,860           | 3.3 %                       |
| <b>Fixed-income securities</b>    |                          |                             |
| U.S. Treasury securities          | 4,491,997,610            | 33.0                        |
| U.S. government agency securities | 4,326,277,977            | 31.8                        |
| State/local government bonds      | 700,217,383              | 5.1                         |
| Corporate bonds                   | <u>3,642,066,729</u>     | <u>26.8</u>                 |
| Total fixed-income securities     | 13,160,559,699           | 96.7                        |
| <b>TOTAL INVESTMENTS</b>          | <b>\$ 13,615,759,559</b> | <b>100.0 %</b>              |

**Note:** The summary above includes assets of both the Pension Trust Fund and Supplemental Death Benefits Fund.

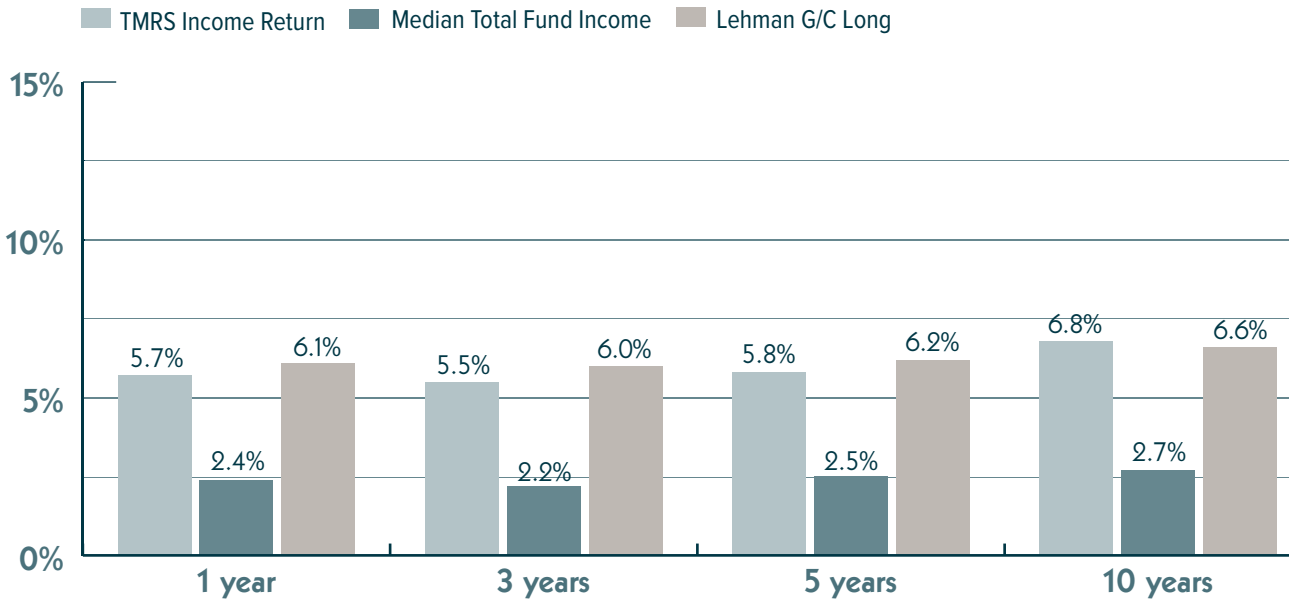
## Asset Allocation



# 2006 Investment Results

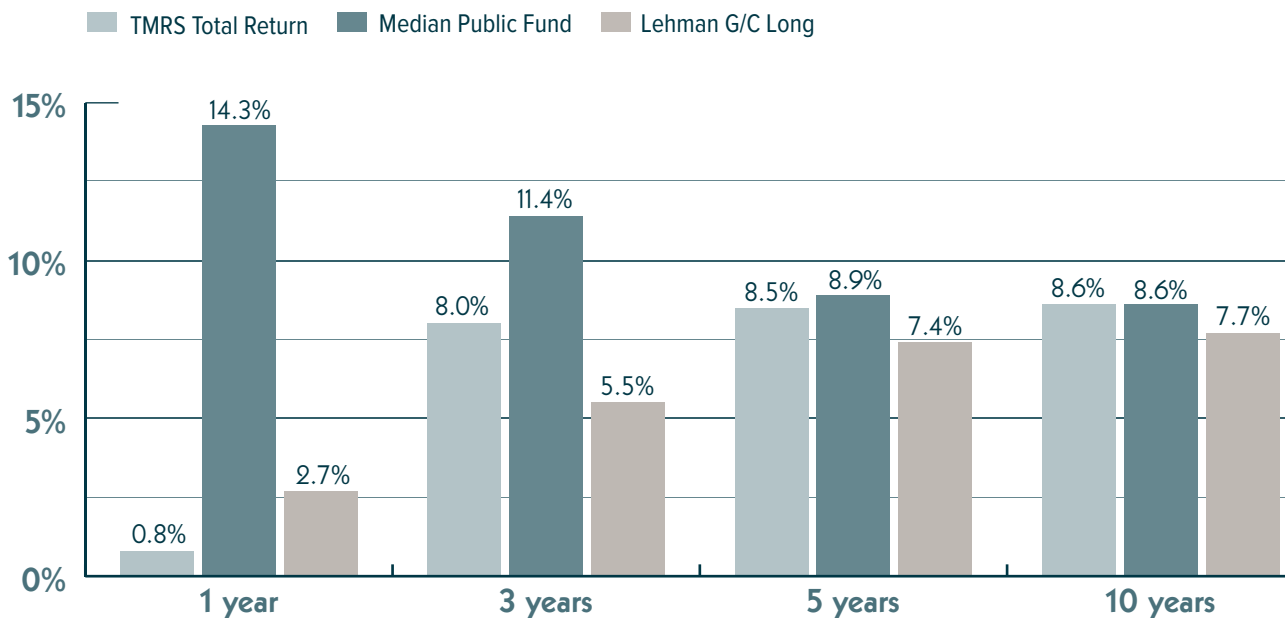
## TMRS Income Rate of Return

This graph compares the ordinary annual income of TMRS on a current yield and time-weighted basis with the Median Total Fund Income of the universe measured and the Lehman Brothers Government/Credit Long Bond Index. This income stream is an important part of guaranteeing retirement annuities. Quality income and preservation of capital are the main TMRS investment objectives.



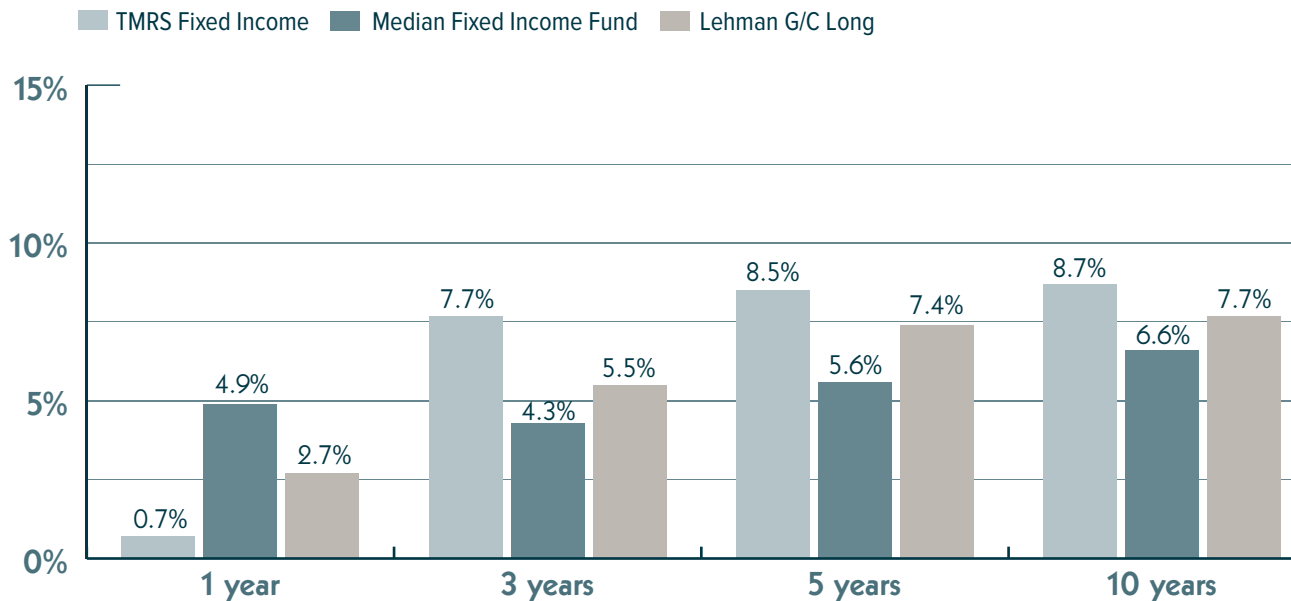
## TMRS Total Fund Rate of Return

This graph compares TMRS' total rate of return, which includes income and appreciation of assets (realized and unrealized gains), to the Median Public Fund of all public funds measured, which includes all asset classes, and the Lehman Brothers Government/Credit Long Bond Index.



## TMRS Bonds Only • Total Rate of Return

This graph compares TMRS' fixed income total rate of return with the Median of the Bonds Only Universe and the Lehman Brothers Government/Credit Long Bond Index. The TMRS policy, with its long-term nature, emphasizes income rate of return in lieu of market performance.



This table displays the statistical characteristics of the TMRS bond portfolio as of December 31, 2006, in comparison with a relevant market index, the Lehman Brothers Government/Credit Long Bond Index.

| Bond Portfolio Characteristics | TMRS<br>DECEMBER 31, 2006 | LB G/C LONG<br>DECEMBER 31, 2006 |
|--------------------------------|---------------------------|----------------------------------|
| Total number of securities     | 172                       | 976                              |
| Current coupon                 | 3.70%                     | 6.90%                            |
| Yield to maturity              | 5.30%                     | 5.50%                            |
| Average maturity (years)       | 21.8                      | 20.4                             |
| Adjusted duration (years)      | 14.8                      | 11.0                             |
| Average quality                | Aa1                       | Aa2                              |

# Summary of Investment Operations

| For the Years Ended December 31, 2006 and 2005  |                       |                       |
|---|-----------------------|-----------------------|
|   | 2006                  | 2005                  |
| <b>Investment Income</b>                        |                       |                       |
| Interest earned on short-term investments*      | \$ 11,938,211         | \$ 19,240,539         |
| Interest earned on U.S. Treasury securities     | 213,330,578           | 208,317,426           |
| Interest earned on U.S. government agencies     | 219,769,780           | 190,372,798           |
| Interest earned on state/local government bonds | 37,056,841            | 33,827,549            |
| Interest earned on corporate bonds              | 210,284,778           | 187,638,901           |
| Gains on sale of fixed-income securities        | 17,558,625            | 109,631,476           |
| Net securities lending income**                 | 5,680,876             | 4,962,091             |
| Other   | 13,158                | 13,974                |
| <b>TOTAL INVESTMENT INCOME</b>                  | <b>\$ 715,632,847</b> | <b>\$ 754,004,754</b> |
| <b>Investment Income Allocation</b>             |                       |                       |
| Employees saving fund                           | \$ 184,553,278        | \$ 183,427,760        |
| Municipality accumulation fund                  | 276,628,954           | 277,220,775           |
| Current service annuity reserve fund            | 198,958,763           | 177,931,709           |
| Supplemental disability benefits fund           | 53,960                | 57,476                |
| Supplemental death benefits fund                | 1,062,425             | 972,686               |
| Endowment fund                                  | 43,238,469            | 100,930,961           |
| Distributive benefit                            | 11,136,998            | 13,463,387            |
| <b>TOTAL DISTRIBUTION TO FUNDS</b>              | <b>\$ 715,632,847</b> | <b>\$ 754,004,754</b> |

\* Includes interest earned in both the Pension Trust Fund and Supplemental Death Benefits Fund.

\*\* For purposes of this schedule, securities lending income is presented net of related fees of \$352,988,354 and \$171,423,927 for 2006 and 2005, respectively.

**Note:** This schedule represents the allocation of interest income, as defined by the TMRS Act, to the various funds. A description of each fund can be found in Note 1-E and fund allocations, as defined by the TMRS Act, in Note 5 in the Financial Section. This schedule does not include unrealized appreciation/depreciation in the fair value of fixed income securities.

## Largest Holdings (by Fair Value)

| As of December 31, 2006 |  |                  |
|-------------------------|--|------------------|
| Par                     | Description  | Fair Value       |
| \$ 1,999,000,000        | U.S. Treasury - 5 1/2%, due 8-15-2028, Rating AAA                    | \$ 2,159,519,700 |
| 3,200,000,000           | Resolution Funding - Zero bonds, due 1-15-2030, Rating AAA           | 1,023,680,000    |
| 659,952,500             | Illinois State Taxable Pension Bonds - 5.1%, due 6-1-2033, Rating AA | 632,498,476      |
| 1,437,000,000           | U.S. Treasury Principal Strips - due 2-15-2027, Rating AAA           | 538,300,200      |
| 1,660,000,000           | Resolution Funding - Zero bonds, due 4-15-2030, Rating AAA           | 525,224,000      |
| 975,000,000             | U.S. Treasury Principal Strips - due 11-15-2026, Rating AAA          | 368,940,000      |
| 1,000,000,000           | U.S. Treasury Principal Strips - due 8-15-2027, Rating AAA           | 366,300,000      |
| 950,000,000             | U.S. Treasury Principal Strips - due 8-15-2026, Rating AAA           | 363,280,000      |
| 274,630,000             | Tennessee Valley Authority - 7 1/8%, due 5-1-2030, Rating AAA        | 345,347,225      |
| 655,000,000             | Resolution Funding - Zero bonds, due 10-15-2020, Rating AAA          | 327,369,000      |

**Note:** Space and cost restrictions make it impractical to print a detailed listing of the investment portfolio in this report; however, a portfolio listing is available and will be mailed upon request.

## Schedule of Investment Fees

| For the Year Ended December 31, 2006 |                     |
|--------------------------------------|---------------------|
| <b>Personnel services</b>            |                     |
| Staff salaries                       | \$ 413,906          |
| Payroll taxes                        | 21,892              |
| Retirement contributions             | 52,111              |
| Insurance                            | <u>22,099</u>       |
| Total personnel services             | 510,008             |
| <b>Professional services</b>         |                     |
| Consulting services                  | <u>340,000</u>      |
| Total professional services          | 340,000             |
| <b>Communication</b>                 |                     |
| Travel                               | <u>20,054</u>       |
| Total communication                  | 20,054              |
| <b>Miscellaneous</b>                 |                     |
| Dues, subscriptions and training     | 140,538             |
| Other administrative expenses        | <u>1,450</u>        |
| Total miscellaneous                  | 141,988             |
| <b>TOTAL INVESTMENT EXPENSES</b>     | <b>\$ 1,012,050</b> |

**Note:** All investment fees incurred during 2006 are related to the System's internally managed portfolio of fixed income securities.





# Actuarial





THE SEGAL COMPANY  
2018 Powers Ferry Road, Suite 850 Atlanta, GA 30339-5003  
T 678.306.3100 F 678.306.3190 www.segalco.com

April 18, 2007

BOARD OF TRUSTEES  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
AUSTIN, TEXAS

In accordance with the Texas Municipal Retirement System (TMRS) Act, the annual actuarial valuation of the assets and liabilities of TMRS has been made as of December 31, 2006. This valuation was completed using actuarial assumptions that were adopted by the Board, based on an actuarial investigation of the System's experience over the five-year period 1998 to 2002. It is our opinion that these assumptions are individually realistic as long-term average expectations and, in combination, represent our best estimate of anticipated experience over the long-term future and the assumptions and methods meet the parameters set forth in Government Accounting Standards Board (GASB) Statements No. 25 and No. 43. We provided the information used in the supporting schedules in the Actuarial Section as well as portions of the Notes to the Financial Statements and the Required Supplementary Information in the Financial Section.

The funding objective of each TMRS plan is to provide retirement, death, and disability benefits for a city's employees financed by a contribution rate which will remain approximately level as a percent of the city's payroll from year to year. A city's retirement contribution rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the monetary credits as they accrue, while the prior service contribution rate amortizes the unfunded (or overfunded) actuarial liability (asset) over a 25-year amortization period.

To test how well the financing objective is being achieved, annual actuarial valuations are made. These valuations adjust each city's contribution rate, up or down as the case may be, for differences in the past year between the actuarial assumptions and the actual experience. A separate actuarial valuation for each participating municipality was made based on the plan of benefits in effect on April 4, 2007. The member data, annuitant data, and asset data used in the valuations were all prepared and furnished by TMRS. The Segal Company examined the data for general reasonableness. The amounts of the assets in the actuarial valuations agree with the amounts as reported by TMRS as of the valuation date.

Respectfully submitted,

Leon F. (Rocky) Joyner, Jr., FCA, ASA, MAAA, EA  
Vice President and Actuary

**Benefits, Compensation and HR Consulting** ATLANTA BOSTON CALGARY CHICAGO CLEVELAND DENVER HARTFORD HOUSTON LOS ANGELES  
MINNEAPOLIS NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX PRINCETON RALEIGH SAN FRANCISCO TORONTO WASHINGTON, DC



**Multinational Group of Actuaries and Consultants** BARCELONA BRUSSELS DUBLIN GENEVA HAMBURG JOHANNESBURG LONDON MELBOURNE  
MEXICO CITY OSLO PARIS

# Summary of Actuarial Assumptions

I. The actuarial assumptions were developed from an actuarial investigation of the experience of TMRS over the five years 1998-2002. They were adopted in 2003 and first used in the December 31, 2003 actuarial valuation.

## A. Withdrawal Rates

1. For the first 20 years of service, the rates vary by gender, length of service (duration), and withdrawal group assignments (one for each gender).

a) A sample of the rates follows:

| Duration | Male |      |      | Female |      |      |
|----------|------|------|------|--------|------|------|
|          | Low  | Mid  | High | Low    | Mid  | High |
| 0        | .230 | .299 | .403 | .233   | .308 | .408 |
| 3        | .101 | .130 | .184 | .135   | .166 | .207 |
| 6        | .064 | .090 | .119 | .088   | .104 | .128 |
| 9        | .039 | .056 | .080 | .050   | .058 | .085 |
| 12       | .025 | .034 | .050 | .021   | .038 | .050 |
| 15       | .018 | .022 | .035 | .014   | .023 | .029 |
| 18       | .016 | .017 | .021 | .011   | .013 | .016 |

b) The withdrawal group assignments for a city (one for male and one for female) were based primarily upon the withdrawal characteristics of the members of the city during the five years 1998-2002 compared to the withdrawal characteristics for all members of TMRS during the same period, as well as the member city's characteristics in the prior experience review.

2. After 20 years of service, for municipalities with under 500 contributing members, the rates vary by gender and attained age. For municipalities with 500 or more contributing members, the rates show no differentiation for gender.

| Less than 500 members |      |        |
|-----------------------|------|--------|
| Age                   | Male | Female |
| 40                    | .009 | .005   |
| 45                    | .009 | .006   |
| 50                    | .008 | .004   |
| 55                    | .007 | .003   |
| 60                    | .005 | .003   |
| 65                    | .010 | .004   |

| 500 or more members |      |
|---------------------|------|
| Age                 | Rate |
| 40                  | .018 |
| 45                  | .013 |
| 50                  | .008 |
| 55                  | .003 |
| 60                  | .008 |
| 65                  | .013 |

## B. Active Employee Mortality Rates

| Age | Male    | Female  |
|-----|---------|---------|
| 20  | .001187 | .000320 |
| 25  | .001007 | .000436 |
| 30  | .000504 | .000506 |
| 35  | .000915 | .000561 |
| 40  | .001218 | .000779 |
| 45  | .002231 | .001101 |
| 50  | .003179 | .001533 |
| 55  | .004736 | .002154 |
| 60  | .006426 | .003506 |
| 65  | .010309 | .005255 |

## C. Disability Rates

| Age | Male    | Female  |
|-----|---------|---------|
| 30  | .000108 | .000054 |
| 35  | .000326 | .000164 |
| 40  | .000897 | .000449 |
| 45  | .001884 | .000943 |
| 50  | .003331 | .001666 |
| 55  | .005442 | .002723 |

# Summary of Actuarial Assumptions

CONTINUED

## D. Service Retirement Rates

| Age         | Male<br>Entry Age Groups |            |            | Female<br>Entry Age Groups |            |            |
|-------------|--------------------------|------------|------------|----------------------------|------------|------------|
|             | 20, 25, 30               | 35, 40, 45 | 50, 55, 60 | 20, 25, 30                 | 35, 40, 45 | 50, 55, 60 |
| 40-44       | .030                     | -          | -          | .023                       | -          | -          |
| 45-49       | .060                     | -          | -          | .045                       | -          | -          |
| 50-54       | .080                     | -          | -          | .075                       | -          | -          |
| 55-59       | .120                     | -          | -          | .100                       | -          | -          |
| 60          | .200                     | .175       | .150       | .350                       | .300       | .250       |
| 61          | .240                     | .150       | .120       | .250                       | .140       | .120       |
| 62          | .500                     | .450       | .400       | .400                       | .350       | .300       |
| 63          | .280                     | .250       | .250       | .200                       | .200       | .200       |
| 64          | .350                     | .250       | .250       | .250                       | .160       | .160       |
| 65          | .750                     | .600       | .550       | .500                       | .450       | .450       |
| 66-69       | .550                     | .450       | .350       | .450                       | .330       | .330       |
| 70-74       | .500                     | .500       | .500       | .500                       | .500       | .500       |
| 75 and over | 1.000                    | 1.000      | 1.000      | 1.000                      | 1.000      | 1.000      |

Note: For cities without a 20-year/any age retirement provision, the rates for all ages under 45 are 0.000. For cities with fewer than 500 contributing members, the rates for all ages over 69 are 1.000.

## E. Service Retiree and Beneficiary Mortality Rates

1. For calculating the actuarial liability and the retirement contribution rates, the UP-1984 Table with an age setback of one year for males and an age setback of eight years for females.
2. For determining the amount of the monthly retirement benefit at the time of retirement, the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries.

## F. Disabled Annuitant Mortality Rates

1. For calculating the actuarial liability and the retirement contribution rates, the 1983 Railroad Retirement Board Disabled Annuitants Mortality Table.
2. For determining the amount of monthly retirement benefit at the time of retirement, the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries.

## G. Interest Rate

1. An annual rate of 7.0% for calculating the actuarial liability and the retirement contribution rates for the retirement plan of each participating city. Because of the money-purchase nature of the plans, the interest rate assumption does not have as significant an impact on the results of the actuarial valuation as it does for a defined benefit plan.
2. An annual rate of 5.0% according to the TMRS Act for (1) accumulating prior service credit and updated service credit after the valuation date, (2) determining the amount of the monthly benefit at future dates of retirement or disability, and (3) calculating the actuarial liability of the system-wide Current Service Annuity Reserve Fund and of the system-wide Supplemental Disability Benefits Fund.
3. An annual rate of 3.25% for calculating the accrued liability and normal cost for the Supplemental Death Benefit Fund for GASB purposes only. The interest rate is derived as a blend of 5% for the portion of the benefits financed by advance funding contributions and a short-term interest rate for the portion of the benefits financed by current contributions.

H. Salary Increases - Since no benefits earned to date are dependent upon future salaries, there is no need to make an assumption about future salary increases.

I. Payroll Increase - 3%, 4%, or 5% per year as is considered appropriate for each individual city based primarily on experience during the periods 1993-1997 and 1998-2002. For the Supplemental Death Benefit Fund, a weighted average payroll increase of 3.5% per year is assumed for GASB accounting purposes only.

J. Valuation of Assets - TMRS continues to operate under a long-term, buy and hold philosophy, maintaining a predominantly bond portfolio (i.e.- no stock owned by the System at year-end). Neither a decline in nor rise in market value of the System's fixed-income portfolio is of material significance to its objectives. The actuarial value of assets is adjusted cost for bonds (original cost adjusted for amortization of premium or accrual of discount) and cost for short-term securities, which is the same as book value.

K. Small City Methodology - For cities with fewer than three employees, more conservative methods and assumptions are used. These effectively establish a lower limit for the normal cost rate and shorten the amortization period for the unfunded actuarial liability from 25 years to the average years remaining until normal retirement.

II. The actuarial cost method used was the Unit Credit Actuarial Cost Method. Actuarial gains and losses are recognized immediately and decrease or increase the unfunded actuarial liability, which is being amortized over a constant 25-year amortization period as a level percent of payroll. This actuarial cost method has been used since the inception of TMRS in 1948. However, the use of a constant 25-year amortization period was begun in the December 31, 1993 valuation. For those cities that have adopted annually repeating updated service credits and annually repeating annuity increases, the expected benefits payable one year later are included so that the required contribution shown in this report is reflective of the amount required for the appropriate budget year.

For the Supplemental Death Benefit Fund, for GASB purposes only, the actuarial cost method used is the Projected Unit Credit Actuarial Cost Method. Under this method, the member's projected "other postemployment benefits" (OPEB) are assumed to accrue in equal portions each year over the member's career. The actuarial present value of benefits allocated to a valuation year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to the valuation year is called the actuarial accrued liability. The unfunded actuarial accrued liability is amortized over a constant 25-year amortization period as a level percent of payroll. This actuarial cost method and amortization method are adopted only for GASB purposes, effective December 31, 2006. ♦



# Definitions

1. **Actuarial gain (loss)** — A measure of the difference between actual experience and that expected based upon the actuarial assumptions, during the period between two actuarial valuation dates, as determined in accordance with the actuarial cost method used.
2. **Actuarial liability** — The actuarial present value of benefits attributable to all periods prior to the valuation date.
3. **Actuarial present value** — The value of an amount or series of amounts payable or receivable at various times, determined as of a given date (the valuation date) by the application of the actuarial assumptions.
4. **Annual required contributions (ARC)** — The employer's periodic required contributions to the defined benefit pension or OPEB plan, calculated in accordance with GASB parameters under Statement 25 or 43.
5. **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.
6. **Average length of service of contributing members** — The average length of total credited service in TMRS as of the valuation date, weighted by the average monthly deposit for the year preceding the valuation date.
7. **Current service benefits** — Benefits attributable to the member's accumulated deposits and an amount provided by the municipality at retirement to match the accumulated deposits at the matching ratio in effect when the deposits were made.
8. **Funded ratio** — The actuarial value of assets expressed as a percentage of the actuarial accrued liability.
9. **Funding policy** — The program for the amounts and timing of contributions to be made by plan members and employers to provide the benefits specified by a pension or OPEB plan.
10. **Normal cost contribution rate** — The actuarial present value of benefits allocated to a valuation year by the actuarial cost method, expressed as a percent of the covered payroll. It is equal to the sum for the members as of the valuation date of the actuarial present value of benefits allocated to the valuation year divided by the covered payroll during the year.
11. **Other post-employment benefits (OPEB)** — Post-employment benefits other than pension benefits. Specifically, for TMRS, the \$7,500 supplemental death benefit payable to the beneficiaries of retirees of municipalities that have elected to offer this benefit.
12. **Overfunded actuarial liability** — The excess of assets over the actuarial liability.
13. **Prior service benefits** — Benefits other than current service benefits. These include all benefits arising from prior service credits, special prior service credits, antecedent service credits, updated service credits, and ad hoc increases in monthly benefit payments to annuitants.
14. **Prior service contribution rate** — The level percentage of payroll required to amortize the unfunded or overfunded actuarial liability over a period of 25 years. If the rate is negative, it is offset against the normal cost contribution rate, with the limitation that the sum of the two rates cannot be negative. For cities with two or fewer employees, a more conservative amortization is used.
15. **Projected Unit Credit Actuarial Cost Method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years based on years of service. Benefits are allocated equally to each year of service over the individual's career from hire to retirement. Normal costs are based on the portion of the benefit allocated to the current valuation year. Accrued liabilities are based on benefits allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.
16. **Retirement contribution rate** — The sum of the normal cost contribution rate and the prior service contribution rate.
17. **Supplemental death contribution rate** — The actuarial present value of supplemental death benefits expected to be paid during the coming year, expressed as a percent of the covered payroll. The benefits include those payable to both active and retired participants, under the provisions adopted by each municipality.
18. **Unfunded actuarial liability** — The excess of the actuarial liability over the assets.
19. **Unit Credit Actuarial Cost Method** — A method under which the benefits of each individual included in the valuation are allocated by a consistent formula to valuation years. Current service benefits are a function of a member's deposits, and are allocated to the year in which deposits are made. Prior service benefits are allocated to the time preceding the date of the actuarial valuation. Under this method, actuarial gains (or losses), as they occur, reduce (or increase) the unfunded actuarial liability.



## Participating Employers and Active Members

| Valuation Date | Number of Active Cities | Contributing Members |                  |                    |                             |
|----------------|-------------------------|----------------------|------------------|--------------------|-----------------------------|
|                |                         | Number               | Annual Payroll   | Average Annual Pay | Percent Increase in Average |
| 12/31/2001     | 753                     | 88,027               | \$ 3,060,969,348 | \$ 35,338          | 5.3 %                       |
| 12/31/2002     | 769                     | 90,236               | 3,277,350,585    | 36,770             | 4.1                         |
| 12/31/2003     | 789                     | 90,930               | 3,426,579,443    | 37,828             | 2.9                         |
| 12/31/2004     | 797                     | 92,154               | 3,580,260,829    | 39,111             | 3.4                         |
| 12/31/2005     | 806                     | 93,780               | 3,721,948,875    | 40,035             | 2.4                         |
| 12/31/2006     | 816                     | 95,583               | 3,949,180,835    | 41,710             | 4.2                         |

As of December 31, 2006, there were four cities with no contributing members and no city contributions due. In addition, one privatized hospital had no contributing members, but paid a dollar contribution amount to TMRS that is calculated annually by the actuary. Thus there were 821 total city plans, with 816 of them active.

The average annual pay was calculated by dividing the annual payroll by the average of the number of contributing members at the beginning and the end of the year.

## Retiree and Beneficiary Data

| Year Ended | Added to Rolls     |                | Removed from Rolls |                | End of Year        |                | % Increase in Annual Benefit | Average Annual Benefit |
|------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|------------------------------|------------------------|
|            | Number of Accounts | Annual Benefit | Number of Accounts | Annual Benefit | Number of Accounts | Annual Benefit |                              |                        |
| 12/31/2001 | 1,964              | \$ 28,822,345  | 477                | \$ 7,841,745   | 21,527             | \$ 277,309,113 | 11.9 %                       | \$ 12,882              |
| 12/31/2002 | 2,341              | 32,806,230     | 490                | 7,591,020      | 23,378             | 308,554,799    | 11.3                         | 13,199                 |
| 12/31/2003 | 2,368              | 36,415,646     | 459                | 7,413,514      | 25,287             | 345,276,209    | 11.9                         | 13,654                 |
| 12/31/2004 | 2,500              | 38,465,647     | 514                | 8,571,576      | 27,273             | 385,229,648    | 11.6                         | 14,125                 |
| 12/31/2005 | 3,245 *            | 43,217,805     | 548                | 5,624,311      | 29,970             | 431,414,692    | 12.0                         | 14,395                 |
| 12/31/2006 | 2,834              | 42,869,323     | 629                | 6,559,422      | 32,175             | 477,661,259    | 10.7                         | 14,846                 |

The number of retirement accounts is greater than the number of people who retired, as some retirees worked for more than one city in TMRS and retired with a separate benefit from each city. As of December 31, 2006, there were 2,337 more retirement accounts than people who retired. In addition, this schedule excludes 251 retirees with a "cash-out" in lieu of a monthly benefit.

The annual benefit is 12 times the amount payable in January following the valuation date, including any annuity increase, if applicable. Therefore, it excludes the annual distributive benefit paid at the end of December each year, which was equal to 30% of the December benefit in 2006.

\* The number of accounts added to the rolls in 2005 included 619 alternate recipients of benefits as a result of Qualified Domestic Relations Orders (QDROs). Previously these were not treated as separate accounts for valuation purposes, and the benefits were included with the participant benefits. The annual benefit amounts added to the rolls do not include any additional monies resulting from these QDROs.

# Summary of Actuarial Liabilities and Funding Progress

(Amounts in Millions of Dollars)

| Annual Report Year | Net Assets Available for Benefits | Actuarial Liabilities | Percent Funded (1)/(2) | Unfunded Actuarial Liabilities (UAL) | Annual Covered Payroll | UAL Divided by Payroll (4)/(5) | City Contributions | Average City Rate (7)/(5) |
|--------------------|-----------------------------------|-----------------------|------------------------|--------------------------------------|------------------------|--------------------------------|--------------------|---------------------------|
|                    | (1)                               | (2)                   | (3)                    | (4)                                  | (5)                    | (6)                            | (7)                | (8)                       |
| 2001               | \$ 9,236.6                        | \$ 10,866.9           | 85.0 %                 | \$ 1,630.3                           | \$ 3,061.0             | 53.3 %                         | \$ 323.9           | 10.6 %                    |
| 2002               | 9,998.7                           | 11,868.1              | 84.2                   | 1,869.4                              | 3,277.4                | 57.0                           | 353.6              | 10.8                      |
| 2003 *             | 10,815.1                          | 13,100.1              | 82.6                   | 2,285.0                              | 3,426.6                | 66.7                           | 371.3              | 10.8                      |
| 2004               | 11,619.1                          | 14,036.9              | 82.8                   | 2,417.8                              | 3,580.3                | 67.5                           | 401.4              | 11.2                      |
| 2005               | 12,486.1                          | 15,095.2              | 82.7                   | 2,609.1                              | 3,721.9                | 70.1                           | 446.3              | 12.0                      |
| 2006               | 13,312.7                          | 16,219.7              | 82.1                   | 2,907.0                              | 3,949.2                | 73.6                           | 470.7              | 11.9                      |

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

The net assets available for benefits for 2006 in column (1) above exclude the unrealized appreciation in fair value of investments of \$196.2 million.

Columns (1) and (2) also include the assets and liabilities of the Current Service Annuity Reserve Fund (CSARF) and the Supplemental Disability Benefits Fund (SDBF), respectively. As of December 31, 2006, these amounts were (in millions):

|             | <u>CSARF</u> | <u>SDBF</u> |
|-------------|--------------|-------------|
| Assets      | \$4,265.2    | \$1.1       |
| Liabilities | 4,285.9      | 1.0         |

\* New actuarial assumptions were first used in the December 31, 2003 valuation.

# Funded Portion of Actuarial Liabilities by Type

| (Amounts in Millions of Dollars) |                              |                            |   |                                   |  |         |        |
|----------------------------------|------------------------------|----------------------------|---|-----------------------------------|--|---------|--------|
| Valuation Date                   | Actuarial Liabilities For    |                            |   | Net Assets Available for Benefits | Portion of Actuarial Liabilities Covered by Net Assets |         |        |
|                                  | (1)                          | (2)                        | (3)   |                                   | (1)  | (2)     | (3)    |
|                                  | Current Member Contributions | Retirees and Beneficiaries | Current Members (Employer-financed Portion) |                                   |  |         |        |
| 12/31/2001                       | \$ 2,691.2                   | \$ 3,111.6                 | \$ 5,064.1                                  | \$ 9,236.6                        | 100.0 %  | 100.0 % | 67.8 % |
| 12/31/2002                       | 2,913.1                      | 3,534.4                    | 5,420.6                                     | 9,998.7                           | 100.0  | 100.0   | 65.5   |
| 12/31/2003                       | 3,120.8                      | 4,050.7                    | 5,928.6                                     | 10,815.1                          | 100.0  | 100.0   | 61.5   |
| 12/31/2004                       | 3,309.3                      | 4,579.6                    | 6,148.0                                     | 11,619.1                          | 100.0  | 100.0   | 60.7   |
| 12/31/2005                       | 3,453.9                      | 5,121.3                    | 6,520.0                                     | 12,486.1                          | 100.0  | 100.0   | 60.0   |
| 12/31/2006                       | 3,625.0                      | 5,675.3                    | 6,919.4                                     | 13,312.7                          | 100.0  | 100.0   | 58.0   |

The financing objective for each TMRS plan is to finance long-term benefit promises through contributions that remain approximately level from year to year as a percent of the city's payroll. If the contributions to each plan are level in concept and soundly executed, each plan will pay all promised benefits when due — the ultimate test of financial soundness. Testing for level contribution rates is the long-term test.

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, if a system has been using level cost financing, the funded portion of liability 3 will increase over time, if there are no changes in the plan of benefits.

Each city participating in TMRS is financially responsible for its own plan. Therefore, the aggregate numbers shown above reflect only the aggregate condition of TMRS and do not indicate the status of any one plan.

# Contribution Rate Information

| <b>Distribution of Cities by 2008 Contribution Rate</b>  |             |              |              |              |              |               |                |                |             |       |
|--|-------------|--------------|--------------|--------------|--------------|---------------|----------------|----------------|-------------|-------|
| 2008 City Retirement Contribution Rate<br>Based On the Plan of Benefits in Effect on April 4, 2007 |             |              |              |              |              |               |                |                |             |       |
| Number of Contributing Members as of 12/31/2006  | Under 3.00% | 3.00 - 4.49% | 4.50 - 5.99% | 6.00 - 7.49% | 7.50 - 8.99% | 9.00 - 10.49% | 10.50 - 11.99% | 12.00 - 13.49% | Over 13.49% | Total |
| 1-5  | 13          | 22           | 16           | 17           | 9            | 5             | 10             | 3              | 7           | 102   |
| 6-10   | 19          | 25           | 26           | 13           | 13           | 5             | 8              | 1              | 6           | 116   |
| 11-20  | 12          | 35           | 25           | 18           | 16           | 9             | 2              | 6              | 9           | 132   |
| 21-40  | 8           | 17           | 30           | 25           | 11           | 13            | 13             | 4              | 10          | 131   |
| 41-70  | 3           | 5            | 10           | 16           | 14           | 13            | 6              | 13             | 8           | 88    |
| 71-100   | -           | 2            | 4            | 13           | 9            | 15            | 4              | 8              | 14          | 69    |
| 101-150  | 1           | 1            | -            | 5            | 9            | 11            | 9              | 8              | 8           | 52    |
| 151-250  | -           | 2            | -            | 1            | 2            | 5             | 10             | 11             | 10          | 41    |
| 251-750  | -           | -            | -            | 1            | 2            | 8             | 10             | 13             | 26          | 60    |
| Over 750   | -           | 1            | -            | -            | 1            | -             | 1              | 7              | 15          | 25    |
| <b>TOTAL</b>   | 56          | 110          | 111          | 109          | 86           | 84            | 73             | 74             | 113         | 816   |

| Comparison of the Rate Calculated in the Valuation<br>to the Rate for the Same Plan of Benefits<br>Based on the Valuation for the Previous Year |                              |  |                              |       |
|---|------------------------------|--|------------------------------|-------|
| Number of Cities  |                              |  |                              |       |
| Valuation Date  | Decrease of 0.50%<br>or More | Decrease or Increase<br>of Less Than 0.50% | Increase of 0.50%<br>or More | Total |
| 12/31/2001  | 98                           | 556  | 99                           | 753   |
| 12/31/2002  | 91                           | 536  | 142                          | 769   |
| 12/31/2003(O)   | 68                           | 542  | 179                          | 789   |
| 12/31/2003(N)   | 48                           | 370  | 371                          | 789   |
| 12/31/2004  | 176                          | 517  | 104                          | 797   |
| 12/31/2005  | 100                          | 575  | 131                          | 806   |
| 12/31/2006  | 97                           | 556  | 163                          | 816   |

The financing objective for each TMRS plan is to finance long-term benefit promises through contributions that remain approximately level from year to year as a percent of the city's payroll. To test how well the financing objective is being achieved, an actuarial valuation is made each year to determine the city's contribution rate for the calendar year beginning one year after the valuation date.

Another important test is made every five years to evaluate the actuarial assumptions used to calculate each city's contribution rate. As a result of the 1998-2002 study of actuarial experience, new actuarial assumptions were adopted by the Board of Trustees, effective with the December 31, 2003 valuation. In order to prevent burdensome cost increases as a consequence of the revisions in actuarial assumptions, an optional five-year phase-in of the increase attributable to assumption changes was implemented.

The line above indicated as 12/31/2003(O) shows a summary of what the changes in the cities' contribution rates from 2004 to 2005 would have been if the old assumptions had been used. Line 12/31/2003(N) shows the changes with the new assumptions. Eight cities elected to phase in the change. The phase-in rates are reflected in the 12/31/2004, 12/31/2005, and 12/31/2006 lines.

The table above shows that for the 2001 to 2006 valuations, the change in the city's rate from one year to the next was less than 0.50% of payroll for a large majority of participating cities.

# Actuarial Valuation of Participating Municipalities

|   | Abernathy  | Abilene       | Addison      | Alamo       | Alamo Heights | Alba       | Albany     |
|---|------------|---------------|--------------|-------------|---------------|------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |              |             |               |            |            |
| 1. Prior Service Liability  |            |               |              |             |               |            |            |
| a. Present Members  | \$3,951    | \$4,145,885   | \$3,045,408  | \$1,173,837 | \$1,351,744   | \$32,516   | \$14,605   |
| b. Annuitants   | 125,936    | 21,069,417    | 4,176,143    | 118,911     | 1,520,496     | 0          | 82,294     |
| 2. Current Service Liability (Present Members)  | 413,736    | 118,602,301   | 48,565,047   | 1,815,248   | 4,663,472     | 28,523     | 272,225    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$543,623  | \$143,817,603 | \$55,786,598 | \$3,107,986 | \$7,535,712   | \$61,039   | \$369,124  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 381,117    | 100,552,248   | 45,023,526   | 2,064,915   | 3,842,664     | 37,939     | 295,345    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$182,506  | \$43,265,355  | \$10,763,072 | \$1,043,081 | \$3,693,048   | \$23,100   | \$73,779   |
| 6. Funded Ratio: (4) / (3)  | 66.4%      | 69.9%         | 80.7%        | 66.4%       | 51.0%         | 62.2%      | 80.0%      |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$181,569  | \$77,878,247  | \$19,876,048 | \$70,869    | \$4,176,579   | \$0        | \$245,973  |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 74.8%      | 80.5%         | 85.8%        | 67.2%       | 68.5%         | 62.2%      | 88.0%      |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |              |             |               |            |            |
| Retirement  |            |               |              |             |               |            |            |
| Normal Cost   | 2.76%      | 9.71%         | 9.99%        | 4.84%       | 8.45%         | 2.89%      | 2.45%      |
| Prior Service   | 3.14%      | 6.40%         | 3.84%        | 2.63%       | 6.01%         | 0.93%      | 1.45%      |
| Total Retirement  | 5.90%      | 16.11%        | 13.83%       | 7.47%       | 14.46%        | 3.82%      | 3.90%      |
| Supplemental Death  |            | 0.37%         | 0.24%        |             | 0.29%         | 0.36%      | 0.42%      |
| Total Rate  | 6.32%      | 16.48%        | 14.07%       | 7.71%       | 14.75%        | 4.20%      | 4.32%      |
| <b>ADDITIONAL INFORMATION</b>   |            |               |              |             |               |            |            |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years     | 25 years    | 25 years      | 25 years   | 25 years   |
| Number of annuitants  | 6          | 517           | 89           | 6           | 45            | 0          | 6          |
| Number of members   | 23         | 1,302         | 373          | 149         | 127           | 7          | 25         |
| Number of contributing members  | 14         | 989           | 246          | 97          | 94            | 5          | 12         |
| Average age of contributing members   | 41.3 years | 44.2 years    | 42.6 years   | 40.5 years  | 41.8 years    | 48.9 years | 45.8 years |
| Average length of service of contributing members   | 7.8 years  | 12.7 years    | 14.2 years   | 10.0 years  | 11.5 years    | 4.9 years  | 6.4 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |              |             |               |            |            |
| 1. Prior Service Liability  |            |               |              |             |               |            |            |
| a. Present Members  | \$4,153    | \$1,378,343   | \$3,868,743  | \$5,227     | \$10,851      | \$96,077   | \$174,534  |
| b. Annuitants   | 44,496     | 2,170,089     | 2,662,446    | 80,115      | 57,918        | 495        | 48,439     |
| 2. Current Service Liability (Present Members)  | 37,312     | 12,471,970    | 40,881,310   | 2,952,961   | 249,488       | 689,913    | 348,356    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$85,961   | \$14,013,402  | \$47,412,499 | \$3,038,303 | \$318,257     | \$786,485  | \$571,329  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 55,670     | 13,150,414    | 39,700,687   | 3,150,501   | 351,060       | 787,422    | 371,088    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$30,291   | \$2,869,988   | \$7,711,812  | (\$112,198) | (\$32,803)    | (\$937)    | \$200,241  |
| 6. Funded Ratio: (4) / (3)  | 64.8%      | 82.1%         | 83.7%        | 103.3%      | 110.3%        | 100.1%     | 65.0%      |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$24,376   | \$6,225,106   | \$5,803,814  | \$1,208,495 | \$91,855      | \$14,844   | \$6,368    |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 72.5%      | 87.1%         | 85.5%        | 102.6%      | 108.0%        | 100.1%     | 65.3%      |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |              |             |               |            |            |
| Retirement  |            |               |              |             |               |            |            |
| Normal Cost   | 7.00%      | 6.17%         | 8.30%        | 6.14%       | 6.21%         | 5.94%      | 2.78%      |
| Prior Service   | 3.90%      | 2.17%         | 1.63%        | -0.44%      | -0.71%        | -0.01%     | 0.81%      |
| Total Retirement  | 10.90%     | 8.34%         | 9.93%        | 5.70%       | 5.50%         | 5.93%      | 3.59%      |
| Supplemental Death  | 0.38%      | 0.00%         | 0.19%        | 0.32%       | 0.27%         | 0.21%      | 0.17%      |
| Total Rate  | 11.28%     | 8.34%         | 10.12%       | 6.02%       | 5.77%         | 6.14%      | 3.76%      |
| <b>ADDITIONAL INFORMATION</b>   |            |               |              |             |               |            |            |
| Amortization period as of 1/2008  | 19 years   | 25 years      | 25 years     | 25 years    | 25 years      | 25 years   | 25 years   |
| Number of annuitants  | 2          | 89            | 44           | 19          | 3             | 1          | 2          |
| Number of members   | 5          | 285           | 788          | 84          | 21            | 74         | 63         |
| Number of contributing members  | 2          | 230           | 570          | 48          | 12            | 29         | 48         |
| Average age of contributing members   | 40.2 years | 42.3 years    | 40.1 years   | 41.1 years  | 40.4 years    | 39.4 years | 38.6 years |
| Average length of service of contributing members   | 2.2 years  | 10.3 years    | 9.3 years    | 10.4 years  | 2.8 years     | 3.7 years  | 5.2 years  |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Alvin        | Alvord     | Amarillo      | Amherst     | Anahuac    | Andrews      | Angleton      |
|---|--------------|------------|---------------|-------------|------------|--------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |            |               |             |            |              |               |
| 1. Prior Service Liability  | \$700,474    | \$36,794   | \$8,419,046   | \$30,921    | \$20,865   | \$192,434    | \$392,050     |
| a. Present Members  | 1,063,665    | 0          | 30,325,744    | 39,961      | 307,401    | 1,995,592    | 1,196,623     |
| b. Annuitants   | 17,505,233   | 27,392     | 171,980,938   | 247,612     | 218,131    | 8,245,567    | 7,533,473     |
| 2. Current Service Liability (Present Members)  | \$19,289,372 | \$64,186   | \$210,725,728 | \$318,494   | \$546,387  | \$10,433,593 | \$9,122,146   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 15,506,034   | 33,174     | 140,836,400   | 267,950     | 466,698    | 7,647,389    | 6,816,957     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$3,763,338  | \$31,012   | \$69,889,328  | \$50,544    | \$79,699   | \$2,786,204  | \$2,305,189   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 80.5%        | 51.7%      | 66.8%         | 84.1%       | 85.4%      | 73.3%        | 74.7%         |
| 6. Funded Ratio: (4) / (3)  | \$7,088,901  | \$0        | \$103,225,797 | \$41,162    | \$118,024  | \$3,929,524  | \$3,649,703   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 85.7%        | 51.7%      | 77.7%         | 86.0%       | 88.0%      | 80.6%        | 82.0%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |            |               |             |            |              |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |            |               |             |            |              |               |
| Retirement  |              |            |               |             |            |              |               |
| Normal Cost   | 6.67%        | 3.33%      | 9.19%         | 3.41%       | 5.19%      | 10.45%       | 7.23%         |
| Prior Service   | 2.52%        | 1.34%      | 6.29%         | 2.17%       | 1.11%      | 7.40%        | 3.43%         |
| Total Retirement  | 9.19%        | 4.67%      | 15.48%        | 5.58%       | 6.30%      | 17.85%       | 10.66%        |
| Supplemental Death  | 0.26%        | 0.10%      | 0.00%         | 0.00%       | 0.18%      | 0.00%        | 0.30%         |
| Total Rate  | 9.45%        | 4.77%      | 15.48%        | 5.58%       | 6.48%      | 17.85%       | 10.96%        |
| <b>ADDITIONAL INFORMATION</b>   |              |            |               |             |            |              |               |
| Amortization period as of 1/2008  | 25 years     | 25 years   | 25 years      | 25 years    | 25 years   | 25 years     | 25 years      |
| Number of annuitants  | 55           | 0          | 641           | 2           | 3          | 25           | 35            |
| Number of members   | 294          | 9          | 2,152         | 6           | 6          | 68           | 128           |
| Number of contributing members  | 199          | 5          | 1,564         | 6           | 16         | 50           | 102           |
| Average age of contributing members   | 41.3 years   | 36.7 years | 43.9 years    | 51.0 years  | 42.2 years | 42.2 years   | 42.5 years    |
| Average length of service of contributing members   | 10.3 years   | 7.5 years  | 12.9 years    | 14.0 years  | 4.8 years  | 14.3 years   | 9.7 years     |
|   |              |            |               |             |            |              |               |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |            |               |             |            |              |               |
| 1. Prior Service Liability  | \$166,434    | \$232,112  | \$255,519     | \$526,022   | \$33,017   | \$166,790    | \$16,951,245  |
| a. Present Members  | 0            | 71,101     | 81,334        | 1,644,989   | 97,435     | 10,936       | 64,467,775    |
| b. Annuitants   | 217,262      | 419,881    | 87,023        | 3,148,000   | 99,376     | 601,741      | 385,102,070   |
| 2. Current Service Liability (Present Members)  | \$383,696    | \$723,094  | \$423,876     | \$5,319,021 | \$229,828  | \$779,467    | \$466,521,090 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 213,582      | 539,050    | 142,961       | 3,582,499   | 152,541    | 628,174      | 342,766,030   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$170,114    | \$184,044  | \$280,915     | \$1,736,522 | \$77,287   | \$151,293    | \$123,755,060 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 55.7%        | 74.5%      | 33.7%         | 67.4%       | 66.4%      | 80.6%        | 73.5%         |
| 6. Funded Ratio: (4) / (3)  | \$0          | \$44,043   | \$6,597       | \$2,408,123 | \$89,648   | \$26,682     | \$211,506,661 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 55.7%        | 76.0%      | 34.7%         | 77.5%       | 75.9%      | 81.2%        | 81.7%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |            |               |             |            |              |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |            |               |             |            |              |               |
| Retirement  |              |            |               |             |            |              |               |
| Normal Cost   | 8.23%        | 3.44%      | 2.61%         | 5.96%       | 2.42%      | 9.17%        | 9.56%         |
| Prior Service   | 0.93%        | 2.48%      | 2.77%         | 3.83%       | 1.68%      | 1.54%        | 5.10%         |
| Total Retirement  | 9.16%        | 5.92%      | 5.38%         | 9.79%       | 4.10%      | 10.71%       | 14.66%        |
| Supplemental Death  | 0.24%        | 0.38%      | 0.19%         | 0.28%       | 0.36%      | 0.00%        | 0.22%         |
| Total Rate  | 9.40%        | 6.30%      | 5.57%         | 10.07%      | 4.46%      | 10.71%       | 14.88%        |
| <b>ADDITIONAL INFORMATION</b>   |              |            |               |             |            |              |               |
| Amortization period as of 1/2008  | 25 years     | 25 years   | 25 years      | 25 years    | 25 years   | 25 years     | 25 years      |
| Number of annuitants  | 0            | 4          | 3             | 26          | 4          | 2            | 938           |
| Number of members   | 35           | 25         | 27            | 142         | 17         | 30           | 3,023         |
| Number of contributing members  | 30           | 19         | 23            | 88          | 10         | 15           | 2,271         |
| Average age of contributing members   | 44.0 years   | 45.8 years | 38.9 years    | 41.1 years  | 46.2 years | 42.8 years   | 41.5 years    |
| Average length of service of contributing members   | 6.7 years    | 12.1 years | 6.9 years     | 8.1 years   | 3.1 years  | 8.8 years    | 12.8 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Arp        | Aspermont     | Athens           | Atlanta     | Aubrey     | Avinger    | Azle        |
|---|------------|---------------|------------------|-------------|------------|------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                  |             |            |            |             |
| 1. Prior Service Liability  |            |               |                  |             |            |            |             |
| a. Present Members  | \$43,775   | \$75,130      | \$4,119,678      | \$241,658   | \$0        | \$0        | \$458,733   |
| b. Annuitants   | 99,966     | 0             | 1,331,056        | 548,764     | 0          | 0          | 515,721     |
| 2. Current Service Liability (Present Members)  | 202,403    | 246,607       | 8,188,703        | 1,187,281   | 686,227    | 20,845     | 5,634,260   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$346,144  | \$321,737     | \$13,639,437     | \$1,977,703 | \$686,227  | \$20,845   | \$6,608,714 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 261,071    | 347,367       | 8,422,450        | 1,499,373   | 726,463    | 27,492     | 5,366,202   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$85,073   | (\$25,630)    | \$5,216,987      | \$478,330   | (\$64,770) | (\$6,647)  | \$1,242,512 |
| 6. Funded Ratio: (4) / (3)  | 75.4%      | 108.0%        | 61.8%            | 75.8%       | 105.9%     | 131.9%     | 81.2%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$113,280  | \$0           | \$1,788,174      | \$135,082   | \$768      | \$0        | \$2,077,924 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 81.5%      | 108.0%        | 66.2%            | 77.4%       | 105.9%     | 131.9%     | 85.7%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                  |             |            |            |             |
| Retirement  |            |               |                  |             |            |            |             |
| Normal Cost   | 2.78%      | 3.17%         | 9.46%            | 3.39%       | 3.58%      | 7.00%      | 6.40%       |
| Prior Service   | 2.61%      | -1.13%        | 5.37%            | 2.37%       | -0.29%     | -1.88%     | 1.80%       |
| Total Retirement  | 5.39%      | 2.04%         | 14.83%           | 5.76%       | 3.29%      | 5.12%      | 8.20%       |
| Supplemental Death  | 0.29%      | 0.00%         | 0.27%            | 0.29%       | 0.22%      | 0.18%      | 0.24%       |
| Total Rate  | 5.68%      | 2.04%         | 15.10%           | 6.05%       | 3.51%      | 5.30%      | 8.44%       |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                  |             |            |            |             |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years         | 25 years    | 25 years   | 7 years    | 25 years    |
| Number of annuitants  | 3          | 28            | 10               | 10          | 1          | 0          | 34          |
| Number of members   | 13         | 7             | 151              | 55          | 83         | 1          | 168         |
| Number of contributing members  | 8          | 6             | 120              | 44          | 30         | 1          | 97          |
| Average age of contributing members   | 40.1 years | 40.2 years    | 42.2 years       | 43.9 years  | 42.0 years | 53.0 years | 40.8 years  |
| Average length of service of contributing members   | 7.5 years  | 14.8 years    | 12.6 years       | 8.8 years   | 5.3 years  | 7.1 years  | 9.3 years   |
|   | Baird      | Baich Springs | Balcones Heights | Ballinger   | Balmorhea  | Bandera    | Bangs       |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                  |             |            |            |             |
| 1. Prior Service Liability  |            |               |                  |             |            |            |             |
| a. Present Members  | \$94,802   | \$1,894,476   | \$657,120        | \$118,500   | \$0        | \$123,111  | \$69,743    |
| b. Annuitants   | 161,788    | 609,274       | 540,196          | 48,360      | 0          | 34,780     | 171,213     |
| 2. Current Service Liability (Present Members)  | 222,709    | 6,963,231     | 4,438,465        | 1,577,258   | 8,245      | 755,309    | 636,017     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$479,299  | \$9,466,981   | \$5,635,781      | \$1,744,118 | \$8,245    | \$913,200  | \$876,973   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 300,342    | 6,985,422     | 4,558,773        | 1,707,101   | 15,488     | 807,644    | 690,002     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$178,957  | \$2,481,559   | \$1,077,008      | \$37,017    | (\$7,243)  | \$105,556  | \$186,971   |
| 6. Funded Ratio: (4) / (3)  | 62.7%      | 73.8%         | 80.9%            | 97.9%       | 187.8%     | 88.4%      | 78.7%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$75,858   | \$1,723,604   | \$3,166,931      | \$276,614   | \$0        | \$33,542   | \$208,771   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 67.8%      | 77.8%         | 87.8%            | 98.2%       | 187.8%     | 88.9%      | 82.8%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                  |             |            |            |             |
| Retirement  |            |               |                  |             |            |            |             |
| Normal Cost   | 3.53%      | 7.21%         | 8.59%            | 3.23%       | 1.52%      | 7.81%      | 8.94%       |
| Prior Service   | 4.34%      | 3.03%         | 3.71%            | 0.22%       | -0.79%     | 1.37%      | 3.03%       |
| Total Retirement  | 7.87%      | 10.24%        | 12.30%           | 3.45%       | 0.73%      | 9.18%      | 11.97%      |
| Supplemental Death  | 0.48%      | 0.23%         | 0.29%            | 0.42%       | 0.10%      | 0.41%      | 0.34%       |
| Total Rate  | 8.35%      | 10.47%        | 12.59%           | 3.87%       | 0.83%      | 9.59%      | 12.31%      |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                  |             |            |            |             |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years         | 25 years    | 25 years   | 25 years   | 25 years    |
| Number of annuitants  | 4          | 36            | 23               | 7           | 0          | 5          | 14          |
| Number of members   | 10         | 212           | 82               | 47          | 7          | 27         | 10          |
| Number of contributing members  | 9          | 126           | 44               | 34          | 3          | 19         | 10          |
| Average age of contributing members   | 51.1 years | 39.6 years    | 42.9 years       | 49.2 years  | 36.2 years | 45.1 years | 47.9 years  |
| Average length of service of contributing members   | 11.3 years | 9.0 years     | 13.2 years       | 11.0 years  | 0.9 years  | 8.4 years  | 7.8 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Bartlett    | Bartonville | Bastrop      | Bay City     | Bayou Vista | Baytown       | Beaumont      |
|--|-------------|-------------|--------------|--------------|-------------|---------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |             |             |              |              |             |               |               |
| 1. Prior Service Liability   | \$15,283    | \$3,377     | \$316,440    | \$90,259     | \$3,509     | \$5,297,212   | \$4,368,484   |
| a. Present Members   | 78,686      | 0           | 251,405      | 1,796,884    | 0           | 19,046,340    | 24,318,039    |
| b. Annuitants  | 234,696     | 113,236     | 3,501,638    | 13,179,338   | 69,741      | 85,898,555    | 144,513,185   |
| 2. Current Service Liability (Present Members)   | \$328,665   | \$116,613   | \$4,069,483  | \$15,066,481 | \$73,250    | \$110,242,107 | \$173,199,708 |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 459,088     | 67,598      | 3,381,869    | 11,966,670   | 75,559      | 79,838,038    | 133,771,037   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | (\$130,423) | \$49,015    | \$687,614    | \$3,099,811  | (\$2,309)   | \$30,404,069  | \$39,428,671  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 139,774     | 58.0%       | 83.1%        | 79.4%        | 103.2%      | 72.4%         | 77.2%         |
| 6. Funded Ratio: (4) / (3)   | \$247,514   | \$0         | \$886,370    | \$6,993,419  | \$0         | \$48,048,867  | \$88,726,712  |
| 7. Current Service Annuity Reserve Fund Allocation*  | 122.6%      | 58.0%       | 86.1%        | 85.9%        | 103.2%      | 80.8%         | 84.9%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |             |             |              |              |             |               |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |             |             |              |              |             |               |               |
| Retirement   |             |             |              |              |             |               |               |
| Normal Cost  | 2.66%       | 6.24%       | 5.97%        | 6.02%        | 4.22%       | 9.68%         | 8.19%         |
| Prior Service  | -1.93%      | 2.44%       | 1.18%        | 3.51%        | -0.07%      | 5.75%         | 5.23%         |
| Total Retirement   | 0.73%       | 8.68%       | 7.15%        | 9.53%        | 4.15%       | 15.43%        | 13.42%        |
| Supplemental Death   | 1.10%       | 8.81%       | 0.24%        | 9.91%        | 0.33%       | 0.25%         | 0.00%         |
| Total Rate   |             |             | 7.39%        | 9.91%        | 4.48%       | 15.68%        | 13.42%        |
| <b>ADDITIONAL INFORMATION</b>  |             |             |              |              |             |               |               |
| Amortization period as of 1/2008   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years    | 25 years      | 25 years      |
| Number of annuitants   | 3           | 0           | 17           | 66           | 0           | 282           | 534           |
| Number of members  | 35          | 3           | 142          | 221          | 14          | 767           | 1,256         |
| Number of contributing members   | 13          | 3           | 98           | 161          | 6           | 612           | 984           |
| Average age of contributing members  | 49.6 years  | 40.7 years  | 42.4 years   | 45.2 years   | 51.5 years  | 41.4 years    | 44.1 years    |
| Average length of service of contributing members  | 6.9 years   | 8.5 years   | 7.9 years    | 11.2 years   | 3.4 years   | 12.5 years    | 15.0 years    |
|  |             |             |              |              |             |               |               |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |             |             |              |              |             |               |               |
| 1. Prior Service Liability   | \$75,566    | \$188,149   | \$5,118,483  | \$220,493    | \$39,152    | \$600,776     | \$177,245     |
| a. Present Members   | 8,759       | 295,739     | 5,486,858    | 292,760      | 15,526      | 1,500,489     | 393,360       |
| b. Annuitants  | 424,307     | 4,913,444   | 23,555,930   | 4,847,864    | 132,981     | 3,119,544     | 5,930,393     |
| 2. Current Service Liability (Present Members)   | \$508,632   | \$5,397,332 | \$34,161,271 | \$5,361,117  | \$187,659   | \$5,220,809   | \$6,500,998   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 468,196     | 5,587,716   | 25,077,816   | 4,748,231    | 157,468     | 3,457,665     | 5,091,585     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$40,436    | (\$190,384) | \$9,083,455  | \$612,886    | \$30,191    | \$1,763,144   | \$1,409,413   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 92.1%       | 103.5%      | 73.4%        | 88.6%        | 83.9%       | 66.2%         | 78.3%         |
| 6. Funded Ratio: (4) / (3)   | \$74,863    | \$1,735,192 | \$10,366,405 | \$1,322,208  | \$25,807    | \$931,406     | \$4,151,444   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 93.1%       | 102.7%      | 79.6%        | 90.8%        | 85.9%       | 71.3%         | 86.8%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |             |             |              |              |             |               |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |             |             |              |              |             |               |               |
| Retirement   |             |             |              |              |             |               |               |
| Normal Cost  | 6.54%       | 3.21%       | 10.39%       | 7.91%        | 3.18%       | 5.77%         | 5.79%         |
| Prior Service  | 0.27%       | -0.40%      | 6.54%        | 1.66%        | 1.06%       | 5.18%         | 1.57%         |
| Total Retirement   | 6.81%       | 2.81%       | 16.93%       | 9.57%        | 4.24%       | 10.95%        | 7.36%         |
| Supplemental Death   | 0.14%       | 0.00%       | 0.31%        | 0.00%        | 0.18%       | 0.33%         | 0.30%         |
| Total Rate   | 6.95%       | 2.81%       | 17.24%       | 9.57%        | 4.42%       | 11.28%        | 7.66%         |
| <b>ADDITIONAL INFORMATION</b>  |             |             |              |              |             |               |               |
| Amortization period as of 1/2008   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years    | 25 years      | 25 years      |
| Number of annuitants   | 2           | 36          | 84           | 13           | 3           | 22            | 47            |
| Number of members  | 32          | 141         | 212          | 91           | 12          | 86            | 201           |
| Number of contributing members   | 23          | 108         | 153          | 58           | 6           | 56            | 129           |
| Average age of contributing members  | 37.9 years  | 42.8 years  | 44.3 years   | 44.0 years   | 40.2 years  | 43.1 years    | 41.8 years    |
| Average length of service of contributing members  | 4.4 years   | 12.2 years  | 14.7 years   | 11.2 years   | 9.9 years   | 10.7 years    | 9.9 years     |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Bembrook     | Berryville     | Bertram    | Big Lake    | Big Sandy  | Big Spring   | Bishop      |
|---|--------------|----------------|------------|-------------|------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                |            |             |            |              |             |
| 1. Prior Service Liability  |              |                |            |             |            |              |             |
| a. Present Members  | \$2,398,648  | \$0            | \$96,480   | \$95,199    | \$254,966  | \$1,906,054  | \$20,518    |
| b. Annuitants   | 1,150,238    | 14,935         | 68,448     | 359,811     | 0          | 2,327,504    | 229,721     |
| 2. Current Service Liability (Present Members)  | 16,500,467   | 67,949         | 164,457    | 1,343,545   | 156,640    | 15,395,668   | 805,437     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$20,049,353 | \$82,884       | \$329,385  | \$1,798,555 | \$411,606  | \$19,629,226 | \$1,055,676 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 15,059,570   | 82,657         | 220,876    | 1,079,177   | 259,560    | 15,568,212   | 942,403     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$4,989,783  | \$227          | \$108,509  | \$719,378   | \$152,046  | \$4,061,014  | \$113,273   |
| 6. Funded Ratio: (4) / (3)  | 75.1%        | 99.7%          | 67.1%      | 60.0%       | 63.1%      | 79.3%        | 89.3%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$6,337,474  | \$23,170       | \$32,573   | \$643,956   | \$0        | \$6,404,898  | \$418,546   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 81.1%        | 99.8%          | 70.0%      | 70.5%       | 63.1%      | 84.4%        | 92.3%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                |            |             |            |              |             |
| Retirement  |              |                |            |             |            |              |             |
| Normal Cost   | 10.43%       | 4.35%          | 3.54%      | 8.47%       | 3.09%      | 7.96%        | 5.55%       |
| Prior Service   | 4.79%        | 0.19%          | 2.51%      | 10.28%      | 3.28%      | 3.62%        | 1.37%       |
| Total Retirement  | 15.22%       | 4.54%          | 6.05%      | 18.75%      | 6.37%      | 11.58%       | 6.92%       |
| Supplemental Death  | 0.23%        | 0.00%          | 0.35%      | 0.42%       | 0.32%      | 0.35%        | 0.28%       |
| Total Rate  | 15.45%       | 4.54%          | 6.40%      | 19.17%      | 6.69%      | 11.93%       | 7.20%       |
| <b>ADDITIONAL INFORMATION</b>   |              |                |            |             |            |              |             |
| Amortization period as of 1/2008  | 25 years     | 2 years        | 25 years   | 25 years    | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 35           | 2              | 3          | 10          | 0          | 8            | 8           |
| Number of members   | 126          | 2              | 20         | 18          | 17         | 255          | 31          |
| Number of contributing members  | 99           | 2              | 9          | 16          | 12         | 181          | 19          |
| Average age of contributing members   | 41.7 years   | 57.6 years     | 49.0 years | 41.0 years  | 46.4 years | 43.4 years   | 41.2 years  |
| Average length of service of contributing members   | 13.4 years   | 9.3 years      | 11.7 years | 12.7 years  | 12.0 years | 10.7 years   | 9.1 years   |
|   | Blanco       | Blooming Grove | Blossom    | Blue Mound  | Blue Ridge | Boerne       | Bogata      |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                |            |             |            |              |             |
| 1. Prior Service Liability  |              |                |            |             |            |              |             |
| a. Present Members  | \$14,969     | \$8,233        | \$1,221    | \$88,793    | \$1,401    | \$4,130,247  | \$0         |
| b. Annuitants   | 60,036       | 67,224         | 17,291     | 0           | 12,348     | 947,472      | 14,042      |
| 2. Current Service Liability (Present Members)  | 248,060      | 81,253         | 272,517    | 81,286      | 36,544     | 8,611,470    | 84,544      |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$323,065    | \$156,710      | \$291,029  | \$170,079   | \$50,293   | \$13,689,189 | \$98,586    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 268,982      | 119,288        | 290,662    | 97,877      | 36,773     | 8,452,515    | 134,636     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$54,083     | \$37,422       | \$367      | \$72,202    | \$13,520   | \$5,236,674  | (\$36,050)  |
| 6. Funded Ratio: (4) / (3)  | 83.3%        | 76.1%          | 99.9%      | 57.5%       | 73.1%      | 61.7%        | 136.6%      |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$44,988     | \$71,033       | \$107,353  | \$0         | \$22,991   | \$2,148,404  | \$30,790    |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 85.3%        | 83.6%          | 99.9%      | 57.5%       | 81.6%      | 66.9%        | 127.9%      |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                |            |             |            |              |             |
| Retirement  |              |                |            |             |            |              |             |
| Normal Cost   | 3.07%        | 3.91%          | 7.80%      | 2.85%       | 3.40%      | 9.03%        | 3.00%       |
| Prior Service   | 1.05%        | 2.32%          | 0.02%      | 1.00%       | 0.68%      | 4.55%        | -1.08%      |
| Total Retirement  | 4.12%        | 6.23%          | 7.82%      | 3.85%       | 4.08%      | 13.58%       | 1.92%       |
| Supplemental Death  | 0.33%        | 0.13%          | 0.55%      | 0.26%       | 0.36%      | 0.24%        | 0.24%       |
| Total Rate  | 4.45%        | 6.36%          | 8.37%      | 4.11%       | 4.44%      | 13.82%       | 2.16%       |
| <b>ADDITIONAL INFORMATION</b>   |              |                |            |             |            |              |             |
| Amortization period as of 1/2008  | 25 years     | 25 years       | 25 years   | 25 years    | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 1            | 1              | 2          | 0           | 2          | 30           | 1           |
| Number of members   | 25           | 9              | 5          | 24          | 7          | 213          | 11          |
| Number of contributing members  | 11           | 4              | 4          | 14          | 4          | 163          | 9           |
| Average age of contributing members   | 45.2 years   | 37.1 years     | 46.7 years | 45.0 years  | 47.3 years | 43.6 years   | 41.8 years  |
| Average length of service of contributing members   | 7.4 years    | 1.8 years      | 14.0 years | 7.8 years   | 4.3 years  | 10.9 years   | 5.6 years   |

\* See Note on page 170.

|  | Bonham      | Booker      | Borger       | Bovina       | Bowie       | Boyd        | Brady       |
|--|-------------|-------------|--------------|--------------|-------------|-------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |             |             |              |              |             |             |             |
| 1. Prior Service Liability   |             |             |              |              |             |             |             |
| a. Present Members   | \$896,270   | \$3,234     | \$235,271    | \$51,792     | \$123,133   | \$74,942    | \$90,735    |
| b. Annuitants  | 224,651     | 89,646      | 4,358,142    | 26,327       | 681,691     | 0           | 445,022     |
| 2. Current Service Liability (Present Members)   | 5,235,187   | 185,334     | 14,198,796   | 263,872      | 4,965,998   | 147,841     | 1,953,575   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | \$6,356,108 | \$278,214   | \$18,792,209 | \$341,191    | \$5,770,822 | \$222,783   | \$2,489,332 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | 5,182,890   | 293,397     | 12,600,047   | 327,458      | 4,565,092   | 199,952     | 2,065,526   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | \$1,173,218 | (\$15,183)  | \$6,192,162  | \$14,533     | \$1,205,730 | \$22,831    | \$423,806   |
| 6. Funded Ratio: (4) / (3)   | 81.5%       | 105.5%      | 67.0%        | 95.8%        | 79.1%       | 89.8%       | 83.0%       |
| 7. Current Service Annuity Reserve Fund Allocation*  | \$1,077,224 | \$82,943    | \$9,227,930  | \$52,176     | \$2,293,914 | \$35,555    | \$1,320,619 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] | 84.2%       | 104.2%      | 77.9%        | 96.3%        | 85.0%       | 91.2%       | 88.9%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |             |             |              |              |             |             |             |
| Retirement   |             |             |              |              |             |             |             |
| Normal Cost  | 5.14%       | 4.57%       | 8.14%        | 2.70%        | 5.93%       | 2.98%       | 3.53%       |
| Prior Service  | 1.70%       | -0.40%      | 7.51%        | 0.43%        | 2.53%       | 0.39%       | 1.08%       |
| Total Retirement   | 6.84%       | 4.17%       | 15.65%       | 3.13%        | 8.46%       | 3.37%       | 4.61%       |
| Supplemental Death   | 0.00%       | 0.29%       | 0.35%        | 0.69%        | 0.32%       | 0.00%       | 0.38%       |
| Total Rate   | 6.84%       | 4.46%       | 16.00%       | 3.82%        | 8.78%       | 3.37%       | 4.99%       |
| <b>ADDITIONAL INFORMATION</b>  |             |             |              |              |             |             |             |
| Amortization period as of 1/2008   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years    | 25 years    | 25 years    |
| Number of annuitants   | 21          | 3           | 65           | 2            | 34          | 2           | 30          |
| Number of members  | 163         | 17          | 179          | 11           | 134         | 19          | 123         |
| Number of contributing members   | 108         | 9           | 136          | 7            | 85          | 11          | 79          |
| Average age of contributing members  | 41.7 years  | 40.6 years  | 41.1 years   | 51.1 years   | 42.7 years  | 42.5 years  | 44.2 years  |
| Average length of service of contributing members  | 10.5 years  | 6.4 years   | 9.8 years    | 12.7 years   | 8.8 years   | 8.6 years   | 6.8 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |             |             |              |              |             |             |             |
| 1. Prior Service Liability   |             |             |              |              |             |             |             |
| a. Present Members   | \$63,738    | \$440,200   | \$1,282      | \$2,070,419  | \$1,240,795 | \$712,722   | \$59,072    |
| b. Annuitants  | 87,687      | 752,212     | 6,753        | 1,681,166    | 714,536     | 156,485     | 0           |
| 2. Current Service Liability (Present Members)   | 1,263,636   | 3,176,499   | 111,991      | 17,419,077   | 4,591,518   | 2,422,433   | 55,778      |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | \$1,415,061 | \$4,368,911 | \$120,026    | \$21,170,662 | \$6,546,849 | \$3,291,640 | \$114,850   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | 1,362,666   | 3,147,887   | 114,166      | 16,432,198   | 4,976,538   | 2,784,827   | 74,536      |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | \$52,395    | \$1,221,024 | \$5,860      | \$4,738,464  | \$1,570,311 | \$506,813   | \$40,314    |
| 6. Funded Ratio: (4) / (3)   | 96.3%       | 72.1%       | 95.1%        | 77.6%        | 76.0%       | 84.6%       | 64.9%       |
| 7. Current Service Annuity Reserve Fund Allocation*  | \$313,950   | \$1,151,784 | \$61,816     | \$5,200,306  | \$2,404,345 | \$674,203   | \$0         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] | 97.0%       | 77.9%       | 96.8%        | 82.0%        | 82.5%       | 87.2%       | 64.9%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |             |             |              |              |             |             |             |
| Retirement   |             |             |              |              |             |             |             |
| Normal Cost  | 5.70%       | 4.03%       | 3.05%        | 7.23%        | 9.93%       | 5.70%       | 4.20%       |
| Prior Service  | 0.42%       | 4.36%       | 0.26%        | 3.47%        | 4.10%       | 1.28%       | 2.46%       |
| Total Retirement   | 6.12%       | 8.39%       | 3.31%        | 10.70%       | 14.03%      | 6.98%       | 6.66%       |
| Supplemental Death   | 0.22%       | 0.34%       | 0.27%        | 0.00%        | 0.31%       | 0.20%       | 0.23%       |
| Total Rate   | 6.34%       | 8.73%       | 3.58%        | 10.70%       | 14.34%      | 7.18%       | 6.89%       |
| <b>ADDITIONAL INFORMATION</b>  |             |             |              |              |             |             |             |
| Amortization period as of 1/2008   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years    | 25 years    | 25 years    |
| Number of annuitants   | 7           | 27          | 2            | 61           | 11          | 0           | 0           |
| Number of members  | 49          | 102         | 9            | 277          | 68          | 126         | 4           |
| Number of contributing members   | 24          | 74          | 6            | 202          | 51          | 72          | 4           |
| Average age of contributing members  | 41.6 years  | 42.5 years  | 38.1 years   | 44.2 years   | 44.8 years  | 38.4 years  | 48.5 years  |
| Average length of service of contributing members  | 9.3 years   | 10.3 years  | 7.6 years    | 14.2 years   | 14.2 years  | 7.4 years   | 18.0 years  |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Brookshire  | Brownfield    | Brownsville   | Brownsville Public Utility | Brownwood    | Brownwood Health Dept. | Brownwood Public Library |
|---|-------------|---------------|---------------|----------------------------|--------------|------------------------|--------------------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |               |               |                            |              |                        |                          |
| 1. Prior Service Liability  | \$115,930   | \$76,038      | \$12,525,615  | \$2,988,239                | \$739,834    | \$5,673                | \$0                      |
| a. Present Members  | 235,033     | 1,328,779     | 14,731,989    | 9,541,565                  | 2,515,556    | 180,424                | 11,992                   |
| b. Annuitants   | 1,833,117   | 6,514,519     | 99,062,691    | 41,410,649                 | 15,621,913   | 374,257                | 55,488                   |
| 2. Current Service Liability (Present Members)  | \$2,184,080 | \$7,919,336   | \$126,320,295 | \$53,940,453               | \$18,877,303 | \$560,354              | \$67,480                 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,844,510   | 5,202,301     | 89,828,095    | 39,377,569                 | 14,300,444   | 426,013                | 107,597                  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$339,570   | \$2,717,035   | \$36,492,200  | \$14,562,884               | \$4,576,859  | \$134,341              | (\$40,117)               |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 84.5%       | 65.7%         | 71.1%         | 73.0%                      | 75.8%        | 76.0%                  | 159.5%                   |
| 6. Funded Ratio: (4) / (3)  | \$404,726   | \$5,502,039   | \$28,719,715  | \$26,777,518               | \$5,954,813  | \$291,169              | \$92,457                 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 86.9%       | 79.8%         | 76.5%         | 82.0%                      | 81.6%        | 84.2%                  | 125.1%                   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |               |               |                            |              |                        |                          |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |               |               |                            |              |                        |                          |
| Retirement  |             |               |               |                            |              |                        |                          |
| Normal Cost   | 4.75%       | 6.04%         | 9.82%         | 7.47%                      | 8.31%        | 8.14%                  | 5.56%                    |
| Prior Service   | 2.73%       | 6.00%         | 4.68%         | 4.16%                      | 3.73%        | 3.66%                  | -3.39%                   |
| Total Retirement  | 7.48%       | 12.04%        | 14.50%        | 11.63%                     | 12.04%       | 11.82%                 | 2.19%                    |
| Supplemental Death  | 0.26%       | 0.00%         | 0.25%         | 0.26%                      | 0.00%        | 0.00%                  | 0.00%                    |
| Total Rate  | 7.74%       | 12.04%        | 14.75%        | 11.89%                     | 12.04%       | 11.82%                 | 2.19%                    |
| <b>ADDITIONAL INFORMATION</b>   |             |               |               |                            |              |                        |                          |
| Amortization period as of 1/2008  | 25 years    | 25 years      | 25 years      | 25 years                   | 25 years     | 25 years               | 25 years                 |
| Number of annuitants  | 5           | 43            | 295           | 182                        | 4            | 4                      | 2                        |
| Number of members   | 52          | 95            | 1,192         | 524                        | 277          | 13                     | 6                        |
| Number of contributing members  | 25          | 81            | 1,059         | 456                        | 220          | 8                      | 3                        |
| Average age of contributing members   | 43.6 years  | 43.6 years    | 40.8 years    | 41.1 years                 | 43.2 years   | 47.4 years             | 37.9 years               |
| Average length of service of contributing members   | 5.6 years   | 10.8 years    | 12.0 years    | 11.5 years                 | 9.7 years    | 5.9 years              | 6.0 years                |
|   |             |               |               |                            |              |                        |                          |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |               |               |                            |              |                        |                          |
| 1. Prior Service Liability  | \$39,838    | \$12,311,425  | \$375         | \$282,292                  | \$61,031     | \$33,969               | \$26,344                 |
| a. Present Members  | 3,159       | 12,379,046    | 0             | 54,419                     | 144,931      | 18,847                 | 0                        |
| b. Annuitants   | 438,686     | 94,082,325    | 415,761       | 713,009                    | 342,473      | 157,169                | 181,098                  |
| 2. Current Service Liability (Present Members)  | \$481,683   | \$118,752,795 | \$416,136     | \$1,049,720                | \$548,435    | \$209,985              | \$207,442                |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 447,132     | 87,895,438    | 420,932       | 712,393                    | 435,393      | 189,082                | 183,928                  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$34,551    | \$30,857,358  | (\$4,796)     | \$337,327                  | \$113,042    | \$20,903               | \$23,514                 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 92.8%       | 74.0%         | 101.2%        | 67.9%                      | 79.4%        | 90.0%                  | 88.7%                    |
| 6. Funded Ratio: (4) / (3)  | \$73,182    | \$41,603,131  | \$0           | \$369,113                  | \$48,493     | \$6,809                | \$16,216                 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 93.8%       | 80.8%         | 101.2%        | 76.2%                      | 81.1%        | 90.4%                  | 89.5%                    |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |               |               |                            |              |                        |                          |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |               |               |                            |              |                        |                          |
| Retirement  |             |               |               |                            |              |                        |                          |
| Normal Cost   | 5.56%       | 9.27%         | 5.12%         | 7.99%                      | 3.05%        | 2.83%                  | 5.92%                    |
| Prior Service   | 0.58%       | 4.23%         | -0.47%        | 1.65%                      | 1.55%        | 0.29%                  | 0.21%                    |
| Total Retirement  | 6.14%       | 13.50%        | 4.65%         | 9.64%                      | 4.60%        | 3.12%                  | 6.13%                    |
| Supplemental Death  | 0.31%       | 0.00%         | 0.00%         | 0.25%                      | 0.49%        | 0.00%                  | 0.15%                    |
| Total Rate  | 6.45%       | 13.50%        | 4.65%         | 9.89%                      | 5.09%        | 3.12%                  | 6.28%                    |
| <b>ADDITIONAL INFORMATION</b>   |             |               |               |                            |              |                        |                          |
| Amortization period as of 1/2008  | 25 years    | 25 years      | 25 years      | 25 years                   | 25 years     | 25 years               | 25 years                 |
| Number of annuitants  | 1           | 303           | 0             | 2                          | 4            | 1                      | 1                        |
| Number of members   | 20          | 1,095         | 5             | 42                         | 19           | 19                     | 24                       |
| Number of contributing members  | 13          | 784           | 3             | 36                         | 13           | 14                     | 18                       |
| Average age of contributing members   | 46.0 years  | 41.7 years    | 46.2 years    | 46.1 years                 | 51.0 years   | 41.9 years             | 40.0 years               |
| Average length of service of contributing members   | 6.1 years   | 12.3 years    | 19.0 years    | 6.0 years                  | 7.7 years    | 8.8 years              | 5.3 years                |

\* See Note on page 170.





# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Carrizo Springs | Carrollton    | Carthage     | Castle Hills | Castroville | Cedar Hill   | Cedar Park   |
|---|-----------------|---------------|--------------|--------------|-------------|--------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                 |               |              |              |             |              |              |
| 1. Prior Service Liability  | \$473,504       | \$5,660,513   | \$1,264,769  | \$501,731    | \$151,197   | \$4,035,819  | \$2,898,754  |
| a. Present Members  | 460,423         | 12,070,777    | 1,620,164    | 700,305      | 177,864     | 2,069,708    | 823,708      |
| b. Annuitants   | 1,768,426       | 160,421,471   | 10,355,056   | 5,304,728    | 1,958,548   | 22,977,883   | 14,171,936   |
| 2. Current Service Liability (Present Members)  | \$2,702,353     | \$178,152,761 | \$13,239,989 | \$6,506,784  | \$2,287,609 | \$29,083,410 | \$17,894,398 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,437,273       | 146,875,267   | 9,301,098    | 5,142,091    | 1,931,110   | 22,546,333   | 14,116,598   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$265,080       | \$31,277,494  | \$3,938,901  | \$1,364,673  | \$356,499   | \$6,537,077  | \$3,777,800  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 90.2%           | 82.4%         | 70.2%        | 79.0%        | 84.4%       | 77.5%        | 78.9%        |
| 6. Funded Ratio: (4) / (3)  | \$672,960       | \$54,858,262  | \$5,745,248  | \$3,201,277  | \$340,724   | \$7,612,721  | \$1,307,828  |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 92.1%           | 86.6%         | 79.3%        | 85.9%        | 86.4%       | 82.2%        | 80.3%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                 |               |              |              |             |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                 |               |              |              |             |              |              |
| Retirement  |                 |               |              |              |             |              |              |
| Normal Cost   | 4.46%           | 9.17%         | 10.00%       | 7.12%        | 5.66%       | 9.57%        | 8.33%        |
| Prior Service   | 1.92%           | 3.65%         | 7.76%        | 3.25%        | 1.91%       | 2.72%        | 1.85%        |
| Total Retirement  | 6.38%           | 12.82%        | 17.76%       | 10.37%       | 7.57%       | 12.29%       | 10.18%       |
| Supplemental Death  | 0.36%           | 0.24%         | 0.32%        | 0.27%        | 0.33%       | 0.20%        | 0.18%        |
| Total Rate  | 6.74%           | 13.06%        | 18.08%       | 10.64%       | 7.90%       | 12.49%       | 10.36%       |
| Amortization period as of 1/2008  | 25 years        | 25 years      | 25 years     | 25 years     | 25 years    | 25 years     | 25 years     |
| Number of annuitants  | 12              | 246           | 40           | 27           | 11          | 56           | 20           |
| Number of members   | 44              | 1,278         | 100          | 78           | 62          | 398          | 448          |
| Number of contributing members  | 38              | 806           | 76           | 60           | 32          | 298          | 301          |
| Average age of contributing members   | 46.8 years      | 42.6 years    | 42.4 years   | 41.6 years   | 44.6 years  | 41.0 years   | 38.9 years   |
| Average length of service of contributing members   | 12.8 years      | 12.9 years    | 12.4 years   | 13.2 years   | 11.7 years  | 10.8 years   | 8.8 years    |
| <b>ADDITIONAL INFORMATION</b>   |                 |               |              |              |             |              |              |
| 1. Prior Service Liability  | \$0             | \$182,303     | \$96,625     | \$694        | \$9,298     | \$8,294      | \$78,715     |
| a. Present Members  | 0               | 802,316       | 0            | 1,037        | 4,362       | 41,238       | 348,984      |
| b. Annuitants   | 833,515         | 2,243,296     | 225,966      | 157,553      | 226,379     | 78,296       | 2,119,474    |
| 2. Current Service Liability (Present Members)  | \$906,649       | \$3,227,915   | \$322,591    | \$159,284    | \$240,039   | \$127,828    | \$2,547,173  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | (\$73,134)      | 2,372,458     | 260,024      | 148,379      | 213,890     | 94,862       | 1,490,160    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 108.8%          | \$855,457     | \$62,567     | \$10,905     | \$26,149    | \$32,966     | \$1,057,013  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$0             | 73.5%         | 80.6%        | 93.2%        | 89.1%       | 74.2%        | 58.5%        |
| 6. Funded Ratio: (4) / (3)  | 108.8%          | \$1,697,862   | \$0          | \$79,896     | \$947       | \$21,145     | \$2,301,240  |
| 7. Current Service Annuity Reserve Fund Allocation*                                       |                 | 82.6%         | 80.6%        | 95.4%        | 89.1%       | 77.9%        | 78.2%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                 |               |              |              |             |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                 |               |              |              |             |              |              |
| Retirement  |                 |               |              |              |             |              |              |
| Normal Cost   | 8.20%           | 5.72%         | 5.60%        | 4.29%        | 9.62%       | 2.70%        | 7.36%        |
| Prior Service   | -0.41%          | 2.46%         | 2.07%        | 0.44%        | 4.99%       | 1.06%        | 5.03%        |
| Total Retirement  | 7.79%           | 8.18%         | 7.67%        | 4.73%        | 14.61%      | 3.76%        | 12.39%       |
| Supplemental Death  | 0.15%           | 0.30%         | 0.00%        | 0.18%        | 1.24%       | 0.42%        | 0.42%        |
| Total Rate  | 7.94%           | 8.48%         | 7.67%        | 4.91%        | 15.85%      | 4.18%        | 12.81%       |
| Amortization period as of 1/2008  | 25 years        | 25 years      | 25 years     | 25 years     | 25 years    | 25 years     | 25 years     |
| Number of annuitants  | 0               | 24            | 0            | 1            | 1           | 1            | 22           |
| Number of members   | 42              | 79            | 5            | 9            | 4           | 9            | 80           |
| Number of contributing members  | 26              | 68            | 5            | 7            | 3           | 8            | 52           |
| Average age of contributing members   | 40.1 years      | 42.0 years    | 47.4 years   | 41.3 years   | 51.8 years  | 47.5 years   | 43.5 years   |
| Average length of service of contributing members   | 6.0 years       | 9.8 years     | 17.1 years   | 10.2 years   | 13.8 years  | 6.0 years    | 9.7 years    |

\* See Note on page 170.

|   | Chireno    | Christine    | Cibola      | Cisco       | Clarendon   | Clarksville | Clarksville City |
|---|------------|--------------|-------------|-------------|-------------|-------------|------------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |             |             |             |                  |
| 1. Prior Service Liability  |            | \$6,520      | \$207,133   | \$54,278    | \$66,103    | \$57,085    | \$114,009        |
| a. Present Members  | \$41,844   | 3,936        | 38,924      | 75,992      | 12,431      | 66,504      | 0                |
| b. Annuitants   | 368,758    | 20,492       | 1,132,562   | 1,261,787   | 291,122     | 1,087,928   | 543,823          |
| 2. Current Service Liability (Present Members)  | 221,657    | \$30,948     | \$1,378,619 | \$1,392,057 | \$369,656   | \$1,211,517 | \$657,832        |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$632,259  | 30,630       | 1,213,145   | 1,445,089   | 322,803     | 1,564,149   | 670,073          |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 274,722    | \$318        | \$165,474   | (\$53,032)  | \$46,853    | (\$352,632) | (\$12,241)       |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$357,537  | 99.0%        | 88.0%       | 103.8%      | 87.3%       | 129.1%      | 101.9%           |
| 6. Funded Ratio: (4) / (3)  | 43.5%      | \$1,003      | \$97,725    | \$692,581   | \$41,781    | \$20,235    | \$112,984        |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$770,876  | 99.0%        | 88.8%       | 102.5%      | 88.6%       | 128.6%      | 101.6%           |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 74.5%      |              |             |             |             |             |                  |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |             |             |             |                  |
| Retirement  |            |              |             |             |             |             |                  |
| Normal Cost   | 6.14%      | 5.00%        | 6.83%       | 4.70%       | 3.37%       | 4.91%       | 7.45%            |
| Prior Service   | 10.87%     | 0.13%        | 0.58%       | -0.46%      | 0.84%       | -3.02%      | -0.58%           |
| Total Retirement  | 17.01%     | 5.13%        | 7.41%       | 4.24%       | 4.21%       | 1.89%       | 6.87%            |
| Supplemental Death  | 0.25%      | 0.00%        | 0.21%       | 0.29%       | 0.46%       | 0.23%       | 0.41%            |
| Total Rate  | 17.26%     | 5.13%        | 7.62%       | 4.53%       | 4.67%       | 2.12%       | 7.28%            |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |             |             |             |                  |
| Amortization period as of 1/2008  | 25 years   | 11 years     | 25 years    | 25 years    | 25 years    | 25 years    | 25 years         |
| Number of annuitants  | 5          | 1            | 3           | 11          | 2           | 4           | 2                |
| Number of members   | 8          | 2            | 90          | 52          | 22          | 53          | 4                |
| Number of contributing members  | 6          | 1            | 56          | 29          | 14          | 28          | 3                |
| Average age of contributing members   | 38.3 years | 48.0 years   | 41.0 years  | 44.8 years  | 51.2 years  | 38.5 years  | 51.2 years       |
| Average length of service of contributing members   | 2.9 years  | 5.2 years    | 5.9 years   | 10.2 years  | 9.7 years   | 6.0 years   | 19.6 years       |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |             |             |             |                  |
| 1. Prior Service Liability  |            | \$2,571,460  | \$581,921   | \$93,355    | \$45,579    | \$85,742    | \$1,021          |
| a. Present Members  | \$48,331   | 6,027,887    | 607,692     | 145,924     | 531,768     | 207,728     | 41,350           |
| b. Annuitants   | 0          | 26,133,095   | 3,598,513   | 1,002,966   | 7,185,673   | 776,022     | 147,986          |
| 2. Current Service Liability (Present Members)  | 259,551    | \$34,732,442 | \$4,788,126 | \$1,242,245 | \$7,763,020 | \$1,069,492 | \$190,357        |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$307,882  | 23,858,790   | 3,722,929   | 1,021,431   | 7,152,157   | 739,567     | 162,862          |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 301,629    | \$10,873,652 | \$1,065,197 | \$220,814   | \$610,863   | \$329,925   | \$27,495         |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$6,253    | 68.7%        | 77.8%       | 82.2%       | 92.1%       | 69.2%       | 85.6%            |
| 6. Funded Ratio: (4) / (3)  | 98.0%      | \$14,841,376 | \$944,442   | \$136,538   | \$3,173,584 | \$374,498   | \$293,661        |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0        | 78.1%        | 81.4%       | 84.0%       | 94.4%       | 77.2%       | 94.3%            |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 98.0%      |              |             |             |             |             |                  |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |             |             |             |                  |
| Retirement  |            |              |             |             |             |             |                  |
| Normal Cost   | 4.10%      | 9.10%        | 5.57%       | 3.80%       | 7.95%       | 7.03%       | 5.82%            |
| Prior Service   | 0.07%      | 4.87%        | 2.33%       | 1.83%       | 1.12%       | 2.95%       | 1.29%            |
| Total Retirement  | 4.17%      | 13.97%       | 7.90%       | 5.63%       | 9.07%       | 9.98%       | 7.11%            |
| Supplemental Death  | 0.00%      | 0.30%        | 0.34%       | 0.42%       | 0.25%       | 0.22%       | 0.45%            |
| Total Rate  | 4.17%      | 14.27%       | 8.24%       | 6.05%       | 9.32%       | 10.20%      | 7.56%            |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |             |             |             |                  |
| Amortization period as of 1/2008  | 25 years   | 25 years     | 25 years    | 25 years    | 25 years    | 25 years    | 25 years         |
| Number of annuitants  | 0          | 104          | 128         | 6           | 30          | 5           | 4                |
| Number of members   | 24         | 364          | 124         | 29          | 145         | 43          | 6                |
| Number of contributing members  | 12         | 282          | 79          | 24          | 90          | 26          | 5                |
| Average age of contributing members   | 41.3 years | 43.3 years   | 43.5 years  | 49.0 years  | 42.8 years  | 39.7 years  | 41.4 years       |
| Average length of service of contributing members   | 6.3 years  | 10.9 years   | 10.7 years  | 13.2 years  | 8.4 years   | 7.0 years   | 6.7 years        |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Cockrell Hill | Coleman     | College Station | Colleyville  | Collinsville | Commesneil | Colorado City |
|--|---------------|-------------|-----------------|--------------|--------------|------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |               |             |                 |              |              |            |               |
| 1. Prior Service Liability   | \$25,693      | \$1,297,858 | \$9,368,209     | \$857,984    | \$15,854     | \$23,316   | \$43,473      |
| a. Present Members   | 20,326        | 676,126     | 6,219,240       | 378,579      | 0            | 0          | 200,432       |
| b. Annuitants  | 918,820       | 4,123,468   | 86,578,598      | 21,060,972   | 176,618      | 24,804     | 2,051,572     |
| 2. Current Service Liability (Present Members)   | \$964,839     | \$6,097,452 | \$102,186,047   | \$22,297,535 | \$192,472    | \$48,120   | \$2,295,477   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 1,582,958     | 4,153,632   | 80,758,249      | 20,045,209   | 196,344      | 26,948     | 2,013,622     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | (\$618,119)   | \$1,943,820 | \$21,407,798    | \$2,252,326  | (\$3,872)    | \$21,172   | \$281,855     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 164.1%        | 68.1%       | 79.0%           | 89.9%        | 102.0%       | 56.0%      | 87.7%         |
| 6. Funded Ratio: (4) / (3)   | \$417,470     | \$2,142,149 | \$23,789,923    | \$4,362,593  | \$0          | \$0        | \$881,585     |
| 7. Current Service Annuity Reserve Fund Allocation*  | 144.7%        | 76.4%       | 83.0%           | 91.6%        | 102.0%       | 56.0%      | 91.1%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |               |             |                 |              |              |            |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |               |             |                 |              |              |            |               |
| Retirement   |               |             |                 |              |              |            |               |
| Normal Cost  | 4.75%         | 9.18%       | 9.28%           | 10.13%       | 3.15%        | 3.98%      | 5.80%         |
| Prior Service  | -3.73%        | 5.42%       | 3.07%           | 1.51%        | -0.08%       | 2.43%      | 1.40%         |
| Total Retirement   | 1.02%         | 14.60%      | 12.35%          | 11.64%       | 3.07%        | 6.41%      | 7.20%         |
| Supplemental Death   | 0.17%         | 0.00%       | 0.00%           | 0.24%        | 0.31%        | 0.11%      | 0.36%         |
| Total Rate   | 1.19%         | 14.60%      | 12.35%          | 11.88%       | 3.38%        | 6.52%      | 7.56%         |
| <b>ADDITIONAL INFORMATION</b>  |               |             |                 |              |              |            |               |
| Amortization period as of 1/2008   | 25 years      | 25 years    | 25 years        | 25 years     | 25 years     | 25 years   | 25 years      |
| Number of annuitants   | 5             | 31          | 162             | 27           | 0            | 0          | 16            |
| Number of members  | 67            | 83          | 1,069           | 257          | 10           | 2          | 84            |
| Number of contributing members   | 30            | 66          | 775             | 169          | 9            | 2          | 49            |
| Average age of contributing members  | 37.4 years    | 45.7 years  | 41.0 years      | 42.9 years   | 45.7 years   | 36.9 years | 44.1 years    |
| Average length of service of contributing members  | 4.7 years     | 12.2 years  | 12.5 years      | 13.1 years   | 6.3 years    | 10.7 years | 8.7 years     |
|  | Columbus      | Comanche    | Commerce        | Conroe       | Converse     | Cooper     | Coppell       |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |               |             |                 |              |              |            |               |
| 1. Prior Service Liability   | \$79,991      | \$48,955    | \$59,887        | \$3,279,437  | \$670,507    | \$179,676  | \$3,881,328   |
| a. Present Members   | 223,282       | 271,995     | 363,007         | 3,503,515    | 416,552      | 81,587     | 2,077,226     |
| b. Annuitants  | 2,146,808     | 1,330,442   | 3,091,207       | 35,024,326   | 6,054,164    | 376,656    | 37,366,266    |
| 2. Current Service Liability (Present Members)   | \$2,450,081   | \$1,651,392 | \$3,514,101     | \$41,807,278 | \$7,141,223  | \$637,919  | \$43,324,820  |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 1,950,670     | 1,324,640   | 2,765,710       | 31,031,520   | 5,622,985    | 477,454    | 37,293,223    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$489,411     | \$326,752   | \$748,391       | \$10,775,758 | \$1,518,238  | \$160,465  | \$6,031,597   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 79.6%         | 80.2%       | 78.7%           | 74.2%        | 74.8%        | 74.8%      | 86.1%         |
| 6. Funded Ratio: (4) / (3)   | \$929,783     | \$651,169   | \$2,564,134     | \$9,880,499  | \$1,571,929  | \$63,774   | \$6,349,184   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 85.2%         | 85.8%       | 87.7%           | 79.2%        | 82.6%        | 77.1%      | 87.9%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |               |             |                 |              |              |            |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |               |             |                 |              |              |            |               |
| Retirement   |               |             |                 |              |              |            |               |
| Normal Cost  | 5.62%         | 3.21%       | 5.12%           | 9.05%        | 7.32%        | 4.28%      | 10.01%        |
| Prior Service  | 2.50%         | 2.50%       | 1.68%           | 3.26%        | 2.25%        | 2.74%      | 1.79%         |
| Total Retirement   | 8.12%         | 5.71%       | 6.80%           | 12.31%       | 9.57%        | 7.02%      | 11.80%        |
| Supplemental Death   | 0.42%         | 0.47%       | 0.32%           | 0.23%        | 0.21%        | 0.33%      | 0.19%         |
| Total Rate   | 8.54%         | 6.18%       | 7.12%           | 12.54%       | 9.78%        | 7.35%      | 11.99%        |
| <b>ADDITIONAL INFORMATION</b>  |               |             |                 |              |              |            |               |
| Amortization period as of 1/2008   | 25 years      | 25 years    | 25 years        | 25 years     | 25 years     | 25 years   | 25 years      |
| Number of annuitants   | 14            | 15          | 30              | 77           | 15           | 2          | 60            |
| Number of members  | 74            | 41          | 133             | 430          | 202          | 16         | 504           |
| Number of contributing members   | 38            | 26          | 81              | 348          | 126          | 13         | 346           |
| Average age of contributing members  | 47.7 years    | 46.7 years  | 41.7 years      | 41.8 years   | 40.3 years   | 48.2 years | 40.5 years    |
| Average length of service of contributing members  | 9.1 years     | 12.9 years  | 9.0 years       | 11.6 years   | 8.5 years    | 11.7 years | 12.0 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Copper Canyon | Copperas Cove | Corinth     | Corpus Christi | Corrigan   | Corsicana    | Cotulla     |
|---|---------------|---------------|-------------|----------------|------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |               |             |                |            |              |             |
| 1. Prior Service Liability  |               |               |             |                |            |              |             |
| a. Present Members  | \$3,374       | \$1,125,427   | \$893,150   | \$14,193,602   | \$212,158  | \$3,247,037  | \$16,488    |
| b. Annuitants   | 0             | 1,959,478     | 426,124     | 57,248,580     | 97,902     | 2,375,151    | 368,487     |
| 2. Current Service Liability (Present Members)  | 40,080        | 15,721,440    | 7,357,287   | 288,648,599    | 450,480    | 17,047,054   | 324,990     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$43,454      | \$18,806,345  | \$8,676,561 | \$360,090,781  | \$760,540  | \$22,669,242 | \$709,965   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 40,635        | 15,430,911    | 6,871,992   | 236,329,255    | 555,976    | 15,594,113   | 565,771     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$2,819       | \$3,375,434   | \$1,804,569 | \$123,761,526  | \$204,564  | \$7,075,129  | \$144,194   |
| 6. Funded Ratio: (4) / (3)  | 93.5%         | 82.1%         | 79.2%       | 65.6%          | 73.1%      | 68.8%        | 79.7%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0           | \$8,738,201   | \$896,912   | \$201,800,829  | \$68,966   | \$7,000,954  | \$474,866   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 93.5%         | 87.7%         | 81.2%       | 78.0%          | 75.3%      | 76.2%        | 87.8%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |               |             |                |            |              |             |
| Retirement  |               |               |             |                |            |              |             |
| Normal Cost   | 14.00%        | 6.94%         | 8.79%       | 8.52%          | 3.22%      | 9.56%        | 2.54%       |
| Prior Service   | 0.37%         | 1.85%         | 1.75%       | 6.28%          | 2.29%      | 5.00%        | 1.94%       |
| Total Retirement  | 14.37%        | 8.79%         | 10.54%      | 14.80%         | 5.51%      | 14.56%       | 4.48%       |
| Supplemental Death  | 0.05%         | 0.27%         | 0.17%       | 0.00%          | 0.26%      | 0.33%        | 0.40%       |
| Total Rate  | 14.42%        | 9.06%         | 10.71%      | 14.80%         | 5.77%      | 14.89%       | 4.88%       |
| <b>ADDITIONAL INFORMATION</b>   |               |               |             |                |            |              |             |
| Amortization period as of 1/2008  | 25 years      | 25 years      | 25 years    | 25 years       | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 0             | 111           | 14          | 1,390          | 6          | 95           | 14          |
| Number of members   | 2             | 401           | 207         | 3,152          | 28         | 273          | 28          |
| Number of contributing members  | 1             | 262           | 145         | 2,536          | 21         | 213          | 19          |
| Average age of contributing members   | 34.0 years    | 41.4 years    | 39.0 years  | 44.7 years     | 44.5 years | 43.7 years   | 42.3 years  |
| Average length of service of contributing members   | 7.6 years     | 11.7 years    | 9.3 years   | 14.1 years     | 10.4 years | 12.1 years   | 6.9 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |               |             |                |            |              |             |
| 1. Prior Service Liability  |               |               |             |                |            |              |             |
| a. Present Members  | \$19,735      | \$9,625       | \$0         | \$98,926       | \$1,033    | \$3,690      | \$538,037   |
| b. Annuitants   | 32,772        | 555,329       | 0           | 303,770        | 144,030    | 60,804       | 161,912     |
| 2. Current Service Liability (Present Members)  | 714,465       | 2,315,067     | 46,788      | 4,350,079      | 435,811    | 293,280      | 4,436,073   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$766,972     | \$2,880,021   | \$46,788    | \$4,752,775    | \$468,842  | \$357,774    | \$5,136,022 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 879,953       | 2,229,730     | 47,347      | 4,095,997      | 452,317    | 340,067      | 4,673,597   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | (\$112,981)   | \$650,291     | (\$559)     | \$656,778      | \$128,557  | \$17,707     | \$462,425   |
| 6. Funded Ratio: (4) / (3)  | 114.7%        | 77.4%         | 101.2%      | 86.2%          | 77.9%      | 95.1%        | 91.0%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$258,594     | \$2,090,976   | \$0         | \$1,286,738    | \$989,888  | \$44,162     | \$298,919   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 111.0%        | 86.9%         | 101.2%      | 89.1%          | 91.8%      | 95.6%        | 91.5%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |               |             |                |            |              |             |
| Retirement  |               |               |             |                |            |              |             |
| Normal Cost   | 6.03%         | 9.80%         | 3.13%       | 7.14%          | 5.04%      | 5.62%        | 6.91%       |
| Prior Service   | -0.81%        | 4.72%         | -0.04%      | 2.07%          | 3.42%      | 0.76%        | 0.87%       |
| Total Retirement  | 5.22%         | 14.52%        | 3.09%       | 9.21%          | 8.46%      | 6.38%        | 7.78%       |
| Supplemental Death  | 0.26%         | 0.37%         | 0.00%       | 0.39%          | 0.54%      | 0.00%        | 0.20%       |
| Total Rate  | 5.48%         | 14.89%        | 3.09%       | 9.60%          | 9.00%      | 6.38%        | 7.98%       |
| <b>ADDITIONAL INFORMATION</b>   |               |               |             |                |            |              |             |
| Amortization period as of 1/2008  | 25 years      | 25 years      | 25 years    | 25 years       | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 5             | 14            | 0           | 20             | 12         | 1            | 10          |
| Number of members   | 48            | 23            | 4           | 89             | 19         | 7            | 123         |
| Number of contributing members  | 26            | 21            | 3           | 65             | 9          | 5            | 83          |
| Average age of contributing members   | 43.2 years    | 45.5 years    | 41.9 years  | 47.7 years     | 43.4 years | 52.5 years   | 41.1 years  |
| Average length of service of contributing members   | 3.4 years     | 11.7 years    | 5.9 years   | 13.2 years     | 5.4 years  | 9.3 years    | 9.2 years   |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Crystal Beach | Crystal City | Cuero       | Dainingerfield | Daisetta     | Dalhart     | Dalworthington Gardens |
|---|---------------|--------------|-------------|----------------|--------------|-------------|------------------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |             |                |              |             |                        |
| 1. Prior Service Liability  | \$0           | \$0          | \$176,892   | \$10,049       | \$0          | \$22,523    | \$1,525,552            |
| a. Present Members  | 57,790        | 10,513       | 838,658     | 47,069         | 0            | 134,985     | 58,907                 |
| b. Annuitants   | 551           | 1,434,537    | 3,747,314   | 872,243        | 59,789       | 3,210,306   | 554,100                |
| 2. Current Service Liability (Present Members)  | \$58,341      | \$1,445,050  | \$4,762,864 | \$929,361      | \$59,789     | \$3,367,814 | \$2,138,559            |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 230,457       | 1,374,243    | 3,580,630   | 888,755        | 68,785       | 2,617,077   | 781,110                |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | (\$172,116)   | \$70,807     | \$1,182,234 | \$40,606       | (\$8,996)    | \$750,737   | \$1,357,449            |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 395.0%        | 95.1%        | 75.2%       | 95.6%          | 115.0%       | 77.7%       | 36.5%                  |
| 6. Funded Ratio: (4) / (3)  | 37,732        | \$1,126,294  | \$1,594,033 | \$391,637      | \$8,820      | \$1,903,123 | \$12,121               |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 279.2%        | 97.2%        | 81.4%       | 96.9%          | 113.1%       | 85.8%       | 36.9%                  |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |             |                |              |             |                        |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |             |                |              |             |                        |
| Retirement  |               |              |             |                |              |             |                        |
| Normal Cost   | 0.00%         | 4.67%        | 4.39%       | 3.75%          | 2.31%        | 4.91%       | 9.03%                  |
| Prior Service   | 0.00%         | 0.37%        | 2.84%       | 0.42%          | -0.24%       | 2.50%       | 7.69%                  |
| Total Retirement  | 0.00%         | 5.04%        | 7.23%       | 4.17%          | 2.07%        | 7.41%       | 16.72%                 |
| Supplemental Death  | 0.00%         | 0.00%        | 0.38%       | 0.00%          | 0.24%        | 0.30%       | 0.20%                  |
| Total Rate  | 0.00%         | 5.04%        | 7.61%       | 4.17%          | 2.31%        | 7.71%       | 16.92%                 |
| <b>ADDITIONAL INFORMATION</b>   |               |              |             |                |              |             |                        |
| Amortization period as of 1/2008  | 25 years      | 25 years     | 25 years    | 25 years       | 25 years     | 25 years    | 25 years               |
| Number of annuitants  | 1             | 13           | 32          | 5              | 1            | 20          | 1                      |
| Number of members   | 1             | 87           | 96          | 27             | 21           | 84          | 39                     |
| Number of contributing members  | 0             | 60           | 80          | 17             | 9            | 57          | 25                     |
| Average age of contributing members   | 0.0 years     | 40.7 years   | 43.3 years  | 44.8 years     | 44.2 years   | 41.6 years  | 39.5 years             |
| Average length of service of contributing members   | 0.0 years     | 5.4 years    | 10.8 years  | 7.2 years      | 2.8 years    | 8.7 years   | 10.6 years             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |             |                |              |             |                        |
| 1. Prior Service Liability  | \$58,545      | \$112,412    | \$7,598     | \$615,879      | \$658,342    | \$41,793    | \$8,387,590            |
| a. Present Members  | 0             | 226,413      | 195,828     | 647,373        | 3,683,080    | 327         | 623,410                |
| b. Annuitants   | 34,294        | 1,750,450    | 165,234     | 4,616,036      | 47,151,214   | 331,817     | 1,273,435              |
| 2. Current Service Liability (Present Members)  | \$92,839      | \$2,089,275  | \$368,660   | \$5,879,288    | \$51,492,636 | \$373,937   | \$10,284,435           |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 66,485        | 1,827,664    | 273,855     | 4,032,701      | 41,400,840   | 369,890     | 1,862,626              |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$26,354      | \$261,611    | \$94,805    | \$1,846,587    | \$10,391,796 | \$4,047     | \$6,421,509            |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 71.6%         | 87.5%        | 74.3%       | 68.6%          | 79.8%        | 98.9%       | 18.1%                  |
| 6. Funded Ratio: (4) / (3)  | \$0           | \$388,303    | \$96,261    | \$1,158,666    | \$26,605,309 | \$17,907    | \$16,486               |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 71.6%         | 89.4%        | 79.6%       | 73.8%          | 86.7%        | 99.0%       | 18.2%                  |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |             |                |              |             |                        |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |             |                |              |             |                        |
| Retirement  |               |              |             |                |              |             |                        |
| Normal Cost   | 3.50%         | 3.88%        | 2.59%       | 9.16%          | 10.73%       | 3.57%       | 3.35%                  |
| Prior Service   | 4.77%         | 0.74%        | 1.58%       | 2.94%          | 4.66%        | 0.06%       | 4.14%                  |
| Total Retirement  | 8.27%         | 4.62%        | 4.17%       | 12.10%         | 15.39%       | 3.63%       | 7.49%                  |
| Supplemental Death  | 0.21%         | 0.30%        | 0.33%       | 0.29%          | 0.27%        | 0.28%       | 0.26%                  |
| Total Rate  | 8.48%         | 4.92%        | 4.50%       | 12.39%         | 15.66%       | 3.91%       | 7.75%                  |
| <b>ADDITIONAL INFORMATION</b>   |               |              |             |                |              |             |                        |
| Amortization period as of 1/2008  | 15 years      | 25 years     | 25 years    | 25 years       | 25 years     | 25 years    | 25 years               |
| Number of annuitants  | 0             | 15           | 5           | 20             | 117          | 1           | 7                      |
| Number of members   | 3             | 110          | 30          | 137            | 300          | 23          | 474                    |
| Number of contributing members  | 2             | 66           | 14          | 89             | 254          | 16          | 433                    |
| Average age of contributing members   | 44.9 years    | 42.5 years   | 43.1 years  | 43.8 years     | 42.4 years   | 44.6 years  | 42.2 years             |
| Average length of service of contributing members   | 3.0 years     | 6.9 years    | 5.0 years   | 11.2 years     | 14.6 years   | 8.0 years   | 10.1 years             |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Dell City   | Denison      | Denton        | Denver City | Deport     | DeSoto       | DeSoto Econ Dev Corp |
|---|-------------|--------------|---------------|-------------|------------|--------------|----------------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |               |             |            |              |                      |
| 1. Prior Service Liability  |             |              |               |             |            |              |                      |
| a. Present Members  | \$55,697    | \$1,372,334  | \$13,114,526  | \$445,471   | \$51,653   | \$4,642,234  | \$25,466             |
| b. Annuitants   | 0           | 2,531,266    | 14,580,650    | 914,563     | 14,196     | 4,582,368    | 47,445               |
| 2. Current Service Liability (Present Members)  | 178,213     | 25,515,176   | 117,614,457   | 3,394,884   | 21,243     | 40,760,091   | 161,903              |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$233,910   | \$29,418,776 | \$145,309,633 | \$4,754,918 | \$87,092   | \$49,984,693 | \$234,714            |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 195,184     | 23,312,485   | 105,951,245   | 3,996,550   | 52,418     | 40,551,377   | 97,761               |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$38,726    | \$6,106,291  | \$39,358,388  | \$758,368   | \$34,674   | \$9,433,316  | \$136,953            |
| 6. Funded Ratio: (4) / (3)  | 83.4%       | 79.2%        | 72.9%         | 84.1%       | 60.2%      | 81.1%        | 41.7%                |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0         | \$8,818,421  | \$44,611,779  | \$746,194   | \$22,313   | \$10,854,657 | \$127,264            |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 83.4%       | 84.0%        | 79.3%         | 86.2%       | 61.2%      | 84.5%        | 62.2%                |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |               |             |            |              |                      |
| Retirement  |             |              |               |             |            |              |                      |
| Normal Cost   |             | 8.82%        | 9.21%         | 7.48%       | 5.00%      | 10.43%       | 7.24%                |
| Prior Service   |             | 2.90%        | 4.07%         | 4.41%       | 10.93%     | 3.11%        | 4.28%                |
| Total Retirement  |             | 10.58%       | 13.28%        | 11.89%      | 15.93%     | 13.54%       | 11.52%               |
| Supplemental Death  |             | 0.42%        | 0.24%         | 0.28%       | 0.44%      | 0.24%        | 0.36%                |
| Total Rate  |             | 11.00%       | 13.52%        | 12.17%      | 16.37%     | 13.78%       | 11.88%               |
| <b>ADDITIONAL INFORMATION</b>   |             |              |               |             |            |              |                      |
| Amortization period as of 1/2008  |             | 25 years     | 25 years      | 25 years    | 15 years   | 25 years     | 25 years             |
| Number of annuitants  | 0           | 77           | 289           | 10          | 1          | 91           | 2                    |
| Number of members   | 3           | 302          | 1,283         | 46          | 3          | 430          | 4                    |
| Number of contributing members  | 3           | 224          | 959           | 31          | 1          | 295          | 3                    |
| Average age of contributing members   | 53.2 years  | 44.8 years   | 42.3 years    | 43.8 years  | 45.0 years | 42.2 years   | 48.9 years           |
| Average length of service of contributing members   | 15.2 years  | 13.2 years   | 11.8 years    | 14.1 years  | 7.8 years  | 13.8 years   | 4.0 years            |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |               |             |            |              |                      |
| 1. Prior Service Liability  |             |              |               |             |            |              |                      |
| a. Present Members  | \$556,855   | \$136,425    | \$369         | \$1,035,078 | \$87,282   | \$35,349     | \$326,469            |
| b. Annuitants   | 176,815     | 555,528      | 0             | 11,169      | 230,359    | 154,851      | 70,507               |
| 2. Current Service Liability (Present Members)  | 281,621     | 2,962,251    | 1,787         | 3,962,870   | 530,353    | 1,432,488    | 1,475,720            |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$1,015,291 | \$3,654,204  | \$2,156       | \$5,009,117 | \$847,994  | \$1,622,688  | \$1,872,696          |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 403,965     | 3,092,629    | 2,089         | 4,337,298   | 673,680    | 1,499,780    | 2,030,682            |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$611,326   | \$561,575    | \$57          | \$671,819   | \$174,314  | \$122,908    | (\$157,966)          |
| 6. Funded Ratio: (4) / (3)  | 39.8%       | 84.6%        | 97.4%         | 86.6%       | 79.4%      | 92.4%        | 108.4%               |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$19,654    | \$1,838,046  | \$0           | \$95,590    | \$202,165  | \$1,623,613  | \$69,682             |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 40.9%       | 89.8%        | 97.4%         | 86.8%       | 83.4%      | 96.2%        | 108.1%               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |               |             |            |              |                      |
| Retirement  |             |              |               |             |            |              |                      |
| Normal Cost   |             | 8.11%        | 3.50%         | 8.72%       | 3.08%      | 7.30%        | 2.53%                |
| Prior Service   |             | 4.10%        | 0.01%         | 1.46%       | 1.75%      | 1.16%        | -0.50%               |
| Total Retirement  |             | 7.41%        | 3.51%         | 10.18%      | 4.83%      | 8.46%        | 2.03%                |
| Supplemental Death  |             | 0.22%        | 0.07%         | 0.23%       | 0.27%      | 0.00%        | 0.23%                |
| Total Rate  |             | 7.63%        | 3.58%         | 10.41%      | 5.10%      | 8.46%        | 2.26%                |
| <b>ADDITIONAL INFORMATION</b>   |             |              |               |             |            |              |                      |
| Amortization period as of 1/2008  |             | 25 years     | 25 years      | 25 years    | 25 years   | 25 years     | 25 years             |
| Number of annuitants  | 3           | 14           | 0             | 3           | 9          | 14           | 9                    |
| Number of members   | 52          | 70           | 2             | 119         | 41         | 32           | 118                  |
| Number of contributing members  | 37          | 49           | 2             | 79          | 23         | 27           | 69                   |
| Average age of contributing members   | 43.2 years  | 40.8 years   | 32.8 years    | 42.7 years  | 40.8 years | 46.7 years   | 39.8 years           |
| Average length of service of contributing members   | 10.0 years  | 10.2 years   | 0.8 years     | 9.1 years   | 10.1 years | 10.4 years   | 7.1 years            |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Double Oak  | Dripping Springs | Dublin      | Dumas       | Duncanville  | Eagle Lake  | Eagle Pass   |
|---|-------------|------------------|-------------|-------------|--------------|-------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |                  |             |             |              |             |              |
| 1. Prior Service Liability  |             | \$24,603         | \$67,498    | \$31,544    | \$1,458,253  | \$119,355   | \$512,418    |
| a. Present Members  | 12,633      | 0                | 51,574      | 1,414,885   | 5,833,892    | 2,247,211   | 2,247,211    |
| b. Annuitants   | 90,569      | 29,767           | 931,266     | 5,555,003   | 47,721,615   | 1,446,128   | 23,175,807   |
| 2. Current Service Liability (Present Members)  | \$103,438   | \$54,370         | \$1,050,338 | \$7,001,432 | \$55,013,780 | \$1,816,749 | \$25,935,436 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 99,308      | 33,125           | 1,030,076   | 5,585,328   | 43,797,930   | 1,754,867   | 22,961,107   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$4,130     | \$21,245         | \$20,262    | \$1,416,104 | \$11,215,830 | \$61,882    | \$2,974,329  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 96.0%       | 60.9%            | 98.1%       | 79.8%       | 79.6%        | 96.6%       | 88.5%        |
| 6. Funded Ratio: (4) / (3)  | \$2,610     | \$0              | \$124,024   | \$4,001,498 | \$26,877,285 | \$263,495   | \$10,350,006 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 96.1%       | 60.9%            | 98.3%       | 87.1%       | 86.3%        | 97.0%       | 91.8%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |                  |             |             |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |                  |             |             |              |             |              |
| Retirement  |             |                  |             |             |              |             |              |
| Normal Cost   | 2.25%       | 2.74%            | 3.03%       | 4.83%       | 10.31%       | 6.99%       | 6.99%        |
| Prior Service   | 0.07%       | 0.59%            | 0.20%       | 2.18%       | 4.46%        | 0.44%       | 1.49%        |
| Total Retirement  | 2.32%       | 3.33%            | 3.23%       | 7.01%       | 14.77%       | 7.43%       | 8.48%        |
| Supplemental Death  | 0.16%       | 0.10%            | 0.27%       | 0.30%       | 0.00%        | 0.36%       | 0.30%        |
| Total Rate  | 2.48%       | 3.43%            | 3.50%       | 7.31%       | 14.77%       | 7.79%       | 8.78%        |
| <b>ADDITIONAL INFORMATION</b>   |             |                  |             |             |              |             |              |
| Amortization period as of 1/2008  | 25 years    | 25 years         | 25 years    | 25 years    | 25 years     | 25 years    | 25 years     |
| Number of annuitants  | 1           | 0                | 5           | 43          | 102          | 5           | 92           |
| Number of members   | 15          | 5                | 64          | 140         | 318          | 45          | 415          |
| Number of contributing members  | 9           | 5                | 24          | 100         | 236          | 28          | 364          |
| Average age of contributing members   | 38.1 years  | 36.2 years       | 42.5 years  | 41.1 years  | 43.0 years   | 44.4 years  | 41.5 years   |
| Average length of service of contributing members   | 2.6 years   | 4.8 years        | 9.6 years   | 8.9 years   | 14.6 years   | 8.7 years   | 11.5 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |                  |             |             |              |             |              |
| 1. Prior Service Liability  |             | \$17,213         | \$9,543     | \$175,765   | \$140,887    | \$1,564     | \$3,124      |
| a. Present Members  | 40,709      | 64,545           | 0           | 0           | 74,575       | 3,973       | 70,398       |
| b. Annuitants   | 1,017,992   | 25,461           | 32,597      | 228,912     | 991,800      | 24,870      | 607,321      |
| 2. Current Service Liability (Present Members)  | \$1,255,296 | \$107,219        | \$42,140    | \$404,677   | \$1,207,262  | \$30,407    | \$680,843    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,117,360   | 55,177           | 35,024      | 276,087     | 1,126,891    | 34,143      | 594,832      |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$137,936   | \$52,042         | \$7,116     | \$128,590   | \$60,371     | (\$3,736)   | \$86,011     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 89.0%       | 51.5%            | 83.1%       | 68.2%       | 93.3%        | 112.3%      | 87.4%        |
| 6. Funded Ratio: (4) / (3)  | \$217,145   | \$11,326         | \$0         | \$0         | \$360,461    | \$21,845    | \$188,893    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 90.6%       | 56.1%            | 83.1%       | 68.2%       | 94.9%        | 107.1%      | 90.1%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |                  |             |             |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |                  |             |             |              |             |              |
| Retirement  |             |                  |             |             |              |             |              |
| Normal Cost   | 5.20%       | 2.08%            | 10.66%      | 11.14%      | 5.44%        | 3.10%       | 3.54%        |
| Prior Service   | 1.13%       | 2.38%            | 0.53%       | 4.91%       | 0.55%        | -0.34%      | 0.96%        |
| Total Retirement  | 6.33%       | 4.46%            | 11.19%      | 16.05%      | 5.99%        | 2.76%       | 4.50%        |
| Supplemental Death  | 0.33%       | 0.31%            | 0.17%       | 0.52%       | 0.00%        | 0.43%       | 0.39%        |
| Total Rate  | 6.66%       | 4.77%            | 11.36%      | 16.57%      | 5.99%        | 3.19%       | 4.89%        |
| <b>ADDITIONAL INFORMATION</b>   |             |                  |             |             |              |             |              |
| Amortization period as of 1/2008  | 25 years    | 25 years         | 25 years    | 25 years    | 25 years     | 5 years     | 25 years     |
| Number of annuitants  | 5           | 1                | 0           | 0           | 7            | 1           | 6            |
| Number of members   | 28          | 9                | 5           | 7           | 52           | 2           | 22           |
| Number of contributing members  | 24          | 7                | 3           | 5           | 32           | 2           | 19           |
| Average age of contributing members   | 44.9 years  | 42.6 years       | 44.4 years  | 57.4 years  | 44.2 years   | 53.7 years  | 50.2 years   |
| Average length of service of contributing members   | 11.4 years  | 2.0 years        | 16.6 years  | 11.4 years  | 9.0 years    | 4.7 years   | 9.1 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Edgewood   | Edinburg     | Edna         | El Campo     | Eldorado   | Electra     | Elgin       |
|---|------------|--------------|--------------|--------------|------------|-------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |              |              |            |             |             |
| 1. Prior Service Liability  |            |              |              |              |            |             |             |
| a. Present Members  | \$20,660   | \$5,396,708  | \$47,611     | \$285,571    | \$9,368    | \$267,456   | \$169,153   |
| b. Annuitants   | 70,767     | 3,966,439    | 335,947      | 1,010,210    | 88,658     | 266,564     | 84,810      |
| 2. Current Service Liability (Present Members)  | 67,674     | 26,076,252   | 2,205,354    | 11,467,085   | 750,161    | 817,420     | 2,504,849   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$159,101  | \$35,439,399 | \$2,588,912  | \$12,762,866 | \$848,187  | \$1,351,440 | \$2,758,812 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 79,028     | 26,043,441   | 1,989,690    | 10,173,047   | 798,615    | 908,665     | 2,483,916   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$80,073   | \$9,395,958  | \$599,222    | \$2,569,819  | \$49,572   | \$442,775   | \$274,896   |
| 6. Funded Ratio: (4) / (3)  | 49.7%      | 73.5%        | 76.9%        | 79.7%        | 94.2%      | 67.2%       | 90.0%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$37,235   | \$9,128,050  | \$1,060,838  | \$2,841,032  | \$226,740  | \$130,367   | \$211,443   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 59.2%      | 78.9%        | 83.6%        | 83.4%        | 95.4%      | 70.1%       | 90.7%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |              |              |            |             |             |
| Retirement  |            |              |              |              |            |             |             |
| Normal Cost   | 2.80%      | 7.34%        | 4.57%        | 5.66%        | 3.21%      | 3.22%       | 5.28%       |
| Prior Service   | 2.40%      | 3.11%        | 2.37%        | 4.24%        | 0.75%      | 3.04%       | 0.78%       |
| Total Retirement  | 5.20%      | 10.45%       | 6.94%        | 9.90%        | 3.96%      | 6.26%       | 6.06%       |
| Supplemental Death  | 0.42%      | 0.22%        | 0.29%        | 0.38%        | 0.42%      | 0.43%       | 0.24%       |
| Total Rate  | 5.62%      | 10.67%       | 7.23%        | 10.28%       | 4.38%      | 6.69%       | 6.30%       |
| <b>ADDITIONAL INFORMATION</b>   |            |              |              |              |            |             |             |
| Amortization period as of 1/2008  | 25 years   | 25 years     | 25 years     | 25 years     | 25 years   | 25 years    | 25 years    |
| Number of annuitants  | 5          | 98           | 17           | 37           | 5          | 8           | 5           |
| Number of members   | 12         | 728          | 58           | 129          | 19         | 68          | 98          |
| Number of contributing members  | 8          | 547          | 40           | 95           | 15         | 33          | 61          |
| Average age of contributing members   | 46.3 years | 39.2 years   | 41.4 years   | 44.4 years   | 43.6 years | 46.3 years  | 42.9 years  |
| Average length of service of contributing members   | 3.8 years  | 9.9 years    | 10.5 years   | 15.2 years   | 11.6 years | 9.3 years   | 6.8 years   |
|   | Elkhart    | Emory        | Emmis        | Eulless      | Eustace    | Everman     | Fair Oaks   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |              |              |            |             |             |
| 1. Prior Service Liability  |            |              |              |              |            |             |             |
| a. Present Members  | \$89,241   | \$30,324     | \$2,741,260  | \$2,484,203  | \$0        | \$358,673   | \$119,825   |
| b. Annuitants   | 29,891     | 10,256       | 1,114,897    | 7,341,336    | 0          | 270,727     | 6,594       |
| 2. Current Service Liability (Present Members)  | 250,532    | 281,056      | 23,134,069   | 66,925,631   | 166,557    | 1,756,344   | 1,079,358   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$369,664  | \$321,636    | \$26,990,226 | \$76,751,170 | \$166,557  | \$2,385,744 | \$1,205,777 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 263,795    | 376,591      | 22,468,504   | 61,871,370   | 171,385    | 2,204,459   | 1,051,784   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$105,869  | (\$94,965)   | \$4,521,722  | \$14,879,800 | (\$4,828)  | \$181,585   | \$153,993   |
| 6. Funded Ratio: (4) / (3)  | 71.4%      | 117.1%       | 83.2%        | 80.6%        | 102.9%     | 92.4%       | 87.2%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$345      | \$5,854      | \$5,026,583  | \$23,602,381 | \$140,515  | \$230,229   | \$104,437   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 71.4%      | 116.8%       | 85.9%        | 85.2%        | 101.6%     | 93.1%       | 88.2%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |              |              |            |             |             |
| Retirement  |            |              |              |              |            |             |             |
| Normal Cost   | 3.51%      | 6.22%        | 10.30%       | 10.47%       | 4.02%      | 5.84%       | 8.01%       |
| Prior Service   | 3.81%      | -0.70%       | 3.16%        | 3.79%        | -0.14%     | 0.88%       | 0.76%       |
| Total Retirement  | 7.32%      | 5.52%        | 13.46%       | 14.26%       | 3.88%      | 6.72%       | 8.77%       |
| Supplemental Death  | 0.00%      | 0.34%        | 0.33%        | 0.25%        | 0.32%      | 0.28%       | 0.23%       |
| Total Rate  | 7.32%      | 5.86%        | 13.79%       | 14.51%       | 4.20%      | 7.00%       | 9.00%       |
| <b>ADDITIONAL INFORMATION</b>   |            |              |              |              |            |             |             |
| Amortization period as of 1/2008  | 25 years   | 25 years     | 25 years     | 25 years     | 25 years   | 25 years    | 25 years    |
| Number of annuitants  | 1          | 1            | 64           | 112          | 4          | 10          | 2           |
| Number of members   | 10         | 19           | 207          | 498          | 16         | 81          | 45          |
| Number of contributing members  | 6          | 13           | 168          | 365          | 8          | 40          | 30          |
| Average age of contributing members   | 51.0 years | 46.0 years   | 45.0 years   | 42.4 years   | 44.8 years | 44.2 years  | 41.9 years  |
| Average length of service of contributing members   | 10.4 years | 7.5 years    | 15.0 years   | 13.6 years   | 5.5 years  | 10.0 years  | 4.9 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Fairfield   | Fairview   | Falfurrias | Falfurrias Utility Board | Falls City  | Farmers Branch | Farmersville* |
|---|-------------|------------|------------|--------------------------|-------------|----------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |            |            |                          |             |                |               |
| 1. Prior Service Liability  | \$21,988    | \$94,126   | \$143,659  | \$53,573                 | \$498       | \$2,340,954    | \$547,655     |
| a. Present Members  | 217,714     | 15,013     | 99,974     | 272,638                  | 51,735      | 12,374,552     | 142,277       |
| b. Annuitants   | 2,030,155   | 634,907    | 438,370    | 343,913                  | 50,859      | 93,279,457     | 1,982,002     |
| 2. Current Service Liability (Present Members)  | \$2,289,857 | \$744,046  | \$682,003  | \$670,124                | \$103,092   | \$707,994,963  | \$2,671,934   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,167,917   | 608,829    | 533,206    | 348,834                  | 41,669      | 84,115,347     | 2,058,093     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$101,940   | \$135,217  | \$148,797  | \$321,290                | \$61,423    | \$23,879,616   | \$613,841     |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 95.5%       | 81.8%      | 78.2%      | 52.1%                    | 40.4%       | 77.0%          | 77.0%         |
| 6. Funded Ratio: (4) / (3)  | \$1,142,728 | \$79,289   | \$42,903   | \$52,011                 | \$5,556     | \$46,555,242   | \$372,770     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 97.0%       | 83.6%      | 79.5%      | 55.5%                    | 43.5%       | 84.5%          | 79.8%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |            |            |                          |             |                |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |            |            |                          |             |                |               |
| Retirement  |             |            |            |                          |             |                |               |
| Normal Cost   | 6.59%       | 6.87%      | 3.51%      | 3.74%                    | 3.46%       | 10.24%         | 7.56%         |
| Prior Service   | 0.48%       | 0.70%      | 1.55%      | 6.39%                    | 4.44%       | 5.00%          | 3.92%         |
| Total Retirement  | 7.07%       | 7.57%      | 5.06%      | 10.13%                   | 7.90%       | 15.24%         | 11.50%        |
| Supplemental Death  | 0.36%       | 0.32%      | 0.34%      | 0.39%                    | 0.39%       | 0.26%          | 0.36%         |
| Total Rate  | 7.43%       | 7.89%      | 5.40%      | 10.56%                   | 8.29%       | 15.50%         | 11.86%        |
| <b>ADDITIONAL INFORMATION</b>   |             |            |            |                          |             |                |               |
| Amortization period as of 1/2008  | 25 years    | 25 years   | 25 years   | 25 years                 | 25 years    | 25 years       | 25 years      |
| Number of annuitants  | 9           | 2          | 4          | 5                        | 1           | 168            | 7             |
| Number of members   | 52          | 44         | 28         | 16                       | 5           | 559            | 33            |
| Number of contributing members  | 34          | 26         | 22         | 11                       | 4           | 400            | 22            |
| Average age of contributing members   | 47.8 years  | 45.6 years | 47.0 years | 47.1 years               | 50.7 years  | 42.7 years     | 50.3 years    |
| Average length of service of contributing members   | 8.8 years   | 8.2 years  | 12.4 years | 9.8 years                | 5.0 years   | 13.8 years     | 14.1 years    |
|   |             |            |            |                          |             |                |               |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |            |            |                          |             |                |               |
| 1. Prior Service Liability  | \$35,018    | \$115,595  | \$0        | \$156,025                | \$289,357   | \$21,063       | \$414,047     |
| a. Present Members  | 155,747     | 0          | 10,754     | 149,825                  | 157,657     | 0              | 50,612        |
| b. Annuitants   | 246,168     | 78,248     | 10,396     | 1,315,388                | 1,064,183   | 58,602         | 1,956,453     |
| 2. Current Service Liability (Present Members)  | \$436,933   | \$193,843  | \$21,150   | \$1,621,218              | \$1,511,197 | \$79,665       | \$2,421,112   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 281,874     | 96,372     | 24,365     | 1,363,671                | 1,091,354   | 65,043         | 1,819,128     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$155,059   | \$97,471   | (\$3,215)  | \$257,547                | \$419,843   | \$14,622       | \$601,364     |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 64.5%       | 49.7%      | 115.2%     | 84.1%                    | 72.2%       | 81.6%          | 75.1%         |
| 6. Funded Ratio: (4) / (3)  | \$271,174   | \$0        | \$30,554   | \$320,854                | \$329,606   | \$0            | \$550,294     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 78.1%       | 49.7%      | 106.2%     | 86.7%                    | 77.2%       | 81.6%          | 79.7%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |            |            |                          |             |                |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |            |            |                          |             |                |               |
| Retirement  |             |            |            |                          |             |                |               |
| Normal Cost   | 7.92%       | 5.87%      | 5.00%      | 4.39%                    | 10.20%      | 2.68%          | 5.52%         |
| Prior Service   | 7.35%       | 2.01%      | -0.47%     | 1.66%                    | 4.70%       | 0.41%          | 2.41%         |
| Total Retirement  | 15.27%      | 7.88%      | 4.53%      | 6.05%                    | 14.90%      | 3.09%          | 7.93%         |
| Supplemental Death  | 0.71%       | 0.20%      | 0.00%      | 0.40%                    | 0.26%       | 0.27%          | 0.00%         |
| Total Rate  | 15.98%      | 8.08%      | 4.53%      | 6.45%                    | 15.16%      | 3.36%          | 7.93%         |
| <b>ADDITIONAL INFORMATION</b>   |             |            |            |                          |             |                |               |
| Amortization period as of 1/2008  | 25 years    | 25 years   | 19 years   | 25 years                 | 25 years    | 25 years       | 25 years      |
| Number of annuitants  | 2           | 0          | 1          | 8                        | 7           | 0              | 10            |
| Number of members   | 7           | 11         | 1          | 57                       | 17          | 15             | 68            |
| Number of contributing members  | 6           | 9          | 1          | 28                       | 15          | 9              | 52            |
| Average age of contributing members   | 44.4 years  | 43.0 years | 41.0 years | 48.3 years               | 43.4 years  | 43.1 years     | 44.8 years    |
| Average length of service of contributing members   | 10.1 years  | 6.3 years  | 3.2 years  | 9.7 years                | 12.0 years  | 4.3 years      | 9.0 years     |

\* See Note on page 170.





# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Frost      | Gainesville  | Galena Park | Ganado       | Garden Ridge | Garland       | Garrison    |
|---|------------|--------------|-------------|--------------|--------------|---------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |              |              |               |             |
| 1. Prior Service Liability  | \$64,711   | \$780,556    | \$422,287   | \$16,451     | \$21,121     | \$21,968,362  | \$36,765    |
| a. Present Members  | 0          | 2,239,437    | 1,197,573   | 34,509       | 0            | 60,673,648    | 59,898      |
| b. Annuitants   | 115,411    | 13,581,111   | 5,611,070   | 1,253,985    | 440,385      | 354,714,759   | 764,073     |
| 2. Current Service Liability (Present Members)  | \$180,122  | \$16,581,104 | \$7,230,930 | \$1,304,945  | \$481,506    | \$437,356,769 | \$860,736   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 142,394    | 11,604,399   | 5,330,613   | 1,307,844    | 436,445      | 324,018,467   | 720,585     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$37,728   | \$4,976,705  | \$1,900,317 | (\$2,899)    | \$25,061     | \$113,338,302 | \$140,151   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 79.1%      | 70.0%        | 73.7%       | 100.2%       | 94.6%        | 74.1%         | 83.7%       |
| 6. Funded Ratio: (4) / (3)  | \$0        | \$7,097,480  | \$3,851,311 | \$183,102    | \$26,813     | \$176,066,614 | \$18,591    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 79.1%      | 79.0%        | 82.9%       | 100.2%       | 94.9%        | 81.5%         | 84.1%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |              |             |              |              |               |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |              |              |               |             |
| Retirement  |            |              |             |              |              |               |             |
| Normal Cost   | 3.35%      | 4.62%        | 7.91%       | 9.04%        | 3.06%        | 10.29%        | 8.45%       |
| Prior Service   | 1.59%      | 2.77%        | 4.95%       | -0.06%       | 0.19%        | 5.12%         | 3.24%       |
| Total Retirement  | 4.94%      | 7.39%        | 12.86%      | 8.98%        | 3.25%        | 15.41%        | 11.69%      |
| Supplemental Death  | 0.00%      | 0.30%        | 0.38%       | 0.42%        | 0.18%        | 0.26%         | 0.44%       |
| Total Rate  | 4.94%      | 7.69%        | 13.24%      | 9.40%        | 3.43%        | 15.67%        | 12.13%      |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |              |              |               |             |
| Amortization period as of 1/2008  | 25 years   | 25 years     | 25 years    | 25 years     | 25 years     | 25 years      | 25 years    |
| Number of annuitants  | 0          | 84           | 39          | 4            | 1            | 794           | 2           |
| Number of members   | 6          | 291          | 109         | 17           | 38           | 2,408         | 11          |
| Number of contributing members  | 5          | 219          | 69          | 10           | 21           | 1,999         | 8           |
| Average age of contributing members   | 48.1 years | 42.1 years   | 41.7 years  | 48.1 years   | 41.6 years   | 42.9 years    | 48.8 years  |
| Average length of service of contributing members   | 11.2 years | 11.7 years   | 10.2 years  | 10.8 years   | 7.6 years    | 13.2 years    | 9.9 years   |
|   |            |              |             |              |              |               |             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |              |              |               |             |
| 1. Prior Service Liability  | \$37,566   | \$367,414    | \$347,336   | \$5,771,669  | \$632,722    | \$426,292     | \$58,871    |
| a. Present Members  | 20,127     | 837,450      | 49,079      | 957,054      | 277,791      | 755,622       | 239,526     |
| b. Annuitants   | 107,616    | 4,601,092    | 50,508      | 29,325,685   | 4,203,625    | 2,294,952     | 2,134,061   |
| 2. Current Service Liability (Present Members)  | \$165,309  | \$5,805,956  | \$446,923   | \$36,054,408 | \$5,114,138  | \$3,476,866   | \$2,432,458 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 139,578    | 4,319,322    | 69,391      | 27,478,717   | 4,128,978    | 2,562,895     | 2,439,611   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$25,731   | \$1,486,634  | \$377,532   | \$8,575,691  | \$985,160    | \$913,971     | (\$7,153)   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 84.4%      | 74.4%        | 15.5%       | 76.2%        | 80.7%        | 73.7%         | 100.3%      |
| 6. Funded Ratio: (4) / (3)  | \$54,473   | \$1,898,625  | \$303       | \$4,477,258  | \$743,147    | \$507,335     | \$971,059   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 88.3%      | 80.7%        | 15.6%       | 78.8%        | 83.2%        | 77.1%         | 100.2%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |              |             |              |              |               |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |              |              |               |             |
| Retirement  |            |              |             |              |              |               |             |
| Normal Cost   | 3.25%      | 9.04%        | 3.49%       | 8.50%        | 6.76%        | 8.39%         | 2.68%       |
| Prior Service   | 1.37%      | 3.93%        | 3.90%       | 2.60%        | 2.80%        | 3.80%         | -0.03%      |
| Total Retirement  | 4.62%      | 12.97%       | 7.39%       | 11.10%       | 9.56%        | 12.19%        | 2.65%       |
| Supplemental Death  | 0.00%      | 0.34%        | 0.19%       | 0.20%        | 0.30%        | 0.33%         | 0.26%       |
| Total Rate  | 4.62%      | 13.31%       | 7.58%       | 11.30%       | 9.86%        | 12.52%        | 2.91%       |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |              |              |               |             |
| Amortization period as of 1/2008  | 25 years   | 25 years     | 25 years    | 25 years     | 25 years     | 25 years      | 25 years    |
| Number of annuitants  | 2          | 25           | 1           | 51           | 13           | 13            | 23          |
| Number of members   | 5          | 82           | 30          | 524          | 78           | 78            | 87          |
| Number of contributing members  | 3          | 65           | 25          | 385          | 66           | 48            | 46          |
| Average age of contributing members   | 38.7 years | 44.9 years   | 41.6 years  | 41.4 years   | 43.6 years   | 44.7 years    | 38.9 years  |
| Average length of service of contributing members   | 12.0 years | 11.6 years   | 10.8 years  | 9.1 years    | 12.2 years   | 12.7 years    | 9.2 years   |

\* See Note on page 170.







# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Hallettsville | Hallsville   | Haltom City  | Hamilton    | Hamlin      | Happy      | Harker Heights |
|---|---------------|--------------|--------------|-------------|-------------|------------|----------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |              |             |             |            |                |
| 1. Prior Service Liability  | \$72,067      | \$316,805    | \$1,760,693  | \$35,238    | \$8,749     | \$64,204   | \$2,503,868    |
| a. Present Members  | 315,968       | 11,925       | 4,733,288    | 468,485     | 332,566     | 95,561     | 469,915        |
| b. Annuitants   | 2,240,631     | 22,704       | 34,451,176   | 910,739     | 1,124,016   | 222,755    | 8,499,675      |
| 2. Current Service Liability (Present Members)  | \$2,628,666   | \$351,434    | \$40,945,157 | \$1,414,462 | \$1,465,331 | \$382,520  | \$11,473,458   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,265,997     | 42,031       | 28,525,890   | 987,963     | 1,329,166   | 326,798    | 8,479,946      |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$362,669     | \$309,403    | \$12,419,267 | \$426,499   | \$136,165   | \$55,722   | \$2,993,512    |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 86.2%         | 12.0%        | 69.7%        | 69.8%       | 90.7%       | 85.4%      | 73.9%          |
| 6. Funded Ratio: (4) / (3)  | \$686,262     | \$1,272      | \$17,662,924 | \$743,055   | \$1,108,734 | \$82,964   | \$1,058,578    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 89.1%         | 12.3%        | 78.8%        | 80.2%       | 94.7%       | 88.0%      | 76.1%          |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |              |             |             |            |                |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |              |             |             |            |                |
| Retirement  |               |              |              |             |             |            |                |
| Normal Cost   | 5.66%         | 3.21%        | 9.20%        | 7.88%       | 7.47%       | 5.99%      | 8.52%          |
| Prior Service   | 2.15%         | 6.91%        | 4.83%        | 5.11%       | 2.46%       | 4.76%      | 2.90%          |
| Total Retirement  | 7.81%         | 10.12%       | 14.03%       | 12.99%      | 9.93%       | 10.75%     | 11.42%         |
| Supplemental Death  | 0.35%         | 0.30%        | 0.22%        | 0.69%       | 0.65%       | 0.55%      | 0.23%          |
| Total Rate  | 8.16%         | 10.42%       | 14.25%       | 13.68%      | 10.58%      | 11.30%     | 11.65%         |
| <b>ADDITIONAL INFORMATION</b>   |               |              |              |             |             |            |                |
| Amortization period as of 1/2008  | 25 years      | 25 years     | 25 years     | 25 years    | 25 years    | 25 years   | 25 years       |
| Number of annuitants  | 11            | 1            | 99           | 17          | 12          | 2          | 22             |
| Number of members   | 51            | 11           | 431          | 29          | 22          | 4          | 215            |
| Number of contributing members  | 34            | 10           | 281          | 15          | 13          | 3          | 148            |
| Average age of contributing members   | 44.5 years    | 43.8 years   | 40.8 years   | 48.8 years  | 46.4 years  | 45.9 years | 40.6 years     |
| Average length of service of contributing members   | 13.3 years    | 12.6 years   | 11.3 years   | 9.8 years   | 8.8 years   | 12.5 years | 12.5 years     |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |              |             |             |            |                |
| 1. Prior Service Liability  | \$2,775,095   | \$592,713    | \$17,130     | \$4,858     | \$277,180   | \$15,799   | \$20,687       |
| a. Present Members  | 8,170,933     | 2,063,966    | 60,092       | 63,192      | 0           | 39,770     | 0              |
| b. Annuitants   | 36,861,877    | 9,501,730    | 41,119       | 694,845     | 410,296     | 612,053    | 34,841         |
| 2. Current Service Liability (Present Members)  | \$47,807,905  | \$12,158,409 | \$118,341    | \$762,895   | \$687,476   | \$667,622  | \$55,528       |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 34,800,176    | 9,527,196    | 41,639       | 781,815     | 481,164     | 651,624    | 41,238         |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$13,007,729  | \$2,631,213  | \$76,702     | (\$18,920)  | \$206,312   | \$15,998   | \$4,290        |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 72.8%         | 78.4%        | 35.2%        | 102.5%      | 70.0%       | 97.6%      | 74.3%          |
| 6. Funded Ratio: (4) / (3)  | \$20,313,101  | \$5,432,598  | \$615        | \$315,165   | \$0         | \$130,820  | \$0            |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 80.9%         | 85.0%        | 35.5%        | 101.8%      | 70.0%       | 98.0%      | 74.3%          |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |              |             |             |            |                |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |              |             |             |            |                |
| Retirement  |               |              |              |             |             |            |                |
| Normal Cost   | 8.96%         | 5.19%        | 3.19%        | 3.25%       | 8.47%       | 6.45%      | 11.22%         |
| Prior Service   | 4.54%         | 3.55%        | 3.29%        | -0.24%      | 3.37%       | 0.36%      | 16.56%         |
| Total Retirement  | 13.50%        | 8.74%        | 6.48%        | 3.01%       | 11.84%      | 6.81%      | 27.80%         |
| Supplemental Death  | 0.29%         | 0.33%        | 0.00%        | 0.27%       | 0.15%       | 0.51%      | 0.45%          |
| Total Rate  | 13.79%        | 9.07%        | 6.48%        | 3.28%       | 11.99%      | 7.32%      | 28.25%         |
| <b>ADDITIONAL INFORMATION</b>   |               |              |              |             |             |            |                |
| Amortization period as of 1/2008  | 25 years      | 25 years     | 25 years     | 25 years    | 25 years    | 25 years   | 2 years        |
| Number of annuitants  | 202           | 57           | 1            | 8           | 0           | 6          | 0              |
| Number of members   | 594           | 188          | 6            | 21          | 18          | 17         | 2              |
| Number of contributing members  | 468           | 130          | 5            | 17          | 13          | 11         | 2              |
| Average age of contributing members   | 41.8 years    | 45.5 years   | 43.7 years   | 40.4 years  | 39.1 years  | 49.5 years | 57.6 years     |
| Average length of service of contributing members   | 11.0 years    | 11.2 years   | 5.6 years    | 10.3 years  | 7.7 years   | 14.2 years | 7.5 years      |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Hearne      | Heath       | Hedley      | Hedwig Village | Helotes     | Hemphill   | Hempstead   |
|---|-------------|-------------|-------------|----------------|-------------|------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |             |                |             |            |             |
| 1. Prior Service Liability  |             |             |             |                |             |            |             |
| a. Present Members  | \$264,974   | \$497,086   | \$8,566     | \$573,099      | \$215,168   | \$13,494   | \$41,148    |
| b. Annuitants   | 1,067,716   | 147,507     | 3,048       | 169,528        | 14,650      | 30,585     | 665,985     |
| 2. Current Service Liability (Present Members)  | 1,637,537   | 1,655,660   | 66,716      | 1,343,814      | 1,011,343   | 903,969    | 2,778,345   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$2,970,227 | \$2,300,253 | \$78,330    | \$2,086,441    | \$1,241,161 | \$948,048  | \$3,485,478 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 2,219,418   | 1,699,979   | 59,865      | 1,479,039      | 963,132     | 934,267    | 2,117,954   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$750,809   | \$600,274   | \$18,465    | \$607,402      | \$278,029   | \$13,781   | \$1,367,524 |
| 6. Funded Ratio: (4) / (3)  | 74.7%       | 73.9%       | 76.4%       | 70.9%          | 77.6%       | 98.5%      | 60.8%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$709,377   | \$271,837   | \$25,573    | \$37,410       | \$174,138   | \$183,370  | \$3,285,505 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 79.6%       | 76.7%       | 82.2%       | 71.4%          | 80.4%       | 98.8%      | 79.8%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |             |                |             |            |             |
| Retirement  |             |             |             |                |             |            |             |
| Normal Cost   | 4.25%       | 10.21%      | 6.39%       | 7.32%          | 8.22%       | 3.55%      | 6.30%       |
| Prior Service   | 3.24%       | 1.92%       | 2.63%       | 2.67%          | 1.47%       | 0.12%      | 4.96%       |
| Total Retirement  | 7.49%       | 12.13%      | 9.02%       | 9.99%          | 9.69%       | 3.67%      | 11.26%      |
| Supplemental Death  | 0.35%       | 0.23%       | 0.62%       | 0.28%          | 0.19%       | 0.32%      | 0.26%       |
| Total Rate  | 7.84%       | 12.36%      | 9.64%       | 10.27%         | 9.88%       | 3.99%      | 11.52%      |
| <b>ADDITIONAL INFORMATION</b>   |             |             |             |                |             |            |             |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years    | 25 years       | 25 years    | 25 years   | 25 years    |
| Number of annuitants  | 20          | 4           | 1           | 1              | 4           | 3          | 22          |
| Number of members   | 87          | 50          | 3           | 34             | 38          | 27         | 69          |
| Number of contributing members  | 50          | 33          | 3           | 29             | 31          | 21         | 46          |
| Average age of contributing members   | 41.4 years  | 42.4 years  | 52.3 years  | 46.4 years     | 40.8 years  | 46.7 years | 41.3 years  |
| Average length of service of contributing members   | 5.7 years   | 12.6 years  | 10.8 years  | 10.6 years     | 12.2 years  | 11.2 years | 11.4 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |             |                |             |            |             |
| 1. Prior Service Liability  |             |             |             |                |             |            |             |
| a. Present Members  | \$454,422   | \$323,545   | \$1,449,248 | \$652,766      | \$0         | \$90,852   | \$1,045,419 |
| b. Annuitants   | 897,636     | 133,383     | 2,291,360   | 432,764        | 16,327      | 86,617     | 24,401      |
| 2. Current Service Liability (Present Members)  | 8,226,625   | 634,684     | 5,586,155   | 4,508,194      | 346,207     | 387,957    | 3,836,052   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$9,578,683 | \$1,091,612 | \$9,326,763 | \$5,593,724    | \$362,534   | \$565,426  | \$4,905,872 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 7,401,721   | 708,583     | 7,894,553   | 4,542,526      | 484,392     | 420,877    | 4,355,870   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$2,176,962 | \$383,029   | \$1,432,210 | \$1,051,198    | (\$121,858) | \$144,549  | \$550,202   |
| 6. Funded Ratio: (4) / (3)  | 77.3%       | 64.9%       | 84.6%       | 81.2%          | 133.6%      | 74.4%      | 88.8%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$4,190,968 | \$252,144   | \$1,185,577 | \$982,756      | \$52,596    | \$36,279   | \$173,277   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 84.2%       | 71.5%       | 86.4%       | 84.0%          | 129.4%      | 76.0%      | 89.2%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |             |                |             |            |             |
| Retirement  |             |             |             |                |             |            |             |
| Normal Cost   | 6.70%       | 7.93%       | 6.50%       | 7.84%          | 3.60%       | 6.33%      | 5.63%       |
| Prior Service   | 2.71%       | 4.85%       | 2.68%       | 2.38%          | -0.79%      | 3.55%      | 0.69%       |
| Total Retirement  | 9.41%       | 12.78%      | 9.18%       | 10.22%         | 2.81%       | 9.88%      | 6.32%       |
| Supplemental Death  | 0.25%       | 0.35%       | 0.29%       | 0.24%          | 0.15%       | 0.51%      | 0.00%       |
| Total Rate  | 9.66%       | 13.13%      | 9.47%       | 10.46%         | 2.96%       | 10.39%     | 6.32%       |
| <b>ADDITIONAL INFORMATION</b>   |             |             |             |                |             |            |             |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years    | 25 years       | 25 years    | 25 years   | 25 years    |
| Number of annuitants  | 39          | 7           | 27          | 11             | 2           | 3          | 4           |
| Number of members   | 143         | 27          | 110         | 110            | 43          | 15         | 188         |
| Number of contributing members  | 109         | 18          | 82          | 71             | 24          | 10         | 146         |
| Average age of contributing members   | 40.0 years  | 45.0 years  | 42.2 years  | 41.6 years     | 37.8 years  | 50.3 years | 40.2 years  |
| Average length of service of contributing members   | 10.6 years  | 9.8 years   | 11.4 years  | 11.4 years     | 6.0 years   | 10.0 years | 6.2 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Higgins    | Highland Park | Highland Village | Hill Country Village | Hillsboro   | Hitchcock   | Holland    |
|---|------------|---------------|------------------|----------------------|-------------|-------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                  |                      |             |             |            |
| 1. Prior Service Liability  | \$967      | \$1,744,132   | \$656,965        | \$15,809             | \$212,501   | \$373,951   | \$34,036   |
| a. Present Members  | 9,477      | 3,080,721     | 180,809          | 132,969              | 836,570     | 89,183      | 23,642     |
| b. Annuitants   | 94,356     | 35,141,397    | 8,113,436        | 647,016              | 6,009,877   | 1,421,832   | 143,158    |
| 2. Current Service Liability (Present Members)  | \$104,800  | \$39,966,250  | \$8,951,210      | \$795,794            | \$7,058,948 | \$1,884,966 | \$200,936  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 105,019    | 33,541,120    | 8,321,928        | 638,172              | 4,832,482   | 1,623,886   | 166,159    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | (\$219)    | \$6,424,960   | \$629,282        | \$157,622            | \$2,226,466 | \$261,080   | \$34,677   |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 100.2%     | 83.9%         | 93.0%            | 80.2%                | 68.5%       | 86.1%       | 82.7%      |
| 6. Funded Ratio: (4) / (3)  | \$64,794   | \$11,420,680  | \$851,900        | \$68,753             | \$1,799,791 | \$52,430    | \$1,780    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 100.1%     | 87.5%         | 93.6%            | 81.8%                | 74.9%       | 86.5%       | 82.9%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |               |                  |                      |             |             |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                  |                      |             |             |            |
| Retirement  |            |               |                  |                      |             |             |            |
| Normal Cost   | 4.35%      | 11.43%        | 8.89%            | 7.03%                | 5.41%       | 3.62%       | 5.71%      |
| Prior Service   | -0.02%     | 4.40%         | 0.71%            | 1.72%                | 3.41%       | 1.35%       | 1.22%      |
| Total Retirement  | 4.33%      | 15.83%        | 9.60%            | 8.75%                | 8.82%       | 4.97%       | 6.93%      |
| Supplemental Death  | 0.36%      | 0.00%         | 0.23%            | 0.19%                | 0.00%       | 0.25%       | 0.31%      |
| Total Rate  | 4.69%      | 15.83%        | 9.83%            | 8.94%                | 8.82%       | 5.22%       | 7.24%      |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                  |                      |             |             |            |
| Amortization period as of 1/2008  | 8 years    | 25 years      | 25 years         | 25 years             | 25 years    | 25 years    | 25 years   |
| Number of annuitants  | 1          | 67            | 18               | 31                   | 31          | 3           | 1          |
| Number of members   | 2          | 155           | 175              | 22                   | 169         | 68          | 11         |
| Number of contributing members  | 2          | 115           | 113              | 14                   | 105         | 36          | 6          |
| Average age of contributing members   | 52.3 years | 45.3 years    | 43.6 years       | 39.4 years           | 41.3 years  | 45.3 years  | 49.2 years |
| Average length of service of contributing members   | 12.8 years | 17.4 years    | 10.5 years       | 11.0 years           | 8.7 years   | 13.9 years  | 7.2 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                  |                      |             |             |            |
| 1. Prior Service Liability  | \$18,099   | \$184,380     | \$355,041        | \$56,288             | \$1,673     | \$76,719    | \$31,836   |
| a. Present Members  | 0          | 156,282       | 1,032,968        | 21,157               | 29,294      | 67,489      | 96,444     |
| b. Annuitants   | 147,247    | 1,362,768     | 3,605,867        | 348,774              | 301,833     | 625,519     | 69,755     |
| 2. Current Service Liability (Present Members)  | \$165,346  | \$1,703,430   | \$4,993,876      | \$426,219            | \$332,800   | \$769,727   | \$198,035  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 160,428    | 1,490,596     | 4,171,045        | 376,035              | 301,218     | 687,444     | 77,435     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$4,918    | \$212,834     | \$822,831        | \$50,184             | \$31,582    | \$82,283    | \$120,600  |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | 97.0%      | 87.5%         | 83.5%            | 88.2%                | 90.5%       | 86.3%       | 39.1%      |
| 6. Funded Ratio: (4) / (3)  | \$0        | \$307,388     | \$2,724,607      | \$145,040            | \$268,922   | \$196,222   | \$14,651   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 97.0%      | 89.4%         | 89.3%            | 91.2%                | 94.8%       | 91.5%       | 43.3%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |               |                  |                      |             |             |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                  |                      |             |             |            |
| Retirement  |            |               |                  |                      |             |             |            |
| Normal Cost   | 4.07%      | 5.96%         | 5.98%            | 4.74%                | 2.38%       | 6.05%       | 3.18%      |
| Prior Service   | 0.11%      | 1.27%         | 1.73%            | 1.07%                | 0.68%       | 1.00%       | 2.72%      |
| Total Retirement  | 4.18%      | 7.23%         | 7.71%            | 5.81%                | 3.06%       | 7.05%       | 5.90%      |
| Supplemental Death  | 0.00%      | 0.22%         | 0.25%            | 0.23%                | 0.31%       | 0.33%       | 0.20%      |
| Total Rate  | 4.18%      | 7.45%         | 7.96%            | 6.04%                | 3.37%       | 7.38%       | 6.10%      |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                  |                      |             |             |            |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years         | 25 years             | 25 years    | 25 years    | 25 years   |
| Number of annuitants  | 0          | 4             | 25               | 3                    | 4           | 5           | 2          |
| Number of members   | 15         | 46            | 125              | 20                   | 14          | 27          | 16         |
| Number of contributing members  | 11         | 28            | 91               | 9                    | 10          | 16          | 10         |
| Average age of contributing members   | 36.4 years | 39.4 years    | 41.9 years       | 42.1 years           | 38.5 years  | 46.2 years  | 39.6 years |
| Average length of service of contributing members   | 5.5 years  | 10.0 years    | 9.5 years        | 10.5 years           | 6.6 years   | 6.7 years   | 6.1 years  |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Hudson  | Hudson Oaks  | Hughes Springs  | Humble  | Hunters Creek Village   | Huntington  | Huntsville  |  |  |  |
|---|---|--|---|---|---|---|---|--|--|--|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$2,796<br>0<br>130,862<br>\$133,658<br>128,572<br>\$5,086<br>96.2%<br>\$0<br>96.2%   | \$5,088<br>1,220<br>577,722<br>\$584,030<br>623,334<br>(\$39,304)<br>106.7%<br>\$22,398<br>106.5%  | \$1,078<br>51,560<br>1,518,100<br>\$1,570,738<br>1,473,423<br>\$97,315<br>93.8%<br>\$162,019<br>94.4%   | \$821,559<br>1,607,640<br>19,130,695<br>\$21,559,894<br>17,568,564<br>\$3,991,330<br>81.5%<br>\$9,227,877<br>87.0%      | \$1,070<br>179,265<br>80,839<br>\$261,174<br>116,968<br>\$144,206<br>44.8%<br>\$290,631<br>73.9%        | \$292,526<br>148,827<br>948,176<br>\$1,389,529<br>949,596<br>\$439,933<br>66.3%<br>\$183,253<br>72.0%   | \$6,995,573<br>9,092,620<br>22,472,719<br>\$38,560,912<br>25,314,524<br>\$13,246,388<br>65.6%<br>\$7,303,216<br>71.1% |  |  |  |
|   | <b>CITY CONTRIBUTION RATES FOR 2008</b><br>Retirement<br>Normal Cost<br>Prior Service<br>Total Retirement<br>Supplemental Death<br>Total Rate | 2.59%<br>0.07%<br>2.66%<br>0.21%<br>2.87%  | 6.17%<br>-0.28%<br>5.89%<br>0.22%<br>6.11%  | 10.79%<br>1.27%<br>12.06%<br>0.37%<br>12.43%  | 8.55%<br>2.15%<br>10.70%<br>0.21%<br>10.91%   | 6.81%<br>3.48%<br>10.29%<br>0.48%<br>10.77%   | 9.73%<br>4.66%<br>14.59%<br>0.33%<br>14.92%   | 8.97%<br>7.13%<br>16.10%<br>0.25%<br>16.35%  |  |  |
|   |   | <b>ADDITIONAL INFORMATION</b><br>Amortization period as of 1/2008<br>Number of annuitants<br>Number of members<br>Number of contributing members<br>Average age of contributing members<br>Average length of service of contributing members | 25 years<br>0<br>19<br>15<br>40.6 years<br>3.6 years  | 25 years<br>2<br>32<br>21<br>38.8 years<br>7.8 years  | 25 years<br>3<br>17<br>14<br>46.7 years<br>11.5 years   | 25 years<br>57<br>203<br>179<br>41.0 years<br>11.2 years  | 25 years<br>4<br>10<br>7<br>51.1 years<br>9.6 years   | 25 years<br>6<br>20<br>17<br>44.5 years<br>11.1 years  | 25 years<br>89<br>370<br>262<br>42.3 years<br>11.5 years                                       |  |
|   |   |  | <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$2,888,389<br>10,359,021<br>57,902,003<br>\$71,149,413<br>52,341,530<br>\$18,807,883<br>73.6%<br>\$30,571,697<br>81.5% | \$258,087<br>80,970<br>1,829,104<br>\$2,168,161<br>2,046,193<br>\$121,968<br>94.4%<br>\$49,836<br>94.5% | \$67,385<br>87,810<br>1,009,905<br>\$1,165,100<br>1,000,466<br>\$164,634<br>85.9%<br>\$120,150<br>87.2% | \$1,994<br>100,127<br>320,108<br>\$422,229<br>391,329<br>\$30,900<br>92.7%<br>\$250,283<br>95.4%                      | \$32,246<br>544,986<br>2,227,130<br>\$2,804,362<br>2,180,324<br>\$624,038<br>77.7%<br>\$1,839,642<br>66.6% | \$35,565<br>17,789<br>187,464<br>\$240,818<br>205,708<br>\$35,110<br>85.4%<br>\$7,193<br>65.8% | \$494,649<br>96,965<br>2,408,094<br>\$2,999,708<br>2,352,180<br>\$647,528<br>78.4%<br>\$189,780<br>79.7% |
|   |   |  |   | 10.21%<br>5.29%<br>15.50%<br>0.25%<br>15.75%  | 5.33%<br>0.51%<br>5.84%<br>0.24%<br>6.08%   | 8.16%<br>0.38%<br>8.54%<br>0.16%<br>8.70%   | 2.94%<br>0.76%<br>3.70%<br>0.36%<br>4.06%   | 2.53%<br>1.93%<br>4.46%<br>0.37%<br>4.83%  | 4.98%<br>1.00%<br>5.98%<br>0.00%<br>5.98%  | 5.30%<br>2.87%<br>8.17%<br>0.31%<br>8.48%  |
|   | <b>CITY CONTRIBUTION RATES FOR 2008</b><br>Retirement<br>Normal Cost<br>Prior Service<br>Total Retirement<br>Supplemental Death<br>Total Rate | 10.21%<br>5.29%<br>15.50%<br>0.25%<br>15.75%   | 5.33%<br>0.51%<br>5.84%<br>0.24%<br>6.08%   | 8.16%<br>0.38%<br>8.54%<br>0.16%<br>8.70%   | 2.94%<br>0.76%<br>3.70%<br>0.36%<br>4.06%   | 2.53%<br>1.93%<br>4.46%<br>0.37%<br>4.83%   | 4.98%<br>1.00%<br>5.98%<br>0.00%<br>5.98%   | 5.30%<br>2.87%<br>8.17%<br>0.31%<br>8.48%  |  |  |
|   |   | <b>ADDITIONAL INFORMATION</b><br>Amortization period as of 1/2008<br>Number of annuitants<br>Number of members<br>Number of contributing members<br>Average age of contributing members<br>Average length of service of contributing members | 25 years<br>146<br>447<br>321<br>41.2 years<br>13.3 years   | 25 years<br>2<br>78<br>48<br>41.4 years<br>6.9 years  | 25 years<br>2<br>73<br>60<br>39.9 years<br>7.2 years  | 25 years<br>4<br>13<br>9<br>41.5 years<br>6.3 years   | 25 years<br>24<br>96<br>63<br>45.6 years<br>9.2 years   | 25 years<br>2<br>15<br>9<br>45.7 years<br>8.8 years  | 25 years<br>10<br>78<br>44<br>44.2 years<br>11.5 years   |  |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Iran         | Irving        | Italy       | Itasca     | Jacinto City | Jacksboro   | Jacksonville |
|--|--------------|---------------|-------------|------------|--------------|-------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |               |             |            |              |             |              |
| 1. Prior Service Liability   | \$77,076     | \$9,455,528   | \$139,972   | \$182,582  | \$127,730    | \$720,528   | \$138,257    |
| a. Present Members   | 237,440      | 28,046,427    | 0           | 35,918     | 532,941      | 390,228     | 1,192,385    |
| b. Annuitants  | 381,677      | 279,277,670   | 10,350      | 461,898    | 2,911,573    | 1,944,819   | 8,584,845    |
| 2. Current Service Liability (Present Members)   | \$696,193    | \$316,779,625 | \$150,322   | \$680,398  | \$3,572,244  | \$3,055,575 | \$9,915,487  |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 348,473      | 251,648,643   | 14,026      | 613,240    | 2,590,184    | 2,137,492   | 7,589,117    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$347,720    | \$65,130,982  | \$136,296   | \$67,158   | \$982,060    | \$918,083   | \$2,326,370  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 50.1%        | 79.4%         | 9.3%        | 90.1%      | 72.5%        | 70.0%       | 76.5%        |
| 6. Funded Ratio: (4) / (3)   | \$397,283    | \$113,893,950 | \$0         | \$95,898   | \$1,563,755  | \$491,548   | \$6,132,959  |
| 7. Current Service Annuity Reserve Fund Allocation*  | 68.2%        | 84.9%         | 9.3%        | 91.3%      | 80.9%        | 74.1%       | 85.5%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |               |             |            |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |               |             |            |              |             |              |
| Retirement   |              |               |             |            |              |             |              |
| Normal Cost  | 9.52%        | 10.66%        | 2.65%       | 7.25%      | 3.72%        | 6.46%       | 6.19%        |
| Prior Service  | 11.49%       | 4.13%         | 1.56%       | 1.00%      | 2.81%        | 4.73%       | 2.66%        |
| Total Retirement   | 21.01%       | 14.79%        | 4.21%       | 8.25%      | 6.53%        | 11.19%      | 8.85%        |
| Supplemental Death   | 0.39%        | 0.25%         | 0.21%       | 0.27%      | 0.30%        | 0.33%       | 0.31%        |
| Total Rate   | 21.40%       | 15.04%        | 4.42%       | 8.52%      | 6.83%        | 11.52%      | 9.16%        |
| <b>ADDITIONAL INFORMATION</b>  |              |               |             |            |              |             |              |
| Amortization period as of 1/2008   | 25 years     | 25 years      | 25 years    | 25 years   | 25 years     | 25 years    | 25 years     |
| Number of annuitants   | 3            | 471           | 0           | 2          | 19           | 6           | 63           |
| Number of members  | 8            | 1,782         | 16          | 26         | 80           | 63          | 186          |
| Number of contributing members   | 6            | 1,456         | 16          | 14         | 51           | 37          | 130          |
| Average age of contributing members  | 49.8 years   | 43.1 years    | 42.4 years  | 43.8 years | 43.8 years   | 44.8 years  | 41.8 years   |
| Average length of service of contributing members  | 9.2 years    | 14.0 years    | 6.6 years   | 4.4 years  | 7.4 years    | 9.0 years   | 10.7 years   |
|  |              |               |             |            |              |             |              |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |               |             |            |              |             |              |
| 1. Prior Service Liability   | \$274,595    | \$501,131     | \$2,694,013 | \$74,136   | \$34,826     | \$93,377    | \$1,314      |
| a. Present Members   | 2,463,841    | 140,006       | 793,342     | 7,814      | 48,397       | 64,380      | 44,504       |
| b. Annuitants  | 7,695,190    | 447,623       | 4,811,616   | 227,396    | 45,033       | 351,232     | 91,833       |
| 2. Current Service Liability (Present Members)   | \$10,433,626 | \$1,088,760   | \$8,298,971 | \$309,346  | \$128,256    | \$508,989   | \$137,651    |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 7,135,544    | 658,999       | 6,050,963   | 231,791    | 78,913       | 433,873     | 91,129       |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$3,286,082  | \$429,761     | \$2,248,008 | \$77,555   | \$49,343     | \$75,116    | \$46,522     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 68.4%        | 60.5%         | 72.9%       | 74.9%      | 61.5%        | 85.2%       | 66.2%        |
| 6. Funded Ratio: (4) / (3)   | \$8,350,470  | \$53,138      | \$377,204   | \$450      | \$13,162     | \$141,020   | \$64,892     |
| 7. Current Service Annuity Reserve Fund Allocation*  | 82.4%        | 62.4%         | 74.1%       | 75.0%      | 65.1%        | 88.4%       | 77.0%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |               |             |            |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |               |             |            |              |             |              |
| Retirement   |              |               |             |            |              |             |              |
| Normal Cost  | 8.34%        | 3.45%         | 9.74%       | 5.28%      | 3.53%        | 4.48%       | 4.33%        |
| Prior Service  | 4.86%        | 3.75%         | 3.74%       | 2.67%      | 7.74%        | 1.00%       | 1.88%        |
| Total Retirement   | 13.20%       | 7.20%         | 13.48%      | 7.95%      | 11.27%       | 5.48%       | 6.21%        |
| Supplemental Death   | 0.28%        | 0.34%         | 0.27%       | 0.26%      | 0.25%        | 0.23%       | 0.32%        |
| Total Rate   | 13.48%       | 7.54%         | 13.75%      | 8.21%      | 11.52%       | 5.71%       | 6.53%        |
| <b>ADDITIONAL INFORMATION</b>  |              |               |             |            |              |             |              |
| Amortization period as of 1/2008   | 25 years     | 25 years      | 25 years    | 25 years   | 19 years     | 25 years    | 25 years     |
| Number of annuitants   | 54           | 3             | 8           | 1          | 1            | 3           | 2            |
| Number of members  | 149          | 33            | 127         | 8          | 5            | 22          | 7            |
| Number of contributing members   | 116          | 24            | 92          | 6          | 2            | 13          | 4            |
| Average age of contributing members  | 41.3 years   | 47.2 years    | 44.6 years  | 47.8 years | 41.9 years   | 43.3 years  | 45.8 years   |
| Average length of service of contributing members  | 8.8 years    | 11.5 years    | 10.9 years  | 13.8 years | 14.6 years   | 7.5 years   | 5.1 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Jonestown    | Josephine   | Joshua      | Jourdanton   | Junction*   | Justin     | Karnes City |
|--|--------------|-------------|-------------|--------------|-------------|------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |             |             |              |             |            |             |
| 1. Prior Service Liability   | \$117,665    | \$2,144     | \$7,671     | \$1,563      | \$101,310   | \$90,447   | \$2,365     |
| a. Present Members   | 0            | 0           | 4,666       | 82,165       | 239,178     | 91,427     | 125,642     |
| b. Annuitants  | 103,977      | 21,437      | 600,591     | 543,450      | 1,366,070   | 433,484    | 842,471     |
| 2. Current Service Liability (Present Members)   | \$221,642    | \$23,581    | \$612,928   | \$627,178    | \$1,696,558 | \$615,358  | \$970,478   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 118,491      | 21,339      | 767,281     | 521,460      | 1,329,435   | 433,195    | 669,188     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$103,151    | \$2,242     | (\$154,353) | \$105,718    | \$367,123   | \$182,163  | \$301,290   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 53.5%        | 90.5%       | 125.2%      | 83.1%        | 78.4%       | 70.4%      | 69.0%       |
| 6. Funded Ratio: (4) / (3)   | \$0          | \$0         | \$40,285    | \$556,364    | \$371,211   | \$48,771   | \$485,338   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 53.5%        | 90.5%       | 123.6%      | 91.1%        | 82.2%       | 72.6%      | 79.3%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |             |             |              |             |            |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |             |             |              |             |            |             |
| Retirement   |              |             |             |              |             |            |             |
| Normal Cost  | 2.65%        | 3.35%       | 4.82%       | 3.34%        | 9.13%       | 3.02%      | 3.17%       |
| Prior Service  | 1.01%        | 0.10%       | -1.24%      | 0.99%        | 4.37%       | 1.25%      | 7.42%       |
| Total Retirement   | 3.66%        | 3.45%       | 3.58%       | 4.33%        | 13.50%      | 4.27%      | 10.59%      |
| Supplemental Death   | 0.44%        | 0.10%       | 0.18%       | 0.36%        | 0.36%       | 0.00%      | 0.38%       |
| Total Rate   | 4.10%        | 3.55%       | 3.76%       | 4.67%        | 13.86%      | 4.27%      | 10.97%      |
| <b>ADDITIONAL INFORMATION</b>  |              |             |             |              |             |            |             |
| Amortization period as of 1/2008   | 25 years     | 25 years    | 25 years    | 25 years     | 25 years    | 25 years   | 25 years    |
| Number of annuitants   | 0            | 3           | 3           | 10           | 8           | 2          | 8           |
| Number of members  | 21           | 52          | 47          | 47           | 29          | 28         | 17          |
| Number of contributing members   | 18           | 24          | 26          | 26           | 18          | 20         | 8           |
| Average age of contributing members  | 50.1 years   | 36.4 years  | 39.6 years  | 39.9 years   | 45.9 years  | 42.3 years | 37.4 years  |
| Average length of service of contributing members  | 10.1 years   | 1.7 years   | 4.7 years   | 4.2 years    | 11.9 years  | 5.6 years  | 7.0 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |             |             |              |             |            |             |
| 1. Prior Service Liability   | \$446,012    | \$280,087   | \$739,142   | \$5,217,630  | \$296,407   | \$3,927    | \$27,479    |
| a. Present Members   | 1,714,777    | 76,677      | 136,587     | 1,046,223    | 34,724      | 0          | 257,032     |
| b. Annuitants  | 11,022,061   | 3,683,548   | 2,114,708   | 21,790,870   | 1,183,716   | 217,158    | 581,804     |
| 2. Current Service Liability (Present Members)   | \$13,182,850 | \$4,040,312 | \$2,990,437 | \$28,054,723 | \$1,514,847 | \$221,085  | \$866,315   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 10,837,577   | 3,543,054   | 2,261,504   | 21,488,831   | 1,290,989   | 315,434    | 710,915     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$2,345,273  | \$497,256   | \$728,933   | \$6,565,892  | \$223,858   | (\$94,349) | \$155,400   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 82.2%        | 87.7%       | 75.6%       | 76.6%        | 85.2%       | 142.7%     | 82.1%       |
| 6. Funded Ratio: (4) / (3)   | \$3,636,139  | \$512,835   | \$131,625   | \$1,549,728  | \$72,320    | \$240,196  | \$188,698   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 86.1%        | 89.1%       | 76.7%       | 77.8%        | 85.9%       | 120.5%     | 85.3%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |             |             |              |             |            |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |             |             |              |             |            |             |
| Retirement   |              |             |             |              |             |            |             |
| Normal Cost  | 9.55%        | 8.01%       | 7.19%       | 9.18%        | 5.13%       | 1.59%      | 2.33%       |
| Prior Service  | 2.27%        | 1.52%       | 2.75%       | 3.00%        | 0.80%       | -1.09%     | 2.87%       |
| Total Retirement   | 11.82%       | 9.53%       | 9.94%       | 12.18%       | 5.93%       | 0.50%      | 5.00%       |
| Supplemental Death   | 0.29%        | 0.29%       | 0.21%       | 0.20%        | 0.21%       | 0.00%      | 0.27%       |
| Total Rate   | 12.11%       | 9.82%       | 10.15%      | 12.38%       | 6.14%       | 0.50%      | 5.27%       |
| <b>ADDITIONAL INFORMATION</b>  |              |             |             |              |             |            |             |
| Amortization period as of 1/2008   | 25 years     | 25 years    | 25 years    | 25 years     | 25 years    | 25 years   | 25 years    |
| Number of annuitants   | 24           | 9           | 5           | 22           | 4           | 2          | 6           |
| Number of members  | 141          | 94          | 65          | 407          | 57          | 38         | 29          |
| Number of contributing members   | 122          | 57          | 42          | 284          | 41          | 18         | 16          |
| Average age of contributing members  | 43.4 years   | 44.6 years  | 38.9 years  | 41.5 years   | 41.4 years  | 41.5 years | 37.5 years  |
| Average length of service of contributing members  | 10.9 years   | 13.2 years  | 9.3 years   | 11.3 years   | 10.2 years  | 3.4 years  | 4.8 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Kennedale   | Kermitt     | Kerrville    | Kernville Public Utility | Kilgore      | Killeen      | Kingsville   |
|---|-------------|-------------|--------------|--------------------------|--------------|--------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |              |                          |              |              |              |
| 1. Prior Service Liability  |             |             |              |                          |              |              |              |
| a. Present Members  | \$1,081,758 | \$228,769   | \$2,548,373  | \$71,968                 | \$1,208,153  | \$6,219,241  | \$1,133,769  |
| b. Annuitants   | 557,825     | 562,570     | 2,547,774    | 149,909                  | 1,530,985    | 7,363,173    | 2,684,529    |
| 2. Current Service Liability (Present Members)  | 2,411,374   | 2,946,442   | 27,398,605   | 10,508,838               | 14,241,701   | 47,246,542   | 22,298,099   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$4,050,957 | \$3,737,781 | \$32,494,752 | \$10,730,715             | \$16,980,839 | \$60,828,956 | \$26,116,397 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 2,976,832   | 2,205,680   | 25,243,507   | 9,727,886                | 12,252,629   | 44,009,771   | 21,200,009   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$1,074,125 | \$1,532,101 | \$7,251,245  | \$1,002,829              | \$4,728,210  | \$16,819,185 | \$4,916,388  |
| 6. Funded Ratio: (4) / (3)  | 73.5%       | 59.0%       | 77.7%        | 90.7%                    | 72.2%        | 72.4%        | 81.2%        |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$486,514   | \$2,211,007 | \$10,891,577 | \$1,690,866              | \$6,662,919  | \$27,021,953 | \$9,626,362  |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 76.3%       | 74.2%       | 83.3%        | 91.9%                    | 80.0%        | 80.9%        | 86.2%        |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |              |                          |              |              |              |
| Retirement  |             |             |              |                          |              |              |              |
| Normal Cost   | 8.21%       | 8.18%       | 10.11%       | 10.33%                   | 9.77%        | 9.57%        | 6.79%        |
| Prior Service   | 2.10%       | 7.48%       | 3.27%        | 2.27%                    | 5.52%        | 3.02%        | 3.69%        |
| Total Retirement  | 10.31%      | 15.66%      | 13.38%       | 12.60%                   | 15.29%       | 12.59%       | 10.48%       |
| Supplemental Death  | 0.18%       | 0.33%       | 0.28%        | 0.29%                    | 0.36%        | 0.25%        | 0.00%        |
| Total Rate  | 10.49%      | 15.99%      | 13.66%       | 12.89%                   | 15.65%       | 12.84%       | 10.48%       |
| <b>ADDITIONAL INFORMATION</b>   |             |             |              |                          |              |              |              |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years     | 25 years                 | 25 years     | 25 years     | 25 years     |
| Number of annuitants  | 12          | 23          | 91           | 87                       | 72           | 240          | 97           |
| Number of members   | 152         | 60          | 412          | 87                       | 171          | 1,024        | 327          |
| Number of contributing members  | 81          | 39          | 290          | 57                       | 141          | 764          | 236          |
| Average age of contributing members   | 37.5 years  | 41.7 years  | 43.5 years   | 44.7 years               | 44.7 years   | 41.6 years   | 40.3 years   |
| Average length of service of contributing members   | 7.3 years   | 10.8 years  | 12.1 years   | 15.7 years               | 12.9 years   | 12.4 years   | 12.1 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |              |                          |              |              |              |
| 1. Prior Service Liability  |             |             |              |                          |              |              |              |
| a. Present Members  | \$377,798   | \$13,875    | \$0          | \$69,586                 | \$9,991      | \$3,001      | \$97,153     |
| b. Annuitants   | 27,032      | 141,658     | 24,148       | 0                        | 18,552       | 0            | 0            |
| 2. Current Service Liability (Present Members)  | 1,773,830   | 538,011     | 221,721      | 114,012                  | 140,877      | 1,962        | 270,963      |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$2,178,660 | \$693,544   | \$245,869    | \$183,598                | \$169,420    | \$4,963      | \$368,116    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 1,836,241   | 508,164     | 298,047      | 134,594                  | 138,464      | 1,849        | 389,746      |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$342,419   | \$185,380   | (\$52,178)   | \$49,004                 | \$30,956     | \$3,114      | (\$21,630)   |
| 6. Funded Ratio: (4) / (3)  | 84.3%       | 73.3%       | 121.2%       | 73.3%                    | 81.7%        | 37.3%        | 105.9%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$354,249   | \$616,712   | \$19,703     | \$0                      | \$43,296     | \$0          | \$0          |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 86.5%       | 85.9%       | 119.6%       | 73.3%                    | 85.4%        | 37.3%        | 105.9%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |              |                          |              |              |              |
| Retirement  |             |             |              |                          |              |              |              |
| Normal Cost   | 6.14%       | 1.93%       | 4.38%        | 2.59%                    | 4.85%        | 3.70%        | 2.43%        |
| Prior Service   | 1.71%       | 1.41%       | -1.86%       | 0.59%                    | 2.22%        | 0.39%        | -0.15%       |
| Total Retirement  | 7.85%       | 3.34%       | 2.50%        | 3.18%                    | 7.07%        | 4.09%        | 2.28%        |
| Supplemental Death  | 0.00%       | 0.33%       | 0.41%        | 0.21%                    | 0.00%        | 0.12%        | 0.13%        |
| Total Rate  | 7.85%       | 3.67%       | 2.91%        | 3.39%                    | 7.07%        | 4.21%        | 2.41%        |
| <b>ADDITIONAL INFORMATION</b>   |             |             |              |                          |              |              |              |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years     | 25 years                 | 25 years     | 17 years     | 25 years     |
| Number of annuitants  | 7           | 12          | 12           | 0                        | 3            | 0            | 0            |
| Number of members   | 93          | 50          | 14           | 36                       | 3            | 3            | 41           |
| Number of contributing members  | 43          | 31          | 8            | 20                       | 3            | 2            | 26           |
| Average age of contributing members   | 39.3 years  | 43.0 years  | 48.1 years   | 41.9 years               | 51.1 years   | 42.3 years   | 35.1 years   |
| Average length of service of contributing members   | 8.5 years   | 5.6 years   | 4.1 years    | 5.2 years                | 11.4 years   | 11.6 years   | 4.0 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Kyle        | La Coste   | La Feria    | La Grange   | La Grulla   | La Marque    | La Porte     |
|---|-------------|------------|-------------|-------------|-------------|--------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |            |             |             |             |              |              |
| 1. Prior Service Liability  | \$439,167   | \$0        | \$623,762   | \$98,464    | \$80,747    | \$217,398    | \$1,173,608  |
| a. Present Members  | 317,800     | 0          | 378,932     | 718,923     | 631         | 1,180,239    | 4,026,167    |
| b. Annuitants   | 2,232,910   | 91,656     | 1,184,026   | 4,391,543   | 179,574     | 7,319,620    | 53,387,776   |
| 2. Current Service Liability (Present Members)  | \$2,989,877 | \$91,656   | \$2,186,740 | \$5,208,930 | \$260,952   | \$8,717,257  | \$58,987,551 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,423,903   | 106,213    | 1,328,266   | 3,951,822   | 244,313     | 7,142,772    | 47,065,757   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$565,974   | (\$14,557) | \$858,474   | \$1,257,108 | \$16,639    | \$1,574,485  | \$11,521,794 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 81.1%       | 115.9%     | 60.7%       | 75.9%       | 93.6%       | 81.9%        | 80.3%        |
| 6. Funded Ratio: (4) / (3)  | \$411,916   | \$2,101    | \$210,015   | \$2,144,089 | \$210,715   | \$5,089,952  | \$22,370,406 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 83.4%       | 115.5%     | 64.2%       | 82.9%       | 94.1%       | 88.6%        | 85.8%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |            |             |             |             |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |            |             |             |             |              |              |
| Retirement  |             |            |             |             |             |              |              |
| Normal Cost   | 7.05%       | 2.90%      | 4.20%       | 7.18%       | 6.25%       | 5.68%        | 9.70%        |
| Prior Service   | 1.37%       | -0.45%     | 3.32%       | 4.58%       | 0.37%       | 2.10%        | 3.80%        |
| Total Retirement  | 8.42%       | 2.45%      | 7.52%       | 11.76%      | 6.62%       | 7.78%        | 13.50%       |
| Supplemental Death  | 0.20%       | 0.00%      | 0.24%       | 0.34%       | 0.38%       | 0.23%        | 0.25%        |
| Total Rate  | 8.62%       | 2.45%      | 7.76%       | 12.10%      | 7.00%       | 8.01%        | 13.75%       |
| <b>ADDITIONAL INFORMATION</b>   |             |            |             |             |             |              |              |
| Amortization period as of 1/2008  | 25 years    | 25 years   | 25 years    | 25 years    | 25 years    | 25 years     | 25 years     |
| Number of annuitants  | 5           | 1          | 12          | 25          | 1           | 46           | 98           |
| Number of members   | 103         | 9          | 97          | 70          | 23          | 195          | 444          |
| Number of contributing members  | 72          | 6          | 52          | 50          | 14          | 119          | 355          |
| Average age of contributing members   | 39.8 years  | 44.8 years | 40.7 years  | 42.3 years  | 47.3 years  | 38.5 years   | 42.4 years   |
| Average length of service of contributing members   | 6.5 years   | 4.8 years  | 8.3 years   | 10.7 years  | 7.6 years   | 9.2 years    | 13.7 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |            |             |             |             |              |              |
| 1. Prior Service Liability  | \$385,511   | \$18,325   | \$690,773   | \$62,013    | \$118,947   | \$1,102,737  | \$561,031    |
| a. Present Members  | 249,010     | 2,056      | 71,263      | 0           | 203,381     | 1,554,083    | 710,895      |
| b. Annuitants   | 1,396,449   | 44,800     | 2,431,257   | 86,368      | 2,413,937   | 22,291,298   | 3,992,516    |
| 2. Current Service Liability (Present Members)  | \$2,030,970 | \$65,181   | \$3,193,293 | \$148,381   | \$2,736,265 | \$24,948,118 | \$5,264,442  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,606,613   | 61,034     | 2,535,728   | 115,690     | 2,330,207   | 21,427,796   | 4,472,288    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$424,357   | \$4,147    | \$657,565   | \$32,691    | \$406,058   | \$3,520,322  | \$792,154    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 79.1%       | 93.6%      | 79.4%       | 78.0%       | 85.2%       | 85.9%        | 85.0%        |
| 6. Funded Ratio: (4) / (3)  | \$559,259   | \$11,655   | \$237,756   | \$0         | \$843,827   | \$8,177,198  | \$1,421,190  |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 83.6%       | 94.6%      | 80.8%       | 78.0%       | 88.7%       | 89.4%        | 88.2%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |            |             |             |             |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |            |             |             |             |              |              |
| Retirement  |             |            |             |             |             |              |              |
| Normal Cost   | 6.95%       | 10.82%     | 7.81%       | 4.14%       | 7.14%       | 8.77%        | 6.43%        |
| Prior Service   | 1.91%       | 2.25%      | 2.14%       | 0.74%       | 2.00%       | 2.14%        | 1.32%        |
| Total Retirement  | 8.86%       | 13.07%     | 9.95%       | 4.88%       | 9.14%       | 10.91%       | 7.75%        |
| Supplemental Death  | 0.22%       | 0.35%      | 0.30%       | 0.15%       | 0.37%       | 0.28%        | 0.22%        |
| Total Rate  | 9.08%       | 13.42%     | 10.25%      | 5.03%       | 9.51%       | 11.19%       | 7.97%        |
| <b>ADDITIONAL INFORMATION</b>   |             |            |             |             |             |              |              |
| Amortization period as of 1/2008  | 25 years    | 5 years    | 25 years    | 25 years    | 25 years    | 25 years     | 25 years     |
| Number of annuitants  | 11          | 1          | 8           | 0           | 71          | 263          | 146          |
| Number of members   | 56          | 3          | 67          | 17          | 66          | 233          | 89           |
| Number of contributing members  | 43          | 2          | 53          | 11          | 29          | 209          | 89           |
| Average age of contributing members   | 38.1 years  | 54.6 years | 45.9 years  | 42.8 years  | 46.5 years  | 42.9 years   | 38.4 years   |
| Average length of service of contributing members   | 9.4 years   | 12.9 years | 10.4 years  | 6.0 years   | 7.9 years   | 13.0 years   | 7.9 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Lakeport      | Lakeside   | Lakeside City | Lakeway     | Lamesa       | Lampasas    | Lancaster    |
|---|---------------|------------|---------------|-------------|--------------|-------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |            |               |             |              |             |              |
| 1. Prior Service Liability  | \$5,302       | \$32,090   | \$385         | \$744,711   | \$176,436    | \$371,796   | \$4,805,193  |
| a. Present Members  | 0             | 64,807     | 1,417         | 116,682     | 1,132,266    | 1,167,476   | 4,248,985    |
| b. Annuitants   | 74,151        | 117,129    | 19,462        | 3,085,346   | 6,584,021    | 5,476,208   | 24,532,263   |
| 2. Current Service Liability (Present Members)  | \$79,453      | \$214,026  | \$21,264      | \$3,946,739 | \$7,892,723  | \$7,015,480 | \$33,586,441 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 73,422        | 182,446    | 18,414        | 2,993,661   | 6,022,230    | 5,340,792   | 25,073,831   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$6,031       | \$31,580   | \$2,850       | \$953,078   | \$1,870,493  | \$1,674,688 | \$8,512,610  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 92.4%         | 85.2%      | 86.6%         | 75.9%       | 76.3%        | 76.1%       | 74.7%        |
| 6. Funded Ratio: (4) / (3)  | \$0           | \$19,488   | \$19,468      | \$908,448   | \$4,971,422  | \$2,523,543 | \$7,130,148  |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 92.4%         | 91.8%      | 93.0%         | 80.4%       | 85.5%        | 82.4%       | 79.1%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |            |               |             |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |            |               |             |              |             |              |
| Retirement  |               |            |               |             |              |             |              |
| Normal Cost   | 5.07%         | 4.83%      | 3.11%         | 8.44%       | 7.71%        | 8.44%       | 8.10%        |
| Prior Service   | 0.30%         | 0.83%      | 0.21%         | 1.58%       | 4.30%        | 3.65%       | 3.53%        |
| Total Retirement  | 5.37%         | 5.66%      | 3.32%         | 10.02%      | 12.01%       | 12.09%      | 11.63%       |
| Supplemental Death  | 0.24%         | 0.21%      | 0.26%         | 0.24%       | 0.00%        | 0.30%       | 0.25%        |
| Total Rate  | 5.61%         | 5.87%      | 3.58%         | 10.26%      | 12.01%       | 12.39%      | 11.88%       |
| <b>ADDITIONAL INFORMATION</b>   |               |            |               |             |              |             |              |
| Amortization period as of 1/2008  | 25 years      | 25 years   | 25 years      | 25 years    | 25 years     | 25 years    | 25 years     |
| Number of annuitants  | 0             | 3          | 1             | 11          | 35           | 40          | 70           |
| Number of members   | 5             | 18         | 3             | 118         | 100          | 130         | 394          |
| Number of contributing members  | 5             | 7          | 3             | 77          | 73           | 87          | 240          |
| Average age of contributing members   | 44.3 years    | 36.2 years | 44.2 years    | 44.1 years  | 42.8 years   | 41.6 years  | 40.9 years   |
| Average length of service of contributing members   | 7.7 years     | 4.5 years  | 5.9 years     | 9.6 years   | 10.9 years   | 10.5 years  | 10.6 years   |
|   |               |            |               |             |              |             |              |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |            |               |             |              |             |              |
| 1. Prior Service Liability  | \$49,346,841  | \$10,244   | \$5,106,606   | \$363,958   | \$564,377    | \$53,919    | \$256,806    |
| a. Present Members  | 35,207,025    | 0          | 2,606,634     | 219,485     | 1,435,092    | 0           | 932,485      |
| b. Annuitants   | 11,919,469    | 127,260    | 33,655,077    | 2,890,561   | 15,013,926   | 313,313     | 9,626,433    |
| 2. Current Service Liability (Present Members)  | \$196,473,335 | \$137,504  | \$41,368,317  | \$3,474,004 | \$17,013,395 | \$367,232   | \$10,815,724 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 118,216,115   | 128,963    | 31,793,502    | 3,095,881   | 13,763,207   | 314,293     | 8,818,765    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$78,257,220  | \$6,541    | \$9,574,815   | \$378,123   | \$3,250,188  | \$52,939    | \$1,996,959  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 60.2%         | 93.8%      | 76.9%         | 89.1%       | 80.9%        | 85.6%       | 81.5%        |
| 6. Funded Ratio: (4) / (3)  | \$25,304,791  | \$0        | \$7,197,954   | \$288,784   | \$6,885,325  | \$10,999    | \$2,898,084  |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 64.7%         | 93.8%      | 80.3%         | 90.0%       | 86.4%        | 86.0%       | 85.4%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |            |               |             |              |             |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |            |               |             |              |             |              |
| Retirement  |               |            |               |             |              |             |              |
| Normal Cost   | 9.98%         | 2.66%      | 8.52%         | 7.20%       | 9.12%        | 3.42%       | 8.61%        |
| Prior Service   | 5.44%         | 0.10%      | 3.06%         | 0.48%       | 4.65%        | 0.82%       | 4.11%        |
| Total Retirement  | 15.42%        | 2.76%      | 11.58%        | 7.68%       | 13.77%       | 4.24%       | 12.72%       |
| Supplemental Death  | 0.26%         | 0.15%      | 0.21%         | 0.23%       | 0.27%        | 0.31%       | 0.30%        |
| Total Rate  | 15.68%        | 2.91%      | 11.79%        | 7.91%       | 14.04%       | 4.55%       | 13.02%       |
| <b>ADDITIONAL INFORMATION</b>   |               |            |               |             |              |             |              |
| Amortization period as of 1/2008  | 25 years      | 25 years   | 25 years      | 25 years    | 25 years     | 25 years    | 25 years     |
| Number of annuitants  | 523           | 0          | 68            | 10          | 43           | 1           | 29           |
| Number of members   | 2,235         | 20         | 469           | 156         | 147          | 22          | 93           |
| Number of contributing members  | 1,875         | 13         | 385           | 109         | 102          | 14          | 77           |
| Average age of contributing members   | 41.5 years    | 38.6 years | 41.8 years    | 41.4 years  | 43.8 years   | 45.0 years  | 42.9 years   |
| Average length of service of contributing members   | 11.6 years    | 4.7 years  | 11.0 years    | 6.4 years   | 15.1 years   | 8.0 years   | 13.0 years   |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Lewisville   | Lexington*   | Liberty      | Lindale     | Linden       | Lipan       | Little Elm |
|---|--------------|--------------|--------------|-------------|--------------|-------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |              |              |             |              |             |            |
| 1. Prior Service Liability  |              |              |              |             |              |             |            |
| a. Present Members  | \$70,247     | \$1,519,237  | \$39,421     | \$91,334    | \$38,989     | \$462,524   |            |
| b. Annuitants   | 269,343      | 538,261      | 41,277       | 339         | 0            | 136,528     |            |
| 2. Current Service Liability (Present Members)  | 81,390,230   | 1,670,028    | 235,408      | 317,187     | 21,519       | 2,569,320   |            |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$89,179,243 | \$3,727,526  | \$316,106    | \$408,860   | \$60,508     | \$3,768,372 |            |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 76,477,973   | 2,118,456    | 267,459      | 370,445     | 25,888       | 2,696,139   |            |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$22,641,270 | \$1,609,070  | \$48,647     | \$38,415    | \$34,620     | \$472,233   |            |
| 6. Funded Ratio: (4) / (3)  | 77.2%        | 56.8%        | 84.6%        | 90.6%       | 42.8%        | 85.1%       |            |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$27,733,327 | \$111,006    | \$12,294     | \$2,918     | \$0          | \$351,705   |            |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 82.2%        | 58.1%        | 85.2%        | 90.7%       | 42.8%        | 86.6%       |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |              |              |             |              |             |            |
| Retirement  |              |              |              |             |              |             |            |
| Normal Cost   | 9.81%        | 5.91%        | 6.91%        | 6.94%       | 3.25%        | 3.57%       | 8.00%      |
| Prior Service   | 3.36%        | 4.59%        | 3.27%        | 0.17%       | 0.95%        | 2.89%       | 0.50%      |
| Total Retirement  | 13.17%       | 10.50%       | 10.18%       | 7.11%       | 4.23%        | 6.46%       | 8.50%      |
| Supplemental Death  | 0.23%        | 0.00%        | 0.00%        | 0.00%       | 0.38%        | 0.24%       | 0.22%      |
| Total Rate  | 13.40%       | 10.50%       | 10.18%       | 7.11%       | 4.61%        | 6.70%       | 8.72%      |
| <b>ADDITIONAL INFORMATION</b>   |              |              |              |             |              |             |            |
| Amortization period as of 1/2008  | 25 years     | 25 years     | 25 years     | 25 years    | 25 years     | 25 years    | 25 years   |
| Number of annuitants  | 157          | 11           | 167          | 1           | 2            | 0           | 9          |
| Number of members   | 829          | 17           | 167          | 50          | 17           | 5           | 164        |
| Number of contributing members  | 642          | 8            | 97           | 45          | 11           | 3           | 126        |
| Average age of contributing members   | 41.8 years   | 44.3 years   | 41.7 years   | 43.9 years  | 49.9 years   | 40.7 years  | 41.3 years |
| Average length of service of contributing members   | 13.0 years   | 7.6 years    | 11.1 years   | 7.1 years   | 7.6 years    | 7.8 years   | 6.9 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |              |              |             |              |             |            |
| 1. Prior Service Liability  |              |              |              |             |              |             |            |
| a. Present Members  | \$55,771     | \$2,192,186  | \$535,093    | \$27,623    | \$408,952    | \$57        | \$3,060    |
| b. Annuitants   | 409,725      | 168,860      | 1,006,030    | 575,593     | 1,364,551    | 15,402      | 67,297     |
| 2. Current Service Liability (Present Members)  | 2,583,347    | 10,163,512   | 9,442,522    | 1,695,931   | 8,953,504    | 321,195     | 485,202    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$3,048,843  | \$12,524,558 | \$10,983,645 | \$2,299,147 | \$10,727,007 | \$336,654   | \$555,559  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 2,595,616    | 9,688,551    | 8,688,455    | 1,653,845   | 8,242,098    | 391,953     | 577,249    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$453,227    | \$2,836,007  | \$2,295,190  | \$645,302   | \$2,484,909  | (\$55,299)  | (\$21,690) |
| 6. Funded Ratio: (4) / (3)  | 85.1%        | 77.4%        | 79.1%        | 71.9%       | 76.8%        | 116.4%      | 103.9%     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$1,311,701  | \$1,265,865  | \$2,385,506  | \$1,244,884 | \$3,930,487  | \$16,323    | \$208,654  |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 89.6%        | 79.4%        | 82.8%        | 81.8%       | 83.0%        | 115.7%      | 102.8%     |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |              |              |             |              |             |            |
| Retirement  |              |              |              |             |              |             |            |
| Normal Cost   | 4.65%        | 10.45%       | 9.66%        | 3.86%       | 7.01%        | 3.28%       | 2.50%      |
| Prior Service   | 1.52%        | 3.05%        | 4.94%        | 2.82%       | 3.46%        | -1.66%      | -0.36%     |
| Total Retirement  | 6.17%        | 13.50%       | 14.60%       | 6.68%       | 10.47%       | 1.42%       | 2.14%      |
| Supplemental Death  | 0.39%        | 0.25%        | 0.35%        | 0.39%       | 0.31%        | 0.55%       | 0.20%      |
| Total Rate  | 6.56%        | 13.75%       | 14.95%       | 7.07%       | 10.78%       | 1.97%       | 2.34%      |
| <b>ADDITIONAL INFORMATION</b>   |              |              |              |             |              |             |            |
| Amortization period as of 1/2008  | 25 years     | 25 years     | 25 years     | 25 years    | 25 years     | 25 years    | 25 years   |
| Number of annuitants  | 26           | 13           | 24           | 20          | 47           | 1           | 3          |
| Number of members   | 80           | 152          | 82           | 68          | 218          | 10          | 22         |
| Number of contributing members  | 54           | 111          | 77           | 44          | 137          | 6           | 12         |
| Average age of contributing members   | 43.5 years   | 43.4 years   | 45.9 years   | 44.8 years  | 42.3 years   | 42.6 years  | 39.9 years |
| Average length of service of contributing members   | 6.7 years    | 14.1 years   | 13.9 years   | 8.1 years   | 10.2 years   | 11.2 years  | 5.9 years  |

\* See Note on page 170.



|   | Longview     | Lorraine     | Lorena      | Lorenzo     | Los Fresnos | Lott        | Lubbock       |
|---|--------------|--------------|-------------|-------------|-------------|-------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |              |             |             |             |             |               |
| 1. Prior Service Liability  | \$4,411,977  | \$14,876     | \$69,014    | \$8,193     | \$60,131    | \$0         | \$13,513,793  |
| a. Present Members  | 8,106,602    | 0            | 10,276      | 45,500      | 31,434      | 0           | 42,218,164    |
| b. Annuitants   | 58,706,843   | 10,115       | 289,279     | 161,491     | 1,234,524   | 19,268      | 215,636,799   |
| 2. Current Service Liability (Present Members)  | \$71,225,422 | \$24,991     | \$368,569   | \$215,184   | \$1,326,089 | \$19,268    | \$271,368,756 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$75,637,394 | \$35,006     | \$407,583   | \$260,684   | \$1,652,513 | \$19,268    | \$298,985,555 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$1,050,506  | \$15,334     | \$327,475   | \$249,131   | \$1,361,498 | \$27,315    | \$199,865,768 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$74,586,888 | \$19,672     | \$780,108   | (\$11,547)  | (\$291,015) | (\$8,047)   | \$109,119,787 |
| 6. Funded Ratio: (4) / (3)  | 71.7%        | 61.4%        | 88.9%       | 115.8%      | 102.7%      | 141.8%      | 73.7%         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$36,216,178 | \$0          | \$27,684    | \$88,602    | \$159,625   | \$0         | \$132,328,644 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 81.2%        | 61.4%        | 89.6%       | 112.4%      | 102.4%      | 141.8%      | 82.3%         |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |              |             |             |             |             |               |
| Retirement  |              |              |             |             |             |             |               |
| Normal Cost   | 9.13%        | 4.34%        | 5.20%       | 4.23%       | 4.63%       | 2.06%       | 10.18%        |
| Prior Service   | 5.14%        | 1.72%        | 0.65%       | -1.52%      | -0.17%      | -0.32%      | 5.71%         |
| Total Retirement  | 14.27%       | 6.06%        | 5.85%       | 2.71%       | 4.46%       | 1.74%       | 15.89%        |
| Supplemental Death  | 0.29%        | 0.11%        | 0.23%       | 0.00%       | 0.23%       | 0.16%       | 0.00%         |
| Total Rate  | 14.56%       | 6.17%        | 6.08%       | 2.71%       | 4.69%       | 1.90%       | 15.89%        |
| <b>ADDITIONAL INFORMATION</b>   |              |              |             |             |             |             |               |
| Amortization period as of 1/2008  | 25 years     | 18 years     | 25 years    | 25 years    | 25 years    | 25 years    | 25 years      |
| Number of annuitants  | 288          | 0            | 2           | 3           | 4           | 0           | 779           |
| Number of members   | 825          | 4            | 27          | 10          | 84          | 18          | 2,024         |
| Number of contributing members  | 600          | 2            | 13          | 5           | 45          | 7           | 1,604         |
| Average age of contributing members   | 42.4 years   | 40.8 years   | 39.2 years  | 44.3 years  | 41.2 years  | 37.8 years  | 43.3 years    |
| Average length of service of contributing members   | 12.0 years   | 15.6 years   | 6.3 years   | 4.8 years   | 9.5 years   | 2.4 years   | 13.1 years    |
|   |              |              |             |             |             |             |               |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |              |             |             |             |             |               |
| 1. Prior Service Liability  | \$159,086    | \$3,188,913  | \$34,302    | \$577,042   | \$39,980    | \$29,468    | \$11,905      |
| a. Present Members  | 0            | 6,383,227    | 490,090     | 298,507     | 25,679      | 163,009     | 62,302        |
| b. Annuitants   | 311,409      | 27,681,089   | 2,503,648   | 1,900,405   | 620,625     | 964,898     | 366,898       |
| 2. Current Service Liability (Present Members)  | \$470,495    | \$37,233,229 | \$3,028,040 | \$2,775,954 | \$686,284   | \$1,157,375 | \$441,105     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$840,581    | \$40,417,142 | \$6,031,680 | \$4,676,359 | \$1,307,909 | \$1,320,384 | \$807,207     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$401,550    | \$5,242,986  | \$2,208,135 | \$1,857,348 | \$714,950   | \$84,286    | \$429,853     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$439,031    | \$35,174,156 | \$3,823,545 | \$2,819,011 | (\$592,950) | \$126,098   | \$377,354     |
| 6. Funded Ratio: (4) / (3)  | 85.3%        | 67.8%        | 72.9%       | 66.9%       | 104.2%      | 85.0%       | 97.4%         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0          | \$11,721,002 | \$1,415,495 | \$247,748   | \$95,985    | \$532,928   | \$44,851      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 85.3%        | 75.5%        | 81.5%       | 69.6%       | 103.7%      | 89.8%       | 97.7%         |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |              |             |             |             |             |               |
| Retirement  |              |              |             |             |             |             |               |
| Normal Cost   | 7.46%        | 8.66%        | 5.01%       | 9.63%       | 5.01%       | 5.41%       | 2.70%         |
| Prior Service   | 0.89%        | 4.84%        | 2.11%       | 4.78%       | -0.34%      | 1.05%       | 0.09%         |
| Total Retirement  | 8.35%        | 13.50%       | 7.12%       | 14.38%      | 4.67%       | 6.46%       | 2.79%         |
| Supplemental Death  | 0.22%        | 0.29%        | 0.38%       | 0.31%       | 0.22%       | 0.33%       | 0.34%         |
| Total Rate  | 8.57%        | 13.79%       | 7.50%       | 14.69%      | 4.89%       | 6.79%       | 3.13%         |
| <b>ADDITIONAL INFORMATION</b>   |              |              |             |             |             |             |               |
| Amortization period as of 1/2008  | 25 years     | 25 years     | 25 years    | 25 years    | 25 years    | 25 years    | 25 years      |
| Number of annuitants  | 0            | 130          | 7           | 4           | 2           | 12          | 4             |
| Number of members   | 43           | 457          | 39          | 31          | 31          | 50          | 45            |
| Number of contributing members  | 15           | 353          | 33          | 16          | 16          | 32          | 22            |
| Average age of contributing members   | 41.6 years   | 42.5 years   | 44.9 years  | 38.8 years  | 44.9 years  | 44.9 years  | 47.7 years    |
| Average length of service of contributing members   | 5.6 years    | 12.1 years   | 10.8 years  | 7.5 years   | 7.5 years   | 9.5 years   | 3.9 years     |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Malakoff    | Manor        | Mansfield    | Mansvel    | Marble Falls | Marfa       | Marion     |
|---|-------------|--------------|--------------|------------|--------------|-------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |              |            |              |             |            |
| 1. Prior Service Liability  | \$23,670    | \$47,919     | \$3,001,161  | \$91,617   | \$17,745     | \$0         | \$15,897   |
| a. Present Members  | 22,759      | 0            | 1,825,763    | 17,700     | 84,970       | 33,374      | 20,609     |
| b. Annuitants   | 572,096     | 347,261      | 35,720,963   | 351,501    | 7,628,639    | 1,265,330   | 188,848    |
| 2. Current Service Liability (Present Members)  | \$618,525   | \$395,180    | \$40,547,887 | \$460,818  | \$7,731,354  | \$1,298,704 | \$225,354  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 593,508     | 385,408      | \$3,544,139  | 403,524    | 7,061,480    | 1,364,652   | 280,999    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$25,017    | \$9,772      | \$7,003,748  | \$57,294   | \$669,874    | (\$65,948)  | (\$55,645) |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 96.0%       | 97.5%        | 82.7%        | 87.8%      | 91.3%        | 105.1%      | 124.7%     |
| 6. Funded Ratio: (4) / (3)  | \$129,235   | \$0          | \$6,644,568  | \$17,703   | \$1,762,124  | \$81,276    | \$39,966   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 96.7%       | 97.5%        | 85.2%        | 88.0%      | 92.9%        | 103.5%      | 121.0%     |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |              |              |            |              |             |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |              |            |              |             |            |
| Retirement  |             |              |              |            |              |             |            |
| Normal Cost   | 4.11%       | 5.28%        | 8.54%        | 2.75%      | 8.28%        | 5.20%       | 4.81%      |
| Prior Service   | 0.25%       | 0.05%        | 1.82%        | 0.44%      | 0.93%        | -0.65%      | -1.18%     |
| Total Retirement  | 4.36%       | 5.33%        | 10.36%       | 3.19%      | 9.21%        | 4.55%       | 3.63%      |
| Supplemental Death  |             |              |              |            |              |             |            |
| Total Rate  | 4.68%       | 5.53%        | 10.55%       | 3.40%      | 9.47%        | 5.06%       | 3.97%      |
| <b>ADDITIONAL INFORMATION</b>   |             |              |              |            |              |             |            |
| Amortization period as of 1/2008  | 25 years    | 25 years     | 25 years     | 25 years   | 25 years     | 25 years    | 25 years   |
| Number of annuitants  | 3           | 0            | 62           | 1          | 23           | 10          | 1          |
| Number of members   | 34          | 43           | 565          | 42         | 166          | 39          | 15         |
| Number of contributing members  | 21          | 33           | 452          | 24         | 108          | 23          | 9          |
| Average age of contributing members   | 47.9 years  | 39.6 years   | 40.2 years   | 40.5 years | 43.1 years   | 47.1 years  | 46.2 years |
| Average length of service of contributing members   | 7.7 years   | 4.9 years    | 10.2 years   | 6.9 years  | 10.6 years   | 8.0 years   | 5.9 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |              |            |              |             |            |
| 1. Prior Service Liability  | \$32,105    | \$1,006,068  | \$36,744     | \$374      | \$7,951      | \$38,035    | \$33,530   |
| a. Present Members  | 713,755     | 4,343,541    | 44,192       | 70,570     | 0            | 195,384     | 0          |
| b. Annuitants   | 1,237,025   | 17,853,800   | 461,925      | 832,677    | 6,760        | 1,164,391   | 52,630     |
| 2. Current Service Liability (Present Members)  | \$1,982,885 | \$23,203,409 | \$542,861    | \$903,621  | \$14,711     | \$1,397,810 | \$86,160   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,566,514   | 15,254,379   | 712,871      | 826,686    | 8,228        | 1,416,850   | 73,324     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$416,371   | \$7,949,030  | (\$170,010)  | \$76,935   | \$6,483      | (\$19,040)  | \$12,536   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 79.0%       | 65.7%        | 131.3%       | 91.5%      | 55.9%        | 101.4%      | 85.1%      |
| 6. Funded Ratio: (4) / (3)  | \$2,127,470 | \$12,532,622 | \$45,587     | \$464,131  | \$0          | \$467,669   | \$0        |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 89.9%       | 77.8%        | 128.9%       | 94.4%      | 55.9%        | 101.0%      | 85.1%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |              |              |            |              |             |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |              |            |              |             |            |
| Retirement  |             |              |              |            |              |             |            |
| Normal Cost   | 3.64%       | 9.89%        | 3.93%        | 3.63%      | 2.96%        | 3.09%       | 2.15%      |
| Prior Service   | 1.48%       | 6.38%        | -2.67%       | 0.88%      | 0.42%        | -0.11%      | 0.68%      |
| Total Retirement  | 5.12%       | 16.27%       | 1.26%        | 4.51%      | 3.38%        | 2.98%       | 2.83%      |
| Supplemental Death  | 0.40%       | 0.38%        | 0.22%        | 0.41%      | 0.31%        | 0.31%       | 0.21%      |
| Total Rate  | 5.52%       | 16.65%       | 1.48%        | 4.92%      | 3.69%        | 3.29%       | 3.04%      |
| <b>ADDITIONAL INFORMATION</b>   |             |              |              |            |              |             |            |
| Amortization period as of 1/2008  | 25 years    | 25 years     | 25 years     | 25 years   | 25 years     | 25 years    | 25 years   |
| Number of annuitants  | 38          | 124          | 3            | 6          | 0            | 9           | 0          |
| Number of members   | 159         | 260          | 36           | 29         | 5            | 92          | 14         |
| Number of contributing members  | 58          | 202          | 16           | 21         | 4            | 42          | 6          |
| Average age of contributing members   | 40.9 years  | 45.0 years   | 42.0 years   | 47.3 years | 50.8 years   | 41.9 years  | 42.8 years |
| Average length of service of contributing members   | 6.2 years   | 11.2 years   | 7.2 years    | 13.6 years | 5.8 years    | 7.3 years   | 1.9 years  |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | McAllen      | McCamey     | McGregor    | McKinney     | McLean     | Meadows Place | Melissa    |
|---|--------------|-------------|-------------|--------------|------------|---------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |             |              |            |               |            |
| 1. Prior Service Liability  | \$186,443    | \$32,239    | \$299,681   | \$6,504,744  | \$61,460   | \$287,544     | \$74,528   |
| a. Present Members  | 1,201,115    | 26,840      | 458,216     | 4,190,719    | 2,091      | 129,728       | 0          |
| b. Annuitants   | 87,006,739   | 642,632     | 1,540,614   | 57,162,703   | 80,397     | 2,013,738     | 301,648    |
| 2. Current Service Liability (Present Members)  | \$88,394,297 | \$701,711   | \$2,298,511 | \$67,888,166 | \$143,948  | \$2,431,010   | \$376,176  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 83,266,393   | 726,196     | 1,869,839   | 52,581,114   | 106,450    | 2,050,607     | 321,311    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$5,127,904  | (\$24,485)  | \$428,672   | \$15,277,052 | \$37,498   | \$380,403     | \$54,865   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 94.2%        | 103.5%      | 81.4%       | 77.5%        | 74.0%      | 84.4%         | 85.4%      |
| 6. Funded Ratio: (4) / (3)  | \$24,162,311 | \$173,310   | \$669,319   | \$9,888,389  | \$3,551    | \$692,405     | \$31,938   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 95.4%        | 102.8%      | 85.6%       | 80.4%        | 74.6%      | 87.8%         | 86.6%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |             |              |            |               |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |             |              |            |               |            |
| Retirement  |              |             |             |              |            |               |            |
| Normal Cost   | 7.30%        | 5.58%       | 7.37%       | 8.58%        | 3.43%      | 8.08%         | 5.21%      |
| Prior Service   | 0.57%        | -0.60%      | 2.17%       | 2.01%        | 1.63%      | 2.14%         | 0.32%      |
| Total Retirement  | 7.87%        | 4.98%       | 9.54%       | 10.59%       | 5.06%      | 10.22%        | 5.53%      |
| Supplemental Death  | 0.00%        | 0.81%       | 0.45%       | 0.19%        | 0.24%      | 0.19%         | 0.18%      |
| Total Rate  | 7.87%        | 5.79%       | 9.99%       | 10.78%       | 5.30%      | 10.41%        | 5.71%      |
| <b>ADDITIONAL INFORMATION</b>   |              |             |             |              |            |               |            |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 25 years    | 25 years     | 25 years   | 25 years      | 25 years   |
| Number of annuitants  | 231          | 7           | 19          | 96           | 1          | 6             | 1          |
| Number of members   | 1,646        | 8           | 86          | 852          | 8          | 56            | 45         |
| Number of contributing members  | 1,341        | 7           | 40          | 673          | 5          | 28            | 33         |
| Average age of contributing members   | 40.0 years   | 45.7 years  | 45.5 years  | 40.1 years   | 46.6 years | 41.7 years    | 39.5 years |
| Average length of service of contributing members   | 10.6 years   | 14.9 years  | 11.1 years  | 10.0 years   | 9.0 years  | 8.4 years     | 5.4 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |             |              |            |               |            |
| 1. Prior Service Liability  | \$1,524,086  | \$26,955    | \$2,488     | \$1,789,075  | \$16,986   | \$154,974     | \$255,875  |
| a. Present Members  | 1,738,690    | 293,143     | 27,338      | 950,998      | 0          | 308,614       | 0          |
| b. Annuitants   | 4,554,077    | 795,417     | 810,387     | 3,171,965    | 206,465    | 334,062       | 7,634      |
| 2. Current Service Liability (Present Members)  | \$7,816,853  | \$1,115,515 | \$840,213   | \$5,912,038  | \$223,451  | \$797,650     | \$263,509  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 5,144,153    | 900,477     | 730,975     | 3,925,468    | 232,072    | 404,137       | 17,381     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$2,672,700  | \$215,036   | \$109,236   | \$1,986,570  | (\$8,621)  | \$393,513     | \$246,128  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 65.8%        | 80.7%       | 87.0%       | 66.4%        | 103.9%     | 50.7%         | 6.6%       |
| 6. Funded Ratio: (4) / (3)  | \$2,159,267  | \$283,244   | \$323,283   | \$836,938    | \$0        | \$102,019     | \$0        |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 73.2%        | 84.6%       | 90.6%       | 70.6%        | 103.9%     | 56.3%         | 6.6%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |             |              |            |               |            |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |             |              |            |               |            |
| Retirement  |              |             |             |              |            |               |            |
| Normal Cost   | 11.54%       | 4.68%       | 6.43%       | 5.92%        | 6.01%      | 8.18%         | 4.59%      |
| Prior Service   | 7.20%        | 2.89%       | 2.61%       | 4.53%        | -0.22%     | 9.10%         | 12.64%     |
| Total Retirement  | 18.74%       | 7.57%       | 9.04%       | 10.45%       | 5.79%      | 17.28%        | 17.23%     |
| Supplemental Death  | 0.33%        | 0.33%       | 0.00%       | 0.24%        | 0.22%      | 0.22%         | 0.36%      |
| Total Rate  | 19.07%       | 7.90%       | 9.04%       | 10.69%       | 6.01%      | 17.50%        | 17.59%     |
| <b>ADDITIONAL INFORMATION</b>   |              |             |             |              |            |               |            |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 25 years    | 25 years     | 25 years   | 25 years      | 25 years   |
| Number of annuitants  | 14           | 8           | 4           | 27           | 0          | 4             | 0          |
| Number of members   | 44           | 28          | 8           | 132          | 14         | 19            | 4          |
| Number of contributing members  | 38           | 21          | 8           | 93           | 8          | 9             | 4          |
| Average age of contributing members   | 47.1 years   | 42.1 years  | 49.5 years  | 39.6 years   | 43.2 years | 42.4 years    | 52.0 years |
| Average length of service of contributing members   | 19.5 years   | 10.8 years  | 18.0 years  | 10.2 years   | 6.4 years  | 10.1 years    | 21.0 years |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Mesquite      | Mexia        | Midland       | Midlothian   | Miles       | Millford   | Mineola     |
|---|---------------|--------------|---------------|--------------|-------------|------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |               |              |             |            |             |
| 1. Prior Service Liability  | \$9,300,011   | \$93,871     | \$2,998,300   | \$1,601,953  | \$0         | \$154,569  | \$36,251    |
| a. Present Members  | 36,542,786    | 690,300      | 16,248,802    | 1,016,819    | 0           | 21,060     | 127,263     |
| b. Annuitants   | 179,729,231   | 4,111,711    | 116,864,488   | 8,379,505    | 90,686      | 158,825    | 2,954,213   |
| 2. Current Service Liability (Present Members)  | \$225,572,028 | \$4,895,882  | \$136,111,590 | \$10,998,277 | \$90,686    | \$334,454  | \$3,117,727 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$158,532,987 | 4,108,341    | 100,175,959   | 8,279,956    | 114,822     | 199,408    | 2,848,239   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$67,039,041  | \$787,541    | \$35,935,631  | \$2,718,321  | (\$24,136)  | \$135,046  | \$269,488   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 70.3%         | 83.9%        | 73.6%         | 75.3%        | 126.6%      | 59.6%      | 91.4%       |
| 6. Funded Ratio: (4) / (3)  | \$92,541,632  | \$2,704,020  | \$67,510,650  | \$2,251,648  | \$0         | \$7,620    | \$982,515   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 78.9%         | 89.6%        | 82.4%         | 79.5%        | 126.6%      | 60.5%      | 93.4%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |               |              |             |            |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |               |              |             |            |             |
| Retirement  |               |              |               |              |             |            |             |
| Normal Cost   | 10.00%        | 6.87%        | 10.43%        | 8.37%        | 3.37%       | 4.75%      | 6.22%       |
| Prior Service   | 6.00%         | 1.67%        | 6.44%         | 2.26%        | -2.59%      | 3.53%      | 0.98%       |
| Total Retirement  | 16.00%        | 8.54%        | 16.87%        | 10.63%       | 0.78%       | 8.28%      | 7.20%       |
| Supplemental Death  | 0.00%         | 0.25%        | 0.00%         | 0.26%        | 0.14%       | 0.34%      | 0.34%       |
| Total Rate  | 16.00%        | 8.79%        | 16.87%        | 10.89%       | 0.92%       | 8.62%      | 7.54%       |
| <b>ADDITIONAL INFORMATION</b>   |               |              |               |              |             |            |             |
| Amortization period as of 1/2008  | 25 years      | 25 years     | 25 years      | 25 years     | 20 years    | 25 years   | 25 years    |
| Number of annuitants  | 397           | 31           | 355           | 30           | 0           | 1          | 16          |
| Number of members   | 1,242         | 173          | 876           | 190          | 3           | 11         | 66          |
| Number of contributing members  | 1,023         | 99           | 691           | 143          | 2           | 7          | 43          |
| Average age of contributing members   | 42.0 years    | 40.0 years   | 43.2 years    | 42.5 years   | 40.1 years  | 48.8 years | 44.0 years  |
| Average length of service of contributing members   | 13.7 years    | 7.8 years    | 14.3 years    | 9.4 years    | 13.7 years  | 9.2 years  | 10.6 years  |
|   |               |              |               |              |             |            |             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |               |              |               |              |             |            |             |
| 1. Prior Service Liability  | \$133,501     | \$4,768,996  | \$1,892,411   | \$48,056     | \$117,094   | \$21,806   | \$210,843   |
| a. Present Members  | 1,348,737     | 1,758,937    | 3,900,119     | 1,079,074    | 92,768      | 0          | 0           |
| b. Annuitants   | 10,087,800    | 22,101,622   | 38,517,137    | 3,581,286    | 6,008,602   | 248,349    | 221,180     |
| 2. Current Service Liability (Present Members)  | \$11,570,038  | \$28,629,555 | \$44,309,667  | \$4,708,416  | \$6,218,464 | \$270,155  | \$432,023   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 9,596,603     | 20,992,770   | 36,351,626    | 3,480,740    | 5,752,151   | 270,002    | 298,555     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$1,973,435   | \$7,636,785  | \$7,988,041   | \$1,227,676  | \$466,313   | \$153      | \$133,468   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 82.9%         | 73.3%        | 82.0%         | 73.9%        | 92.5%       | 99.9%      | 69.1%       |
| 6. Funded Ratio: (4) / (3)  | \$6,165,623   | \$5,314,853  | \$16,822,281  | \$2,740,124  | \$679,486   | \$16,837   | \$0         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 88.9%         | 77.5%        | 87.0%         | 83.5%        | 93.2%       | 99.9%      | 69.1%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |               |              |               |              |             |            |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |               |              |               |              |             |            |             |
| Retirement  |               |              |               |              |             |            |             |
| Normal Cost   | 5.52%         | 7.40%        | 9.54%         | 6.22%        | 7.17%       | 2.78%      | 4.13%       |
| Prior Service   | 2.01%         | 2.59%        | 2.85%         | 3.73%        | 1.13%       | 0.00%      | 2.69%       |
| Total Retirement  | 7.53%         | 9.99%        | 12.39%        | 9.95%        | 8.30%       | 2.78%      | 6.82%       |
| Supplemental Death  | 0.36%         | 0.21%        | 0.22%         | 0.31%        | 0.25%       | 0.00%      | 0.35%       |
| Total Rate  | 7.89%         | 10.20%       | 12.61%        | 10.26%       | 8.55%       | 2.78%      | 7.17%       |
| <b>ADDITIONAL INFORMATION</b>   |               |              |               |              |             |            |             |
| Amortization period as of 1/2008  | 25 years      | 25 years     | 25 years      | 25 years     | 25 years    | 25 years   | 25 years    |
| Number of annuitants  | 70            | 80           | 68            | 21           | 7           | 1          | 0           |
| Number of members   | 250           | 640          | 386           | 66           | 67          | 30         | 9           |
| Number of contributing members  | 159           | 488          | 295           | 51           | 54          | 12         | 9           |
| Average age of contributing members   | 44.4 years    | 38.8 years   | 40.5 years    | 40.9 years   | 44.6 years  | 43.4 years | 50.3 years  |
| Average length of service of contributing members   | 9.6 years     | 10.1 years   | 11.4 years    | 12.0 years   | 12.8 years  | 5.4 years  | 16.0 years  |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Morgan's Point | Morgan's Point Resort | Morton      | Moulton      | Mount Enterprise | Mt. Pleasant | Mt. Vernon  |
|---|----------------|-----------------------|-------------|--------------|------------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                |                       |             |              |                  |              |             |
| 1. Prior Service Liability  | \$222,482      | \$161,949             | \$39,990    | \$6,860      | \$32,666         | \$1,652,208  | \$5,817     |
| a. Present Members  | 137,276        | 72,754                | 167,703     | 49,227       | 0                | 1,002,283    | 119,007     |
| b. Annuitants   | 1,591,045      | 754,957               | 830,128     | 899,021      | 26,325           | 9,518,950    | 973,097     |
| 2. Current Service Liability (Present Members)  | \$1,950,803    | \$989,660             | \$1,037,821 | \$955,108    | \$58,991         | \$12,173,441 | \$1,097,921 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,602,629      | 767,984               | 845,027     | 866,633      | 45,340           | 8,872,109    | 860,218     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$348,174      | \$221,676             | \$192,794   | \$68,475     | \$13,651         | \$3,301,332  | \$237,703   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 82.2%          | 77.6%                 | 81.4%       | 90.7%        | 76.9%            | 72.9%        | 78.3%       |
| 6. Funded Ratio: (4) / (3)  | \$151,899      | \$140,454             | \$354,184   | \$273,944    | \$0              | \$2,211,395  | \$893,211   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 83.4%          | 80.4%                 | 86.1%       | 92.8%        | 76.9%            | 77.0%        | 88.1%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                |                       |             |              |                  |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                |                       |             |              |                  |              |             |
| Retirement  |                |                       |             |              |                  |              |             |
| Normal Cost   | 11.34%         | 7.88%                 | 7.83%       | 3.65%        | 3.15%            | 8.66%        | 6.81%       |
| Prior Service   | 3.41%          | 1.88%                 | 4.32%       | 1.47%        | 3.53%            | 3.85%        | 2.83%       |
| Total Retirement  | 14.75%         | 9.76%                 | 12.15%      | 5.12%        | 6.68%            | 12.51%       | 9.64%       |
| Supplemental Death  | 0.00%          | 0.31%                 | 0.43%       | 0.36%        | 0.31%            | 0.30%        | 0.30%       |
| Total Rate  | 14.75%         | 10.07%                | 12.58%      | 5.48%        | 6.99%            | 12.81%       | 9.94%       |
| <b>ADDITIONAL INFORMATION</b>   |                |                       |             |              |                  |              |             |
| Amortization period as of 1/2008  | 25 years       | 25 years              | 25 years    | 25 years     | 10 years         | 25 years     | 25 years    |
| Number of annuitants  | 4              | 7                     | 8           | 5            | 0                | 48           | 13          |
| Number of members   | 19             | 45                    | 13          | 15           | 3                | 208          | 40          |
| Number of contributing members  | 13             | 26                    | 9           | 11           | 2                | 142          | 21          |
| Average age of contributing members   | 47.5 years     | 43.6 years            | 41.9 years  | 49.5 years   | 50.2 years       | 40.9 years   | 39.7 years  |
| Average length of service of contributing members   | 14.0 years     | 8.6 years             | 13.5 years  | 13.7 years   | 10.1 years       | 10.1 years   | 6.2 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                |                       |             |              |                  |              |             |
| 1. Prior Service Liability  | \$0            | \$97,995              | \$514,625   | \$2,968,987  | \$0              | \$0          | \$0         |
| a. Present Members  | 4,372          | 600,855               | 541,649     | 4,937,591    | 915              | 0            | 40,272      |
| b. Annuitants   | 933,817        | 2,583,398             | 2,453,358   | 32,240,698   | 0                | 136,626      | 454,020     |
| 2. Current Service Liability (Present Members)  | \$938,189      | \$3,282,248           | \$3,509,632 | \$40,147,276 | \$915            | \$136,626    | \$494,292   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 899,562        | 2,374,667             | 2,599,165   | 26,839,410   | 1,043,490        | 179,724      | 546,661     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$38,627       | \$907,581             | \$910,467   | \$13,307,866 | 1,043,490        | (\$43,098)   | (\$52,369)  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 95.9%          | 72.3%                 | 74.1%       | 66.9%        | 11,404,266       | 131.5%       | 110.6%      |
| 6. Funded Ratio: (4) / (3)  | \$361,179      | \$1,734,284           | \$296,582   | \$16,873,100 | \$88,282         | \$127,284    | \$61,352    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 97.0%          | 81.9%                 | 76.1%       | 76.7%        | 1268.8%          | 116.3%       | 109.4%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                |                       |             |              |                  |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                |                       |             |              |                  |              |             |
| Retirement  |                |                       |             |              |                  |              |             |
| Normal Cost   | 7.55%          | 8.98%                 | 9.05%       | 9.05%        | 0.00%            | 2.78%        | 5.90%       |
| Prior Service   | 0.91%          | 5.55%                 | 1.36%       | 5.77%        | 0.00%            | -1.36%       | -0.54%      |
| Total Retirement  | 8.46%          | 14.53%                | 10.41%      | 14.82%       | 0.00%            | 1.42%        | 5.36%       |
| Supplemental Death  | 0.00%          | 0.32%                 | 0.19%       | 0.28%        | 0.00%            | 0.35%        | 0.32%       |
| Total Rate  | 8.46%          | 14.85%                | 10.60%      | 15.10%       | 0.00%            | 1.77%        | 5.68%       |
| <b>ADDITIONAL INFORMATION</b>   |                |                       |             |              |                  |              |             |
| Amortization period as of 1/2008  | 25 years       | 25 years              | 25 years    | 25 years     | 25 years         | 25 years     | 25 years    |
| Number of annuitants  | 6              | 13                    | 3           | 120          | 3                | 3            | 5           |
| Number of members   | 12             | 44                    | 109         | 375          | 0                | 18           | 25          |
| Number of contributing members  | 9              | 32                    | 84          | 300          | 0                | 8            | 19          |
| Average age of contributing members   | 51.6 years     | 43.6 years            | 40.6 years  | 41.7 years   | 0.0 years        | 45.6 years   | 43.2 years  |
| Average length of service of contributing members   | 13.0 years     | 11.4 years            | 8.9 years   | 13.2 years   | 0.0 years        | 4.1 years    | 7.7 years   |

\* See Note on page 170.







# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Normangee  | North Richland Hills | Northlake  | Oak Point   | Oak Ridge North | Odem       | Odessa       |
|---|------------|----------------------|------------|-------------|-----------------|------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$12,273   | \$4,692,253          | \$5,540    | \$22,012    | \$568,796       | \$196,481  | \$1,050,737  |
|   | 0          | 7,998,368            | 0          | 0           | 0               | 59,358     | 12,035,001   |
|   | 95,808     | 78,294,696           | 238,791    | 244,356     | 1,711,977       | 328,721    | 82,685,809   |
|   | \$108,081  | \$90,985,317         | \$284,331  | \$266,368   | \$2,280,773     | \$684,560  | \$95,771,547 |
|   | 111,218    | 75,748,895           | 207,316    | 264,716     | 1,665,102       | 407,805    | 70,288,601   |
|   | (\$3,137)  | \$15,236,422         | \$37,015   | \$1,592     | \$615,671       | \$176,755  | \$25,482,946 |
|   | 102.9%     | 83.3%                | 84.9%      | 99.4%       | 73.0%           | 69.8%      | 73.4%        |
|   | \$3,778    | \$24,262,720         | \$14,958   | \$0         | \$69,114        | \$14,994   | \$60,318,014 |
| 102.8%  | 86.8%      | 85.7%                | 99.4%      | 73.8%       | 70.5%           | 83.7%      |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |                      |            |             |                 |            |              |
| Retirement  |            |                      |            |             |                 |            |              |
| Normal Cost   |            | 10.46%               | 7.06%      | 4.78%       | 8.44%           | 3.67%      | 9.13%        |
| Prior Service   | -0.21%     | 2.95%                | 0.48%      | 0.01%       | 2.34%           | 3.65%      | 5.33%        |
| Total Retirement  | 5.44%      | 13.41%               | 7.54%      | 4.79%       | 10.78%          | 7.32%      | 14.46%       |
| Supplemental Death  | 0.66%      | 0.22%                | 0.26%      | 0.12%       | 0.28%           | 0.51%      | 0.31%        |
| Total Rate  | 6.10%      | 13.63%               | 7.80%      | 4.91%       | 11.06%          | 7.83%      | 14.77%       |
| <b>ADDITIONAL INFORMATION</b>   |            |                      |            |             |                 |            |              |
| Amortization period as of 1/2008  |            | 25 years             | 25 years   | 25 years    | 25 years        | 25 years   | 25 years     |
| Number of annuitants  | 1          | 144                  | 2          | 0           | 2               | 3          | 321          |
| Number of members   | 7          | 723                  | 20         | 26          | 53              | 13         | 866          |
| Number of contributing members  | 3          | 513                  | 11         | 15          | 38              | 11         | 656          |
| Average age of contributing members   | 50.5 years | 41.9 years           | 44.8 years | 37.4 years  | 42.9 years      | 56.4 years | 42.4 years   |
| Average length of service of contributing members   | 3.6 years  | 14.0 years           | 11.3 years | 7.7 years   | 10.1 years      | 22.2 years | 11.6 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |                      |            |             |                 |            |              |
| 1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)]  | \$84,863   | \$1,266              | \$0        | \$68,160    | \$115,906       | \$21,899   | \$4,414      |
|   | 0          | 0                    | 0          | 58,994      | 16,970          | 70,687     | 3,730        |
|   | 71,918     | 27,349               | 5,138      | 2,033,150   | 187,258         | 28,631     | 91,269       |
|   | \$156,781  | \$28,615             | \$5,138    | \$2,160,304 | \$320,134       | \$121,217  | \$99,413     |
|   | 97,051     | 29,435               | 21,681     | 1,944,224   | 242,071         | 25,537     | 101,318      |
|   | \$59,730   | (8620)               | (\$16,543) | \$216,080   | \$78,063        | \$95,680   | (\$1,905)    |
|   | 61.9%      | 102.9%               | 422.0%     | 90.0%       | 75.6%           | 21.1%      | 101.9%       |
|   | \$0        | \$0                  | \$0        | \$2,123,003 | \$9,398         | \$787      | \$18,465     |
| 61.9%   | 102.9%     | 422.0%               | 95.0%      | 76.3%       | 21.6%           | 101.6%     |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |                      |            |             |                 |            |              |
| Retirement  |            |                      |            |             |                 |            |              |
| Normal Cost   |            | 4.07%                | 2.50%      | 4.77%       | 2.66%           | 3.49%      | 2.20%        |
| Prior Service   | -3.10%     | -0.10%               | -2.50%     | -1.02%      | 0.75%           | 5.99%      | -0.05%       |
| Total Retirement  | 6.34%      | 3.97%                | 0.00%      | 5.79%       | 3.41%           | 9.48%      | 2.15%        |
| Supplemental Death  | 0.28%      | 0.46%                | 0.00%      | 0.00%       | 0.26%           | 0.33%      | 0.13%        |
| Total Rate  | 6.62%      | 4.43%                | 0.00%      | 5.79%       | 3.67%           | 9.81%      | 2.28%        |
| <b>ADDITIONAL INFORMATION</b>   |            |                      |            |             |                 |            |              |
| Amortization period as of 1/2008  |            | 2 years              | 24 years   | 25 years    | 25 years        | 25 years   | 25 years     |
| Number of annuitants  | 0          | 0                    | 0          | 24          | 2               | 1          | 2            |
| Number of members   | 7          | 2                    | 4          | 63          | 43              | 4          | 25           |
| Number of contributing members  | 5          | 2                    | 2          | 35          | 28              | 4          | 9            |
| Average age of contributing members   | 49.2 years | 56.9 years           | 35.0 years | 37.7 years  | 43.5 years      | 48.7 years | 36.3 years   |
| Average length of service of contributing members   | 9.6 years  | 9.9 years            | 2.2 years  | 10.8 years  | 8.4 years       | 7.4 years  | 3.0 years    |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Orange       | Orange Grove | Ore City   | Overton     | Ovilla       | Oyster Creek | Paducah     |
|--|--------------|--------------|------------|-------------|--------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |              |            |             |              |              |             |
| 1. Prior Service Liability   | \$1,908,982  | \$26,972     | \$40,555   | \$4,116     | \$1,233      | \$10,630     | \$19,764    |
| a. Present Members   | 4,251,708    | 78,684       | 7,823      | 347         | 45,468       | 8,835        | 134,315     |
| b. Annuitants  | 21,814,350   | 830,403      | 120,691    | 462,601     | 501,674      | 872,689      | 702,037     |
| 2. Current Service Liability (Present Members)   | \$27,975,040 | \$936,059    | \$189,069  | \$467,064   | \$548,375    | \$892,154    | \$856,116   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 21,247,124   | 895,918      | 107,607    | 633,789     | 499,847      | 954,820      | 707,426     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$6,727,916  | \$40,141     | \$61,482   | (\$166,725) | \$48,528     | (\$62,666)   | \$148,690   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 76.0%        | 95.7%        | 63.6%      | 135.7%      | 91.2%        | 107.0%       | 82.6%       |
| 6. Funded Ratio: (4) / (3)   | \$13,078,373 | \$46,254     | \$573      | \$96,205    | \$323,490    | \$292,682    | \$404,954   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 83.6%        | 95.9%        | 63.8%      | 129.6%      | 94.4%        | 105.3%       | 88.2%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |              |            |             |              |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |              |            |             |              |              |             |
| Retirement   |              |              |            |             |              |              |             |
| Normal Cost  | 10.88%       | 5.30%        | 2.05%      | 5.28%       | 6.45%        | 3.97%        | 4.57%       |
| Prior Service  | 6.07%        | 0.79%        | 1.49%      | -3.05%      | 0.43%        | -0.88%       | 3.63%       |
| Total Retirement   | 16.95%       | 6.09%        | 3.54%      | 2.23%       | 6.88%        | 3.09%        | 8.20%       |
| Supplemental Death   | 0.00%        | 0.35%        | 0.17%      | 0.34%       | 0.21%        | 0.34%        | 0.47%       |
| Total Rate   | 16.95%       | 6.44%        | 3.71%      | 2.57%       | 7.09%        | 3.43%        | 8.67%       |
| <b>ADDITIONAL INFORMATION</b>  |              |              |            |             |              |              |             |
| Amortization period as of 1/2008   | 25 years     | 25 years     | 25 years   | 25 years    | 25 years     | 25 years     | 25 years    |
| Number of annuitants   | 94           | 2            | 1          | 5           | 6            | 6            | 8           |
| Number of members  | 203          | 14           | 20         | 29          | 38           | 24           | 17          |
| Number of contributing members   | 151          | 11           | 9          | 14          | 21           | 15           | 12          |
| Average age of contributing members  | 42.8 years   | 44.5 years   | 39.2 years | 43.8 years  | 38.8 years   | 46.1 years   | 47.7 years  |
| Average length of service of contributing members  | 14.0 years   | 13.1 years   | 5.6 years  | 6.4 years   | 8.5 years    | 11.6 years   | 9.6 years   |
|  |              |              |            |             |              |              |             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |              |              |            |             |              |              |             |
| 1. Prior Service Liability   | \$99,612     | \$1,859,279  | \$69,463   | \$2,048     | \$61,024     | \$7,736      | \$36,236    |
| a. Present Members   | 211,494      | 2,491,183    | 54,414     | 0           | 4,630,272    | 99,791       | 44,293      |
| b. Annuitants  | 1,168,443    | 15,114,557   | 213,379    | 40,136      | 10,697,886   | 743,222      | 943,475     |
| 2. Current Service Liability (Present Members)   | \$1,479,549  | \$19,465,019 | \$337,256  | \$42,184    | \$15,389,182 | \$850,749    | \$1,024,004 |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 1,177,426    | 13,876,432   | 350,965    | 37,952      | 8,572,667    | 727,589      | 898,585     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$302,123    | \$5,588,587  | (\$13,709) | \$4,232     | \$6,816,515  | \$123,160    | \$125,419   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 79.6%        | 71.3%        | 104.1%     | 90.0%       | 55.7%        | 85.5%        | 87.8%       |
| 6. Funded Ratio: (4) / (3)   | \$504,401    | \$7,203,103  | \$32,792   | \$0         | \$10,497,545 | \$513,056    | \$169,269   |
| 7. Current Service Annuity Reserve Fund Allocation*  | 84.8%        | 79.0%        | 103.7%     | 90.0%       | 73.7%        | 91.0%        | 89.5%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |              |              |            |             |              |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |              |              |            |             |              |              |             |
| Retirement   |              |              |            |             |              |              |             |
| Normal Cost  | 4.93%        | 8.52%        | 4.17%      | 2.16%       | 5.59%        | 3.07%        | 6.22%       |
| Prior Service  | 1.69%        | 4.78%        | -0.14%     | 0.07%       | 7.86%        | 1.76%        | 1.84%       |
| Total Retirement   | 6.62%        | 13.30%       | 4.03%      | 2.23%       | 13.45%       | 4.83%        | 8.06%       |
| Supplemental Death   | 0.27%        | 0.36%        | 0.00%      | 0.28%       | 0.38%        | 0.00%        | 0.39%       |
| Total Rate   | 6.89%        | 13.66%       | 4.03%      | 2.51%       | 13.83%       | 4.83%        | 8.45%       |
| <b>ADDITIONAL INFORMATION</b>  |              |              |            |             |              |              |             |
| Amortization period as of 1/2008   | 25 years     | 25 years     | 25 years   | 25 years    | 25 years     | 25 years     | 25 years    |
| Number of annuitants   | 7            | 87           | 0          | 0           | 116          | 5            | 2           |
| Number of members  | 57           | 222          | 16         | 12          | 210          | 21           | 17          |
| Number of contributing members   | 35           | 163          | 20         | 14          | 142          | 14           | 11          |
| Average age of contributing members  | 43.6 years   | 43.5 years   | 34.8 years | 41.9 years  | 42.9 years   | 40.5 years   | 50.8 years  |
| Average length of service of contributing members  | 8.7 years    | 14.4 years   | 2.4 years  | 3.9 years   | 10.5 years   | 9.0 years    | 16.1 years  |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Pittsburg   | Plains       | Plainview    | Plano         | Pleasanton  | Point        | Ponder      |
|---|-------------|--------------|--------------|---------------|-------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |              |               |             |              |             |
| 1. Prior Service Liability  | \$313,658   | \$108,637    | \$702,131    | \$28,529,831  | \$193,048   | \$0          | \$37,746    |
| a. Present Members  | 408,938     | 15,136       | 1,772,046    | 23,272,904    | 164,359     | 78,634       | 0           |
| b. Annuitants   | 2,145,400   | 606,926      | 15,404,393   | 317,585,870   | 3,896,598   | 37,719       | 169,727     |
| 2. Current Service Liability (Present Members)  | \$2,867,996 | \$730,699    | \$17,878,570 | \$369,388,605 | \$4,254,005 | \$116,353    | \$207,473   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,005,597   | 659,781      | 14,198,909   | 296,863,771   | 3,883,315   | 123,174      | 167,043     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$862,399   | \$70,918     | \$3,679,661  | \$72,524,834  | \$370,690   | (\$6,821)    | \$40,430    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 69.9%       | 90.3%        | 79.4%        | 80.4%         | 91.3%       | 105.9%       | 80.5%       |
| 6. Funded Ratio: (4) / (3)  | \$1,768,628 | \$41,879     | \$6,935,627  | \$81,552,298  | \$685,303   | \$36,492     | \$0         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 81.4%       | 90.8%        | 85.2%        | 83.9%         | 92.5%       | 104.5%       | 80.5%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |              |              |               |             |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |              |               |             |              |             |
| Retirement  |             |              |              |               |             |              |             |
| Normal Cost   | 7.77%       | 8.62%        | 8.28%        | 10.21%        | 4.71%       | 2.32%        | 5.47%       |
| Prior Service   | 4.28%       | 2.05%        | 4.12%        | 3.18%         | 0.91%       | -0.21%       | 0.62%       |
| Total Retirement  | 12.05%      | 10.67%       | 12.40%       | 13.39%        | 5.62%       | 2.11%        | 6.09%       |
| Supplemental Death  | 0.38%       | 0.23%        | 0.00%        | 0.00%         | 0.24%       | 0.00%        | 0.31%       |
| Total Rate  | 12.43%      | 10.90%       | 12.40%       | 13.39%        | 5.86%       | 2.11%        | 6.40%       |
| <b>ADDITIONAL INFORMATION</b>   |             |              |              |               |             |              |             |
| Amortization period as of 1/2008  | 25 years    | 25 years     | 25 years     | 25 years      | 25 years    | 25 years     | 25 years    |
| Number of annuitants  | 19          | 61           | 198          | 417           | 108         | 1            | 0           |
| Number of members   | 48          | 11           | 198          | 2,695         | 108         | 14           | 12          |
| Number of contributing members  | 37          | 7            | 152          | 2,149         | 76          | 8            | 10          |
| Average age of contributing members   | 44.0 years  | 44.3 years   | 44.6 years   | 43.1 years    | 42.2 years  | 46.8 years   | 47.7 years  |
| Average length of service of contributing members   | 9.2 years   | 15.3 years   | 11.8 years   | 13.1 years    | 11.1 years  | 3.5 years    | 6.5 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |              |              |               |             |              |             |
| 1. Prior Service Liability  | \$886,952   | \$1,868,354  | \$1,171      | \$122,568     | \$132,668   | \$1,641,354  | \$1,980,578 |
| a. Present Members  | 178,557     | 14,212,339   | 0            | 400,673       | 826,685     | 3,101,140    | 1,740,831   |
| b. Annuitants   | 2,999,210   | 64,370,158   | 551,480      | 1,700,935     | 3,884,463   | 18,566,546   | 4,048,766   |
| 2. Current Service Liability (Present Members)  | \$4,064,719 | \$80,450,851 | \$552,651    | \$2,224,176   | \$4,843,816 | \$23,309,040 | \$7,770,175 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 3,108,840   | 56,992,953   | 513,688      | 2,245,000     | 3,861,317   | 16,688,762   | 5,059,806   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$955,879   | \$23,457,896 | \$38,963     | (\$20,824)    | \$962,499   | \$6,620,278  | \$2,710,369 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 76.5%       | 70.8%        | 92.9%        | 100.9%        | 79.7%       | 71.6%        | 65.1%       |
| 6. Funded Ratio: (4) / (3)  | \$815,693   | \$39,525,912 | \$44,949     | \$295,950     | \$2,130,579 | \$9,880,861  | \$1,192,448 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 80.4%       | 80.4%        | 93.5%        | 100.8%        | 85.9%       | 80.1%        | 69.8%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |             |              |              |               |             |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |              |              |               |             |              |             |
| Retirement  |             |              |              |               |             |              |             |
| Normal Cost   | 5.05%       | 7.61%        | 5.73%        | 3.27%         | 3.83%       | 11.32%       | 7.42%       |
| Prior Service   | 2.13%       | 6.13%        | 0.90%        | -0.07%        | 2.10%       | 8.11%        | 4.35%       |
| Total Retirement  | 7.18%       | 13.74%       | 6.63%        | 3.20%         | 5.93%       | 19.43%       | 11.77%      |
| Supplemental Death  | 0.30%       | 0.34%        | 0.61%        | 0.28%         | 0.34%       | 0.00%        | 0.25%       |
| Total Rate  | 7.48%       | 14.08%       | 7.24%        | 3.48%         | 6.27%       | 19.43%       | 12.02%      |
| <b>ADDITIONAL INFORMATION</b>   |             |              |              |               |             |              |             |
| Amortization period as of 1/2008  | 25 years    | 25 years     | 25 years     | 25 years      | 25 years    | 25 years     | 25 years    |
| Number of annuitants  | 13          | 334          | 3            | 9             | 37          | 47           | 35          |
| Number of members   | 149         | 607          | 11           | 124           | 133         | 102          | 140         |
| Number of contributing members  | 95          | 503          | 7            | 74            | 81          | 90           | 92          |
| Average age of contributing members   | 45.6 years  | 44.8 years   | 53.0 years   | 38.9 years    | 43.2 years  | 44.3 years   | 40.7 years  |
| Average length of service of contributing members   | 9.8 years   | 14.2 years   | 12.8 years   | 6.7 years     | 8.4 years   | 17.2 years   | 10.3 years  |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Post  | Poteet   | Poth   | Pottsboro   | Premont   | Presidio  | Primera   |  |   |  |
|---|---|--|--|---|---|---|---|--|---|--|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$184,577<br>263,911<br>580,054<br>\$1,028,542<br>576,755<br>\$451,787<br>56.1%<br>\$185,170<br>62.8%   | \$81,704<br>14,154<br>564,902<br>\$660,760<br>720,853<br>(\$60,093)<br>109.1%<br>\$57,113<br>108.4%  | \$84,999<br>29,841<br>174,071<br>\$288,911<br>200,941<br>\$87,970<br>69.6%<br>\$1,582<br>69.7% | \$0<br>106,760<br>174,645<br>\$281,405<br>302,122<br>(\$20,717)<br>107.4%<br>\$85,453<br>105.6%           | \$89,806<br>59,244<br>389,165<br>\$538,215<br>531,165<br>\$7,050<br>98.7%<br>\$20,260<br>98.7%  | \$130,931<br>39,542<br>285,588<br>\$456,061<br>\$111,687<br>75.5%<br>\$18,117<br>76.4%        | \$49,302<br>0<br>153,855<br>\$203,157<br>\$11,496<br>94.3%<br>\$0<br>94.3%      |  |   |  |
|   | <b>CITY CONTRIBUTION RATES FOR 2008</b><br>Retirement<br>Normal Cost<br>Prior Service<br>Total Retirement<br>Supplemental Death<br>Total Rate   | 6.72%<br>6.07%<br>12.79%<br>0.51%<br>13.30%  | 4.08%<br>-0.70%<br>3.38%<br>0.19%<br>3.57%   | 3.79%<br>2.15%<br>5.94%<br>0.54%<br>6.48%   | 2.16%<br>-0.27%<br>1.89%<br>0.21%<br>2.10%  | 3.29%<br>0.14%<br>3.43%<br>0.55%<br>3.98%   | 3.09%<br>0.97%<br>4.06%<br>0.21%<br>4.27%                                       | 3.11%<br>0.23%<br>3.34%<br>0.22%<br>3.56%  |   |  |
|   | <b>ADDITIONAL INFORMATION</b><br>Amortization period as of 1/2008<br>Number of annuitants<br>Number of members<br>Number of contributing members<br>Average age of contributing members<br>Average length of service of contributing members  | 25 years<br>9<br>22<br>16<br>46.1 years<br>12.1 years  | 25 years<br>3<br>29<br>18<br>38.2 years<br>8.0 years   | 25 years<br>1<br>11<br>9<br>54.5 years<br>9.3 years   | 25 years<br>4<br>39<br>17<br>36.9 years<br>3.1 years  | 25 years<br>4<br>20<br>14<br>49.5 years<br>11.3 years   | 25 years<br>2<br>38<br>28<br>41.6 years<br>7.1 years                            | 25 years<br>0<br>21<br>14<br>43.9 years<br>8.0 years                               |   |  |
|   | <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$17,090<br>333,953<br>448,262<br>\$799,305<br>978,468<br>(\$179,163)<br>122.4%<br>\$903,010<br>110.5%   | \$71,724<br>8,215<br>847,336<br>\$927,275<br>838,979<br>\$88,296<br>90.5%<br>\$61,099<br>91.1% | \$133,706<br>119,853<br>1,151,760<br>\$1,405,319<br>1,166,210<br>\$239,109<br>83.0%<br>\$441,841<br>87.1% | \$50,733<br>52,923<br>151,575<br>\$255,231<br>202,586<br>\$52,645<br>79.4%<br>\$22,514<br>81.0% | \$55<br>42,967<br>64,158<br>\$107,180<br>115,869<br>(\$8,689)<br>108.1%<br>\$45,632<br>105.7% | \$10,692<br>0<br>4,677<br>\$15,369<br>5,542<br>\$9,827<br>36.1%<br>\$0<br>36.1% | \$43,003<br>0<br>35,001<br>\$78,004<br>44,486<br>\$33,518<br>57.0%<br>\$0<br>57.0% |   |  |
|   |   | <b>CITY CONTRIBUTION RATES FOR 2008</b><br>Retirement<br>Normal Cost<br>Prior Service<br>Total Retirement<br>Supplemental Death<br>Total Rate  | 6.32%<br>-0.83%<br>5.49%<br>0.18%<br>5.67%   | 8.04%<br>0.29%<br>8.33%<br>0.00%<br>8.33%   | 5.42%<br>3.03%<br>8.45%<br>0.66%<br>9.11%   | 2.85%<br>1.13%<br>3.98%<br>0.22%<br>4.20%   | 1.75%<br>-0.25%<br>1.52%<br>0.14%<br>1.66%                                      | 3.07%<br>2.49%<br>5.56%<br>0.21%<br>5.77%  | 4.26%<br>3.13%<br>7.39%<br>0.23%<br>7.62%           |  |
|   |   | <b>ADDITIONAL INFORMATION</b><br>Amortization period as of 1/2008<br>Number of annuitants<br>Number of members<br>Number of contributing members<br>Average age of contributing members<br>Average length of service of contributing members | 25 years<br>6<br>50<br>35<br>38.6 years<br>4.4 years   | 25 years<br>3<br>60<br>41<br>37.2 years<br>6.2 years  | 25 years<br>8<br>29<br>18<br>48.3 years<br>13.6 years   | 25 years<br>1<br>26<br>11<br>42.4 years<br>5.3 years  | 25 years<br>2<br>30<br>9<br>31.2 years<br>1.5 years                             | 11 years<br>0<br>2<br>2<br>48.6 years<br>6.3 years                                 | 25 years<br>0<br>3<br>3<br>50.0 years<br>13.3 years |  |

\* See Note on page 170.







# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Rice       | Richardson*   | Richland Hills | Richland Springs | Richmond     | Richwood    | Rio Grande City |
|---|------------|---------------|----------------|------------------|--------------|-------------|-----------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                |                  |              |             |                 |
| 1. Prior Service Liability  | \$15,119   | \$7,026,873   | \$348,174      | \$17,705         | \$324,453    | \$326,559   | \$840,963       |
| a. Present Members  | 0          | 31,927,679    | 963,263        | 0                | 1,143,789    | 47,768      | 16,961          |
| b. Annuitants   | 51,671     | 180,754,486   | 10,015,292     | 135,966          | 13,724,367   | 1,025,546   | 623,712         |
| 2. Current Service Liability (Present Members)  | \$66,790   | \$219,709,038 | \$11,326,729   | \$153,671        | \$15,792,609 | \$1,399,873 | \$1,481,636     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 77,125     | 166,224,131   | 9,103,686      | 154,073          | 12,160,191   | 1,173,256   | 713,152         |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | (\$10,335) | \$53,484,907  | \$2,223,043    | (\$402)          | \$3,032,418  | \$226,617   | \$768,484       |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 115.5%     | 75.7%         | 80.4%          | 100.3%           | 80.0%        | 83.8%       | 48.1%           |
| 6. Funded Ratio: (4) / (3)  | \$0        | \$82,991,753  | \$4,588,003    | \$0              | \$2,377,831  | \$80,563    | \$2,706         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 115.5%     | 82.3%         | 86.0%          | 100.3%           | 82.7%        | 84.7%       | 48.2%           |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |               |                |                  |              |             |                 |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                |                  |              |             |                 |
| Retirement  |            |               |                |                  |              |             |                 |
| Normal Cost   | 2.18%      | 10.61%        | 9.05%          | 9.63%            | 8.86%        | 6.85%       | 4.99%           |
| Prior Service   | -0.39%     | 4.89%         | 4.03%          | -0.06%           | 3.45%        | 2.52%       | 1.95%           |
| Total Retirement  | 1.79%      | 15.50%        | 13.08%         | 9.57%            | 12.31%       | 9.37%       | 6.94%           |
| Supplemental Death  | 0.07%      | 0.00%         | 0.30%          | 0.93%            | 0.24%        | 0.29%       | 0.17%           |
| Total Rate  | 1.86%      | 15.50%        | 13.38%         | 10.50%           | 12.55%       | 9.66%       | 7.11%           |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                |                  |              |             |                 |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years       | 1 year           | 25 years     | 25 years    | 25 years        |
| Number of annuitants  | 0          | 375           | 42             | 0                | 15           | 3           | 1               |
| Number of members   | 11         | 1,254         | 162            | 2                | 192          | 29          | 139             |
| Number of contributing members  | 6          | 972           | 73             | 2                | 125          | 17          | 96              |
| Average age of contributing members   | 31.9 years | 42.7 years    | 44.7 years     | 64.5 years       | 40.8 years   | 44.5 years  | 37.4 years      |
| Average length of service of contributing members   | 2.7 years  | 14.1 years    | 12.4 years     | 30.3 years       | 11.0 years   | 11.6 years  | 5.3 years       |
|   |            |               |                |                  |              |             |                 |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |               |                |                  |              |             |                 |
| 1. Prior Service Liability  | \$106,440  | \$71,986      | \$146,330      | \$544,112        | \$32,610     | \$555,709   | \$232,969       |
| a. Present Members  | 140,792    | 0             | 888,836        | 311,786          | 65,442       | 130,944     | 645,631         |
| b. Annuitants   | 121,127    | 70,201        | 4,080,514      | 4,130,385        | 42,089       | 1,936,501   | 5,087,521       |
| 2. Current Service Liability (Present Members)  | \$368,359  | \$142,187     | \$5,115,680    | \$4,986,283      | \$140,141    | \$2,623,154 | \$5,966,121     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 159,910    | 96,068        | 3,760,535      | 4,159,908        | 47,802       | 2,020,446   | 4,960,143       |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$208,449  | \$46,119      | \$1,355,145    | \$826,375        | \$92,339     | \$602,708   | \$1,005,978     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 43.4%      | 67.6%         | 73.5%          | 83.4%            | 34.1%        | 77.0%       | 83.1%           |
| 6. Funded Ratio: (4) / (3)  | \$13,906   | \$0           | \$2,195,250    | \$490,649        | \$2,322      | \$97,663    | \$1,824,345     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 45.5%      | 67.6%         | 81.5%          | 84.9%            | 35.2%        | 77.8%       | 87.1%           |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |            |               |                |                  |              |             |                 |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |               |                |                  |              |             |                 |
| Retirement  |            |               |                |                  |              |             |                 |
| Normal Cost   | 3.97%      | 3.85%         | 7.93%          | 8.24%            | 3.85%        | 7.44%       | 4.37%           |
| Prior Service   | 4.50%      | 2.61%         | 4.49%          | 1.11%            | 4.90%        | 1.94%       | 2.01%           |
| Total Retirement  | 8.47%      | 6.46%         | 12.42%         | 9.35%            | 8.75%        | 9.38%       | 6.38%           |
| Supplemental Death  | 0.38%      | 0.33%         | 0.39%          | 0.00%            | 0.29%        | 0.20%       | 0.26%           |
| Total Rate  | 8.85%      | 6.79%         | 12.81%         | 9.35%            | 9.04%        | 9.58%       | 6.64%           |
| <b>ADDITIONAL INFORMATION</b>   |            |               |                |                  |              |             |                 |
| Amortization period as of 1/2008  | 25 years   | 25 years      | 25 years       | 25 years         | 25 years     | 25 years    | 25 years        |
| Number of annuitants  | 12         | 0             | 34             | 11               | 1            | 6           | 30              |
| Number of members   | 17         | 9             | 59             | 140              | 5            | 70          | 121             |
| Number of contributing members  | 9          | 5             | 59             | 97               | 5            | 52          | 86              |
| Average age of contributing members   | 46.7 years | 53.6 years    | 42.8 years     | 36.9 years       | 41.8 years   | 40.6 years  | 39.4 years      |
| Average length of service of contributing members   | 6.3 years  | 11.6 years    | 9.7 years      | 6.9 years        | 12.6 years   | 10.7 years  | 9.7 years       |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Robtown<br>Utility Systems | Roby        | Rockdale    | Rockport     | Rocksprings  | Rockwall     | Rogers       |
|---|----------------------------|-------------|-------------|--------------|--------------|--------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                            |             |             |              |              |              |              |
| 1. Prior Service Liability  | \$609,984                  | \$0         | \$224,541   | \$395,403    | \$69,828     | \$4,124,418  | \$55,021     |
| a. Present Members  | 1,147,868                  | 76,051      | 471,127     | 742,576      | 18,759       | 2,866,795    | 78,670       |
| b. Annuitants   | 3,566,459                  | 93,986      | 925,585     | 9,419,782    | 165,092      | 16,920,217   | 204,923      |
| 2. Current Service Liability (Present Members)  | \$5,324,311                | \$170,037   | \$1,621,253 | \$10,557,761 | \$253,679    | \$23,911,430 | \$338,614    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 3,693,795                  | 121,059     | 1,057,288   | 8,434,240    | 204,489      | 17,878,974   | 272,791      |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$1,630,516                | \$48,978    | \$563,965   | \$2,123,521  | \$49,190     | \$6,032,456  | \$65,823     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 69.4%                      | 71.2%       | 65.2%       | 79.9%        | 80.6%        | 74.8%        | 80.6%        |
| 6. Funded Ratio: (4) / (3)  | \$2,847,547                | \$476,336   | \$369,292   | \$2,394,801  | \$1,121      | \$4,307,636  | \$66,561     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 80.0%                      | 92.4%       | 71.7%       | 83.6%        | 80.7%        | 78.6%        | 83.8%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                            |             |             |              |              |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                            |             |             |              |              |              |              |
| Retirement  |                            |             |             |              |              |              |              |
| Normal Cost   | 7.03%                      | 8.02%       | 5.78%       | 9.72%        | 3.20%        | 8.91%        | 2.63%        |
| Prior Service   | 5.91%                      | 3.17%       | 2.52%       | 3.89%        | 1.80%        | 3.02%        | 1.53%        |
| Total Retirement  | 12.94%                     | 11.19%      | 8.30%       | 13.61%       | 5.00%        | 11.93%       | 4.16%        |
| Supplemental Death  | 0.36%                      | 0.37%       | 0.28%       | 0.36%        | 0.00%        | 0.19%        | 0.00%        |
| Total Rate  | 13.30%                     | 11.56%      | 8.58%       | 13.97%       | 5.00%        | 12.12%       | 4.16%        |
| <b>ADDITIONAL INFORMATION</b>   |                            |             |             |              |              |              |              |
| Amortization period as of 1/2008  | 25 years                   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years     | 25 years     |
| Number of annuitants  | 30                         | 3           | 14          | 29           | 1            | 37           | 3            |
| Number of members   | 63                         | 4           | 64          | 121          | 9            | 280          | 20           |
| Number of contributing members  | 45                         | 4           | 43          | 93           | 7            | 227          | 9            |
| Average age of contributing members   | 41.9 years                 | 41.4 years  | 43.0 years  | 46.9 years   | 41.1 years   | 40.2 years   | 41.5 years   |
| Average length of service of contributing members   | 13.4 years                 | 5.2 years   | 8.2 years   | 13.2 years   | 14.7 years   | 10.0 years   | 7.3 years    |
|   |                            |             |             |              |              |              |              |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                            |             |             |              |              |              |              |
| 1. Prior Service Liability  | \$90,144                   | \$905,621   | \$60,772    | \$12,193     | \$1,345,161  | \$26,113     | \$10,608,314 |
| a. Present Members  | 10,743                     | 315,450     | 0           | 0            | 2,313,007    | 56,785       | 5,168,504    |
| b. Annuitants   | 556,033                    | 2,594,876   | 118,350     | 51,828       | 18,960,624   | 163,176      | 52,892,171   |
| 2. Current Service Liability (Present Members)  | \$656,920                  | \$3,815,947 | \$179,122   | \$64,021     | \$22,618,792 | \$246,074    | \$68,668,989 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 616,753                    | 3,154,468   | 137,143     | 43,820       | 15,878,887   | 199,894      | 52,370,089   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$40,167                   | \$661,479   | \$41,979    | \$20,201     | \$6,739,905  | \$46,180     | \$16,298,900 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 93.9%                      | 82.7%       | 76.6%       | 68.4%        | 70.2%        | 81.2%        | 76.3%        |
| 6. Funded Ratio: (4) / (3)  | \$119,907                  | \$188,717   | \$0         | \$0          | \$9,309,027  | \$65,952     | \$10,224,335 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 94.8%                      | 83.5%       | 76.6%       | 68.4%        | 78.9%        | 85.2%        | 79.3%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                            |             |             |              |              |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                            |             |             |              |              |              |              |
| Retirement  |                            |             |             |              |              |              |              |
| Normal Cost   | 7.28%                      | 5.08%       | 3.34%       | 2.62%        | 7.62%        | 2.71%        | 9.12%        |
| Prior Service   | 0.70%                      | 1.66%       | 1.40%       | 0.54%        | 4.25%        | 1.89%        | 3.01%        |
| Total Retirement  | 7.98%                      | 6.74%       | 4.74%       | 3.16%        | 11.87%       | 4.60%        | 12.13%       |
| Supplemental Death  | 0.20%                      | 0.27%       | 0.16%       | 0.31%        | 0.22%        | 0.29%        | 0.20%        |
| Total Rate  | 8.18%                      | 7.01%       | 4.90%       | 3.47%        | 12.09%       | 4.89%        | 12.33%       |
| <b>ADDITIONAL INFORMATION</b>   |                            |             |             |              |              |              |              |
| Amortization period as of 1/2008  | 25 years                   | 25 years    | 25 years    | 25 years     | 25 years     | 25 years     | 25 years     |
| Number of annuitants  | 12                         | 14          | 0           | 0            | 82           | 3            | 91           |
| Number of members   | 19                         | 146         | 9           | 21           | 303          | 8            | 900          |
| Number of contributing members  | 9                          | 106         | 6           | 12           | 211          | 6            | 723          |
| Average age of contributing members   | 40.6 years                 | 40.9 years  | 42.7 years  | 45.5 years   | 39.1 years   | 50.7 years   | 40.5 years   |
| Average length of service of contributing members   | 7.6 years                  | 10.4 years  | 9.0 years   | 3.8 years    | 10.9 years   | 12.9 years   | 10.6 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Rowlett      | Roy H. Laird Mem Hospital | Royse City  | Rule       | Runaway Bay | Rungge       | Rusk          |
|---|--------------|---------------------------|-------------|------------|-------------|--------------|---------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                           |             |            |             |              |               |
| 1. Prior Service Liability  | \$5,658,936  | \$177,335                 | \$198,850   | \$36,192   | \$0         | \$91,705     | \$130,050     |
| a. Present Members  | 1,318,503    | 1,507,972                 | 119,929     | 0          | 0           | 53,455       | 163,234       |
| b. Annuitants   | 37,761,074   | 6,012,831                 | 843,785     | 74,226     | 189,585     | 99,173       | 866,466       |
| 2. Current Service Liability (Present Members)  | \$44,738,513 | \$7,698,138               | \$1,162,564 | \$110,418  | \$189,585   | \$244,333    | \$1,759,750   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 36,530,164   | 5,645,182                 | 835,390     | 88,133     | 241,903     | 126,638      | 1,059,560     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$8,208,349  | \$2,052,956               | \$327,174   | \$22,235   | (\$52,318)  | \$117,695    | \$100,190     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 81.7%        | 73.3%                     | 71.9%       | 79.9%      | 127.6%      | 51.8%        | 91.4%         |
| 6. Funded Ratio: (4) / (3)  | \$3,648,193  | \$3,915,269               | \$244,355   | \$0        | \$47,011    | \$16,602     | \$268,526     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 83.0%        | 82.3%                     | 76.7%       | 79.9%      | 122.1%      | 54.9%        | 93.0%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |                           |             |            |             |              |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                           |             |            |             |              |               |
| Retirement  |              |                           |             |            |             |              |               |
| Normal Cost   | 9.29%        | \$0                       | 5.17%       | 7.14%      | 2.61%       | 4.53%        | 4.82%         |
| Prior Service   | 2.61%        | 183,645                   | 1.10%       | 1.97%      | -0.73%      | 6.65%        | 0.59%         |
| Total Retirement  | 11.90%       | \$183,645                 | 6.27%       | 9.11%      | 1.88%       | 11.18%       | 5.41%         |
| Supplemental Death  | 0.21%        | 4,667                     | 0.24%       | 0.25%      | 0.49%       | 0.49%        | 0.37%         |
| Total Rate  | 12.11%       | \$188,312                 | 6.51%       | 9.36%      | 2.15%       | 11.67%       | 5.78%         |
| <b>ADDITIONAL INFORMATION</b>   |              |                           |             |            |             |              |               |
| Amortization period as of 1/2008  | 25 years     | 21 years                  | 25 years    | 25 years   | 25 years    | 25 years     | 25 years      |
| Number of annuitants  | 39           | 57                        | 7           | 0          | 2           | 2            | 10            |
| Number of members   | 499          | 113                       | 77          | 3          | 30          | 7            | 44            |
| Number of contributing members  | 372          | 0                         | 51          | 3          | 14          | 5            | 35            |
| Average age of contributing members   | 41.5 years   | N/A                       | 42.1 years  | 46.1 years | 42.4 years  | 49.0 years   | 41.5 years    |
| Average length of service of contributing members   | 12.1 years   | N/A                       | 4.9 years   | 9.3 years  | 6.1 years   | 10.8 years   | 7.4 years     |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                           |             |            |             |              |               |
| 1. Prior Service Liability  | \$102,477    | \$945,874                 | \$3,656,025 | \$3,110    | \$8,767     | \$3,196,256  | \$31,331,593  |
| a. Present Members  | 155,111      | 627,330                   | 732,409     | 130,382    | 820         | 15,029,259   | 112,297,339   |
| b. Annuitants   | 236,943      | 5,069,443                 | 5,452,065   | 155,208    | 96,355      | 71,247,571   | 499,178,658   |
| 2. Current Service Liability (Present Members)  | \$494,531    | \$6,642,647               | \$9,840,499 | \$288,700  | \$105,942   | \$89,473,086 | \$642,807,590 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 415,322      | 5,206,173                 | 6,320,182   | 283,704    | 91,103      | 55,054,967   | 464,286,829   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$79,209     | \$1,436,474               | \$3,520,317 | \$4,996    | \$14,839    | \$34,418,119 | \$176,520,761 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 84.0%        | 78.4%                     | 64.2%       | 98.3%      | 86.0%       | 61.5%        | 72.2%         |
| 6. Funded Ratio: (4) / (3)  | \$143,295    | \$953,129                 | \$344,326   | \$165,424  | \$12,879    | \$53,393,173 | \$344,191,313 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 87.6%        | 81.1%                     | 65.4%       | 98.9%      | 87.5%       | 75.9%        | 81.9%         |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |                           |             |            |             |              |               |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                           |             |            |             |              |               |
| Retirement  |              |                           |             |            |             |              |               |
| Normal Cost   | 3.67%        | 8.48%                     | 7.16%       | 5.25%      | 6.45%       | 9.74%        | 8.49%         |
| Prior Service   | 1.56%        | 2.04%                     | 4.09%       | 0.15%      | 0.42%       | 7.18%        | 4.01%         |
| Total Retirement  | 5.23%        | 10.52%                    | 11.25%      | 5.40%      | 6.87%       | 16.92%       | 12.50%        |
| Supplemental Death  | 0.26%        | 0.20%                     | 0.24%       | 0.38%      | 0.27%       | 0.00%        | 0.00%         |
| Total Rate  | 5.49%        | 10.72%                    | 11.49%      | 5.78%      | 7.14%       | 16.92%       | 12.50%        |
| <b>ADDITIONAL INFORMATION</b>   |              |                           |             |            |             |              |               |
| Amortization period as of 1/2008  | 25 years     | 25 years                  | 25 years    | 25 years   | 25 years    | 25 years     | 25 years      |
| Number of annuitants  | 4            | 15                        | 11          | 4          | 1           | 393          | 2,776         |
| Number of members   | 21           | 154                       | 158         | 13         | 7           | 868          | 8,144         |
| Number of contributing members  | 14           | 99                        | 123         | 7          | 6           | 701          | 6,166         |
| Average age of contributing members   | 42.2 years   | 41.2 years                | 42.8 years  | 44.6 years | 47.1 years  | 42.5 years   | 44.3 years    |
| Average length of service of contributing members   | 9.6 years    | 9.2 years                 | 13.3 years  | 7.6 years  | 12.9 years  | 12.8 years   | 11.4 years    |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Seabrook     | Seadrift    | Seagoville  | Seagraves  | Sealy       | Seguin       | Seima       |
|---|--------------|-------------|-------------|------------|-------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |             |            |             |              |             |
| 1. Prior Service Liability  | \$1,701,307  | \$143,129   | \$1,946,535 | \$10,916   | \$908,154   | \$800,572    | \$600,100   |
| a. Present Members  | 804,274      | 0           | 76,003      | 128,873    | 373,603     | 3,555,041    | 361,394     |
| b. Annuitants   | 9,880,222    | 26,568      | 4,420,592   | 357,685    | 3,006,049   | 24,436,718   | 2,825,077   |
| 2. Current Service Liability (Present Members)  | \$12,385,803 | \$169,697   | \$6,443,130 | \$497,474  | \$4,287,806 | \$28,792,331 | \$3,786,571 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 9,537,922    | 38,735      | 4,618,603   | 247,408    | 2,981,222   | 20,722,543   | 3,164,091   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$2,847,881  | \$130,962   | \$1,824,527 | \$250,066  | \$1,306,584 | \$8,069,788  | \$622,480   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 77.0%        | 22.8%       | 71.1%       | 49.7%      | 69.5%       | 72.0%        | 83.6%       |
| 6. Funded Ratio: (4) / (3)  | \$3,661,056  | \$0         | \$567,312   | \$948,070  | \$912,721   | \$14,071,566 | \$242,202   |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 82.3%        | 22.8%       | 74.0%       | 82.7%      | 74.9%       | 81.2%        | 84.5%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |             |            |             |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |             |            |             |              |             |
| Retirement  |              |             |             |            |             |              |             |
| Normal Cost   | 9.89%        | 3.56%       | 8.22%       | 4.03%      | 9.48%       | 7.02%        | 8.31%       |
| Prior Service   | 3.95%        | 6.60%       | 2.94%       | 4.71%      | 4.01%       | 3.88%        | 1.44%       |
| Total Retirement  | 13.84%       | 6.60%       | 11.16%      | 8.74%      | 13.49%      | 10.90%       | 9.75%       |
| Supplemental Death  | 0.25%        | 6.87%       | 0.24%       | 0.59%      | 0.25%       | 0.32%        | 0.16%       |
| Total Rate  | 14.09%       | 6.87%       | 11.40%      | 9.33%      | 13.74%      | 11.22%       | 9.91%       |
| <b>ADDITIONAL INFORMATION</b>   |              |             |             |            |             |              |             |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 25 years    | 25 years   | 25 years    | 25 years     | 25 years    |
| Number of annuitants  | 29           | 0           | 11          | 14         | 14          | 126          | 2           |
| Number of members   | 114          | 9           | 132         | 25         | 63          | 381          | 86          |
| Number of contributing members  | 86           | 9           | 89          | 12         | 45          | 286          | 65          |
| Average age of contributing members   | 43.8 years   | 46.2 years  | 41.6 years  | 44.5 years | 41.6 years  | 42.6 years   | 37.6 years  |
| Average length of service of contributing members   | 13.3 years   | 8.8 years   | 10.4 years  | 5.9 years  | 11.2 years  | 12.5 years   | 7.7 years   |
|   |              |             |             |            |             |              |             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |             |            |             |              |             |
| 1. Prior Service Liability  | \$249,983    | \$30,559    | \$25,795    | \$82,046   | \$81,196    | \$224,051    | \$524,762   |
| a. Present Members  | 860,560      | 3,926       | 311,282     | 1,608      | 373,823     | 44,276       | 34,990      |
| b. Annuitants   | 4,900,906    | 592,547     | 1,365,212   | 372,578    | 540,372     | 977,044      | 659,919     |
| 2. Current Service Liability (Present Members)  | \$6,011,449  | \$627,032   | \$1,702,289 | \$456,232  | \$995,391   | \$1,245,371  | \$1,219,671 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 4,522,582    | 828,127     | 1,323,046   | 455,174    | 614,600     | 1,041,974    | 710,493     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$1,468,867  | (\$201,095) | \$379,243   | \$1,058    | \$380,791   | \$203,397    | \$509,178   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 75.2%        | 132.1%      | 77.7%       | 99.8%      | 61.7%       | 83.7%        | 58.3%       |
| 6. Funded Ratio: (4) / (3)  | \$2,494,751  | \$72,818    | \$1,002,755 | \$65,189   | \$259,464   | \$247,413    | \$6,184     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 82.5%        | 128.7%      | 86.0%       | 99.8%      | 69.7%       | 86.4%        | 58.5%       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |             |            |             |              |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |             |            |             |              |             |
| Retirement  |              |             |             |            |             |              |             |
| Normal Cost   | 8.96%        | 6.70%       | 3.56%       | 4.67%      | 3.37%       | 8.18%        | 5.47%       |
| Prior Service   | 5.02%        | -2.93%      | 2.52%       | 0.02%      | 4.91%       | 0.97%        | 1.12%       |
| Total Retirement  | 13.98%       | 3.77%       | 6.08%       | 4.69%      | 8.28%       | 9.15%        | 6.59%       |
| Supplemental Death  | 0.34%        | 0.20%       | 0.40%       | 0.29%      | 0.72%       | 0.25%        | 0.18%       |
| Total Rate  | 14.32%       | 3.97%       | 6.48%       | 4.98%      | 9.00%       | 9.41%        | 6.77%       |
| <b>ADDITIONAL INFORMATION</b>   |              |             |             |            |             |              |             |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 25 years    | 25 years   | 25 years    | 25 years     | 25 years    |
| Number of annuitants  | 22           | 3           | 21          | 2          | 7           | 7            | 1           |
| Number of members   | 76           | 38          | 53          | 18         | 112         | 112          | 73          |
| Number of contributing members  | 56           | 17          | 33          | 11         | 39          | 39           | 58          |
| Average age of contributing members   | 42.8 years   | 39.2 years  | 43.7 years  | 46.9 years | 51.0 years  | 39.0 years   | 40.4 years  |
| Average length of service of contributing members   | 10.6 years   | 7.1 years   | 9.6 years   | 7.7 years  | 13.5 years  | 8.3 years    | 5.7 years   |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | Shepherd   | Sherman      | Shiner      | Shoreacres | Slisbee      | Silverton  | Sinton      |
|--|------------|--------------|-------------|------------|--------------|------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |            |              |             |            |              |            |             |
| 1. Prior Service Liability   | \$0        | \$5,309,936  | \$43,310    | \$23,277   | \$364,503    | \$63,674   | \$157,094   |
| a. Present Members   | 55,807     | 7,572,964    | 361,768     | 85,943     | 1,700,855    | 63,738     | 312,002     |
| b. Annuitants  | 166,581    | 41,405,386   | 1,284,557   | 458,667    | 4,502,646    | 435,418    | 1,821,380   |
| 2. Current Service Liability (Present Members)   | \$222,388  | \$54,288,286 | \$1,689,635 | \$57,787   | \$6,568,004  | \$562,830  | \$2,290,476 |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | \$222,388  | \$60,061,250 | \$1,733,003 | \$57,787   | \$7,257,639  | \$562,830  | \$2,290,476 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | 210,569    | 36,005,648   | 1,440,611   | 581,412    | 4,341,230    | 480,393    | 2,123,507   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | \$11,819   | \$18,282,638 | \$249,024   | (\$13,525) | \$2,226,774  | \$82,437   | \$166,969   |
| 6. Funded Ratio: (4) / (3)   | 94.7%      | 66.3%        | 85.3%       | 102.4%     | 66.1%        | 85.4%      | 92.7%       |
| 7. Current Service Annuity Reserve Fund Allocation*  | \$12,544   | \$33,088,581 | \$652,225   | \$147,292  | \$3,223,381  | \$181,159  | \$933,621   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] | 95.0%      | 79.1%        | 89.4%       | 101.9%     | 77.3%        | 88.9%      | 94.8%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |            |              |             |            |              |            |             |
| Retirement   |            |              |             |            |              |            |             |
| Normal Cost  | 5.92%      | 10.09%       | 3.49%       | 5.02%      | 8.14%        | 7.06%      | 4.54%       |
| Prior Service  | 0.34%      | 5.36%        | 2.02%       | -0.15%     | 6.29%        | 6.49%      | 0.79%       |
| Total Retirement   | 6.26%      | 15.45%       | 5.51%       | 4.87%      | 14.43%       | 13.55%     | 5.33%       |
| Supplemental Death   | 0.22%      | 0.32%        | 0.35%       | 0.23%      | 0.00%        | 0.83%      | 0.31%       |
| Total Rate   | 6.48%      | 15.77%       | 5.86%       | 5.10%      | 14.43%       | 14.38%     | 5.64%       |
| <b>ADDITIONAL INFORMATION</b>  |            |              |             |            |              |            |             |
| Amortization period as of 1/2008   | 25 years   | 25 years     | 25 years    | 25 years   | 25 years     | 25 years   | 25 years    |
| Number of annuitants   | 1          | 218          | 9           | 5          | 35           | 3          | 15          |
| Number of members  | 10         | 491          | 30          | 28         | 84           | 4          | 80          |
| Number of contributing members   | 7          | 393          | 25          | 13         | 64           | 3          | 47          |
| Average age of contributing members  | 44.4 years | 42.6 years   | 44.7 years  | 44.0 years | 39.3 years   | 56.6 years | 39.6 years  |
| Average length of service of contributing members  | 7.2 years  | 12.1 years   | 13.8 years  | 10.7 years | 9.2 years    | 21.9 years | 7.9 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |            |              |             |            |              |            |             |
| 1. Prior Service Liability   | \$4,531    | \$65,240     | \$126,544   | \$4,732    | \$212,958    | \$10,509   | \$20,910    |
| a. Present Members   | 0          | 262,455      | 368,641     | 0          | 2,161,371    | 51,838     | 49,549      |
| b. Annuitants  | 82,445     | 3,362,744    | 1,704,205   | 46,549     | 9,479,519    | 79,463     | 340,578     |
| 2. Current Service Liability (Present Members)   | \$86,976   | \$3,690,439  | \$2,199,390 | \$51,281   | \$11,853,848 | \$141,810  | \$411,037   |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 116,744    | 3,107,555    | 1,915,418   | 44,464     | 8,875,150    | 109,479    | 421,698     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | (\$29,768) | \$582,884    | \$283,972   | \$6,817    | \$2,978,688  | \$32,331   | (\$10,661)  |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 134.2%     | 84.2%        | 87.1%       | 86.7%      | 74.9%        | 77.2%      | 102.6%      |
| 6. Funded Ratio: (4) / (3)   | \$3,474    | \$1,378,526  | \$364,533   | \$0        | \$6,691,444  | \$10,055   | \$76,752    |
| 7. Current Service Annuity Reserve Fund Allocation*  | 132.9%     | 88.5%        | 88.9%       | 86.7%      | 83.9%        | 78.7%      | 102.2%      |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |            |              |             |            |              |            |             |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |            |              |             |            |              |            |             |
| Retirement   |            |              |             |            |              |            |             |
| Normal Cost  | 2.39%      | 6.47%        | 4.18%       | 10.98%     | 7.80%        | 2.28%      | 3.86%       |
| Prior Service  | -2.24%     | 2.41%        | 1.05%       | -1.42%     | 5.70%        | 0.88%      | -0.16%      |
| Total Retirement   | 0.15%      | 8.88%        | 5.23%       | 12.40%     | 13.50%       | 3.16%      | 3.70%       |
| Supplemental Death   | 0.22%      | 0.45%        | 0.31%       | 0.13%      | 0.33%        | 0.18%      | 0.33%       |
| Total Rate   | 0.37%      | 9.33%        | 5.54%       | 12.53%     | 13.83%       | 3.34%      | 4.03%       |
| <b>ADDITIONAL INFORMATION</b>  |            |              |             |            |              |            |             |
| Amortization period as of 1/2008   | 25 years   | 25 years     | 25 years    | 15 years   | 25 years     | 25 years   | 25 years    |
| Number of annuitants   | 1          | 23           | 14          | 0          | 35           | 2          | 3           |
| Number of members  | 6          | 69           | 104         | 2          | 104          | 24         | 25          |
| Number of contributing members   | 4          | 48           | 54          | 2          | 83           | 10         | 15          |
| Average age of contributing members  | 42.6 years | 46.6 years   | 44.2 years  | 42.5 years | 42.2 years   | 39.5 years | 45.8 years  |
| Average length of service of contributing members  | 3.2 years  | 10.3 years   | 8.8 years   | 10.8 years | 10.3 years   | 3.3 years  | 6.0 years   |

\* See Note on page 170.



# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Sonora      | Sour Lake   | South Houston | South Padre Island | Southlake    | Southside Place | Spearman    |
|---|-------------|-------------|---------------|--------------------|--------------|-----------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |               |                    |              |                 |             |
| 1. Prior Service Liability  |             |             |               |                    |              |                 |             |
| a. Present Members  | \$29,036    | \$72,947    | \$458,768     | \$987,934          | \$2,728,538  | \$189,520       | \$171,068   |
| b. Annuitants   | 335,518     | 0           | 1,324,910     | 260,609            | 2,147,858    | 19,504          | 206,044     |
| 2. Current Service Liability (Present Members)  | 1,495,534   | 288,764     | 7,674,716     | 8,491,415          | 22,997,028   | 1,000,888       | 2,550,353   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$1,860,088 | \$361,711   | \$9,458,394   | \$9,739,958        | \$27,873,424 | \$1,209,912     | \$2,927,465 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 1,471,976   | 328,809     | 7,624,973     | 9,414,303          | 22,435,813   | 1,023,509       | 2,451,560   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$388,112   | \$32,902    | \$1,833,421   | \$325,655          | \$5,437,611  | \$186,403       | \$475,905   |
| 6. Funded Ratio: (4) / (3)  | 79.1%       | 90.9%       | 80.6%         | 96.7%              | 84.6%        | 84.6%           | 83.7%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$1,194,886 | \$0         | \$3,810,026   | \$891,992          | \$3,071,433  | \$683,743       | \$1,034,804 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 87.3%       | 90.9%       | 86.2%         | 96.9%              | 82.4%        | 90.2%           | 88.0%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |               |                    |              |                 |             |
| Retirement  |             |             |               |                    |              |                 |             |
| Normal Cost   | 4.61%       | 3.11%       | 6.45%         | 8.76%              | 9.67%        | 6.09%           | 7.05%       |
| Prior Service   | 3.21%       | 0.60%       | 2.78%         | 0.39%              | 2.63%        | 1.36%           | 5.27%       |
| Total Retirement  | 7.82%       | 3.71%       | 9.23%         | 9.15%              | 12.30%       | 7.45%           | 12.32%      |
| Supplemental Death  | 0.43%       | 0.22%       | 0.32%         | 0.23%              | 0.19%        | 0.41%           | 0.33%       |
| Total Rate  | 8.25%       | 3.93%       | 9.55%         | 9.38%              | 12.49%       | 7.86%           | 12.65%      |
| <b>ADDITIONAL INFORMATION</b>   |             |             |               |                    |              |                 |             |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years      | 25 years           | 25 years     | 25 years        | 25 years    |
| Number of annuitants  | 18          | 0           | 41            | 14                 | 32           | 9               | 9           |
| Number of members   | 41          | 37          | 153           | 182                | 367          | 29              | 43          |
| Number of contributing members  | 25          | 12          | 112           | 130                | 249          | 19              | 22          |
| Average age of contributing members   | 45.2 years  | 40.6 years  | 42.4 years    | 42.5 years         | 40.3 years   | 42.9 years      | 44.2 years  |
| Average length of service of contributing members   | 10.9 years  | 7.5 years   | 11.0 years    | 9.2 years          | 11.8 years   | 10.6 years      | 9.5 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |               |                    |              |                 |             |
| 1. Prior Service Liability  |             |             |               |                    |              |                 |             |
| a. Present Members  | \$839,185   | \$69,684    | \$89,980      | \$1,138,762        | \$67,279     | \$78,035        | \$502       |
| b. Annuitants   | 621,562     | 83,408      | 0             | 655,518            | 471,261      | 83,622          | 18,459      |
| 2. Current Service Liability (Present Members)  | 4,129,865   | 7,49,835    | 254,035       | 12,617,703         | 1,245,344    | 938,986         | 292,122     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$5,590,612 | \$902,927   | \$344,015     | \$14,411,983       | \$1,783,884  | \$1,100,643     | \$311,083   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 4,167,603   | 1,006,469   | 271,392       | 12,663,087         | 1,654,395    | 929,300         | 258,472     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$1,423,009 | (\$103,542) | \$72,623      | \$1,748,896        | \$129,489    | \$171,343       | \$52,611    |
| 6. Funded Ratio: (4) / (3)  | 74.5%       | 111.5%      | 78.9%         | 87.9%              | 92.7%        | 84.4%           | 83.1%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$460,373   | \$363,581   | \$0           | \$3,712,289        | \$631,052    | \$157,554       | \$112,762   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 76.5%       | 108.2%      | 78.9%         | 90.4%              | 94.6%        | 86.4%           | 87.6%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |               |                    |              |                 |             |
| Retirement  |             |             |               |                    |              |                 |             |
| Normal Cost   | 10.88%      | 7.07%       | 3.51%         | 9.91%              | 3.90%        | 4.95%           | 4.70%       |
| Prior Service   | 5.49%       | -0.71%      | 1.73%         | 2.13%              | 1.26%        | 1.60%           | 2.30%       |
| Total Retirement  | 16.37%      | 6.36%       | 5.24%         | 12.04%             | 5.16%        | 6.55%           | 7.00%       |
| Supplemental Death  | 0.37%       | 0.22%       | 0.22%         | 0.31%              | 0.53%        | 0.33%           | 0.73%       |
| Total Rate  | 16.74%      | 6.58%       | 5.46%         | 12.35%             | 5.69%        | 6.88%           | 7.73%       |
| <b>ADDITIONAL INFORMATION</b>   |             |             |               |                    |              |                 |             |
| Amortization period as of 1/2008  | 25 years    | 25 years    | 25 years      | 25 years           | 25 years     | 25 years        | 25 years    |
| Number of annuitants  | 7           | 6           | 0             | 25                 | 18           | 6               | 5           |
| Number of members   | 51          | 69          | 11            | 143                | 48           | 22              | 9           |
| Number of contributing members  | 36          | 32          | 10            | 109                | 25           | 18              | 6           |
| Average age of contributing members   | 48.8 years  | 40.0 years  | 45.6 years    | 44.9 years         | 45.4 years   | 43.8 years      | 47.5 years  |
| Average length of service of contributing members   | 16.2 years  | 5.0 years   | 12.3 years    | 11.5 years         | 8.4 years    | 11.1 years      | 3.8 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Stephenville | Sterling City | Stinnett    | Stratford  | Sudan       | Sugar Land   | Sulphur Springs |
|---|--------------|---------------|-------------|------------|-------------|--------------|-----------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |               |             |            |             |              |                 |
| 1. Prior Service Liability  |              |               |             |            |             |              |                 |
| a. Present Members  | \$1,871,645  | \$11,822      | \$2,521     | \$981      | \$1,582     | \$4,634,795  | \$337,402       |
| b. Annuitants   | 1,739,878    | 33,207        | 38,223      | 192,795    | 66,663      | 3,318,272    | 1,551,026       |
| 2. Current Service Liability (Present Members)  | 12,543,168   | 193,213       | 1,009,192   | 244,852    | 185,982     | 52,020,010   | 15,473,675      |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$16,154,891 | \$238,242     | \$1,049,936 | \$438,628  | \$234,227   | \$59,973,077 | \$17,362,103    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 12,884,565   | 194,360       | 1,070,835   | 156,244    | 198,372     | 49,366,722   | 12,802,628      |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$3,270,126  | \$43,882      | (\$20,895)  | \$282,384  | \$55,855    | \$10,606,355 | \$4,559,475     |
| 6. Funded Ratio: (4) / (3)  | 79.8%        | 81.6%         | 102.0%      | 35.6%      | 78.0%       | 82.3%        | 73.7%           |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$3,898,048  | \$6,261       | \$44,845    | \$421,988  | \$239,296   | \$10,157,890 | \$8,004,054     |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 83.7%        | 82.1%         | 101.9%      | 67.2%      | 88.7%       | 84.9%        | 82.0%           |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |               |             |            |             |              |                 |
| Retirement  |              |               |             |            |             |              |                 |
| Normal Cost   | 8.91%        | 3.98%         | 5.19%       | 3.38%      | 2.91%       | 9.61%        | 8.66%           |
| Prior Service   | 3.58%        | 1.80%         | -0.32%      | 4.61%      | 1.66%       | 1.92%        | 4.10%           |
| Total Retirement  | 12.49%       | 5.78%         | 4.87%       | 7.99%      | 4.57%       | 11.53%       | 12.76%          |
| Supplemental Death  | 0.29%        | 0.00%         | 0.29%       | 0.64%      | 0.00%       | 0.19%        | 0.31%           |
| Total Rate  | 12.78%       | 5.78%         | 5.16%       | 8.63%      | 4.57%       | 11.72%       | 13.07%          |
| <b>ADDITIONAL INFORMATION</b>   |              |               |             |            |             |              |                 |
| Amortization period as of 1/2008  | 25 years     | 25 years      | 25 years    | 25 years   | 25 years    | 25 years     | 25 years        |
| Number of annuitants  | 42           | 2             | 2           | 8          | 3           | 62           | 62              |
| Number of members   | 170          | 6             | 23          | 28         | 10          | 678          | 165             |
| Number of contributing members  | 126          | 6             | 12          | 11         | 8           | 545          | 132             |
| Average age of contributing members   | 42.8 years   | 44.9 years    | 45.3 years  | 44.8 years | 41.4 years  | 40.9 years   | 44.0 years      |
| Average length of service of contributing members   | 13.6 years   | 13.1 years    | 10.0 years  | 4.3 years  | 9.0 years   | 11.6 years   | 13.8 years      |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |               |             |            |             |              |                 |
| 1. Prior Service Liability  |              |               |             |            |             |              |                 |
| a. Present Members  | \$8,262      | \$156,619     | \$49,760    | \$29,350   | \$242,251   | \$13,207     | \$9,672         |
| b. Annuitants   | 38,018       | 189,254       | 551,185     | 0          | 5,054       | 42,969       | 590,728         |
| 2. Current Service Liability (Present Members)  | 1,013,381    | 1,139,517     | 663,133     | 99,296     | 1,240,366   | 140,157      | 1,550,967       |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$1,059,661  | \$1,485,390   | \$1,264,078 | \$128,646  | \$1,487,671 | \$196,333    | \$2,151,367     |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 848,513      | 1,037,412     | 607,128     | 105,477    | 1,270,619   | 145,157      | 1,441,640       |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$211,148    | \$447,978     | \$656,950   | \$23,169   | \$217,052   | \$51,176     | \$709,727       |
| 6. Funded Ratio: (4) / (3)  | 80.1%        | 69.8%         | 48.0%       | 82.0%      | 85.4%       | 73.9%        | 67.0%           |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$653,840    | \$317,621     | \$325,011   | \$0        | \$15,172    | \$3,239      | \$1,184,217     |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 87.7%        | 75.2%         | 58.7%       | 82.0%      | 85.6%       | 74.4%        | 78.7%           |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |               |             |            |             |              |                 |
| Retirement  |              |               |             |            |             |              |                 |
| Normal Cost   | 4.97%        | 7.22%         | 8.37%       | 2.87%      | 9.00%       | 2.93%        | 6.64%           |
| Prior Service   | 3.28%        | 3.16%         | 11.95%      | 1.03%      | 1.34%       | 0.92%        | 6.12%           |
| Total Retirement  | 8.25%        | 10.38%        | 20.32%      | 3.90%      | 10.34%      | 3.85%        | 12.76%          |
| Supplemental Death  | 0.27%        | 0.35%         | 0.41%       | 0.69%      | 0.22%       | 0.25%        | 0.63%           |
| Total Rate  | 8.52%        | 10.73%        | 20.73%      | 4.59%      | 10.56%      | 4.10%        | 13.39%          |
| <b>ADDITIONAL INFORMATION</b>   |              |               |             |            |             |              |                 |
| Amortization period as of 1/2008  | 25 years     | 25 years      | 25 years    | 25 years   | 25 years    | 25 years     | 25 years        |
| Number of annuitants  | 7            | 4             | 8           | 0          | 1           | 1            | 11              |
| Number of members   | 26           | 30            | 20          | 8          | 37          | 16           | 25              |
| Number of contributing members  | 15           | 20            | 10          | 5          | 25          | 12           | 19              |
| Average age of contributing members   | 39.6 years   | 44.0 years    | 42.7 years  | 52.4 years | 42.8 years  | 45.5 years   | 49.6 years      |
| Average length of service of contributing members   | 8.3 years    | 7.3 years     | 7.7 years   | 8.0 years  | 8.0 years   | 5.4 years    | 10.7 years      |

\* See Note on page 170.

|   | Sweetwater   | T.M.R.S.   | Taft  | Tahoka  | Tatum  | Taylor  | Teague   |       |
|---|--|--|---|---|--|---|--|-------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b><br>1. Prior Service Liability<br>a. Present Members<br>b. Annuitants<br>2. Current Service Liability (Present Members)<br>3. Total Actuarial Accrued Liability: (1) + (2)<br>4. Assets in Municipality Accumulation and Employees Saving Funds<br>5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)<br>6. Funded Ratio: (4) / (3)<br>7. Current Service Annuity Reserve Fund Allocation*<br>8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | \$949,100<br>2,135,924<br>9,638,135<br>\$12,723,159<br>8,828,533<br>\$3,894,626<br>69.4%<br>\$5,528,967<br>78.7%       | \$498,425<br>1,869,167<br>9,036,125<br>\$11,403,717<br>8,774,256<br>\$2,629,461<br>76.9%<br>\$4,974,105<br>83.9% | \$83,194<br>282,528<br>673,598<br>\$1,039,320<br>731,415<br>\$307,905<br>70.4%<br>\$688,378<br>82.2%                  | \$0<br>31,720<br>1,334,003<br>\$1,365,723<br>1,361,470<br>\$4,253<br>99.7%<br>\$285,562<br>99.7%            | \$3,967<br>88,563<br>162,518<br>\$255,048<br>162,927<br>\$92,121<br>63.9%<br>\$27,748<br>67.4%                     | \$1,670,290<br>1,450,724<br>6,686,815<br>\$9,807,829<br>6,202,873<br>\$3,604,956<br>63.2%<br>\$3,551,731<br>73.0%   | \$78,970<br>92,660<br>671,969<br>\$843,299<br>755,777<br>\$87,522<br>89.6%<br>\$559,486<br>93.8%                   |       |
|   | <b>CITY CONTRIBUTION RATES FOR 2008</b>  |  |   |   |  |   |  |       |
|   | Retirement   |  |   |   |  |   |  |       |
|   | Normal Cost  | 9.82%  | 9.20%   | 3.34%   | 7.84%  | 3.19%   | 6.27%  | 4.95% |
|   | Prior Service  | 6.05%  | 3.48%   | 2.53%   | 0.06%  | 2.47%   | 3.66%  | 0.77% |
|   | Total Retirement   | 15.87%   | 12.68%  | 5.87%   | 7.90%  | 5.66%   | 9.95%  | 5.72% |
|   | Supplemental Death   | 0.34%  | 0.27%   | 0.40%   | 0.38%  | 0.31%   | 0.28%  | 0.44% |
|   | Total Rate   | 16.21%   | 12.95%  | 6.27%   | 8.28%  | 5.97%   | 10.23%   | 6.16% |
| <b>ADDITIONAL INFORMATION</b>   |  |  |   |   |  |   |  |       |
| Amortization period as of 1/2008  | 25 years   | 25 years   | 25 years  | 25 years  | 25 years   | 25 years  | 25 years   |       |
| Number of annuitants  | 51   | 12   | 11  | 5   | 4  | 55  | 11   |       |
| Number of members   | 118  | 81   | 35  | 18  | 19   | 212   | 47   |       |
| Number of contributing members  | 97   | 59   | 24  | 14  | 7  | 140   | 21   |       |
| Average age of contributing members   | 44.0 years   | 45.5 years   | 39.3 years  | 44.7 years  | 46.7 years   | 40.3 years  | 45.6 years   |       |
| Average length of service of contributing members   | 13.1 years   | 10.3 years   | 6.8 years   | 16.0 years  | 5.9 years  | 9.5 years   | 5.6 years  |       |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |  |  |   |   |  |   |  |       |
| <b>Temple</b>   |  |  |   |   |  |   |  |       |
| 1. Prior Service Liability  | \$1,565,922<br>9,678,991<br>55,698,809<br>\$66,943,722<br>48,011,224<br>\$18,932,498<br>71.7%<br>\$34,167,479<br>81.3% | \$54,538<br>0<br>120,679<br>\$175,217<br>166,891<br>\$6,326<br>95.2%<br>\$0<br>95.2%                             | \$1,171,996<br>2,528,404<br>14,030,183<br>\$17,730,583<br>12,435,490<br>\$5,295,093<br>70.1%<br>\$10,131,386<br>81.0% | \$464,064<br>643,490<br>3,744,809<br>\$4,852,363<br>4,064,484<br>\$787,879<br>83.8%<br>\$1,140,011<br>86.9% | \$720,851<br>2,374,561<br>18,503,997<br>\$21,599,429<br>17,501,517<br>\$4,097,912<br>81.0%<br>\$7,475,148<br>85.9% | \$171,813<br>2,769,622<br>13,019,938<br>\$15,961,373<br>10,719,149<br>\$5,242,224<br>67.2%<br>\$10,741,547<br>80.4% | \$1,882,512<br>2,178,945<br>9,676,620<br>\$13,738,077<br>9,124,356<br>\$4,613,721<br>66.4%<br>\$6,126,453<br>76.8% |       |
| <b>Terrell</b>  |  |  |   |   |  |   |  |       |
| a. Present Members  |  |  |   |   |  |   |  |       |
| b. Annuitants   |  |  |   |   |  |   |  |       |
| 2. Current Service Liability (Present Members)  |  |  |   |   |  |   |  |       |
| 3. Total Actuarial Accrued Liability: (1) + (2)   |  |  |   |   |  |   |  |       |
| 4. Assets in Municipality Accumulation and Employees Saving Funds   |  |  |   |   |  |   |  |       |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)   |  |  |   |   |  |   |  |       |
| 6. Funded Ratio: (4) / (3)  |  |  |   |   |  |   |  |       |
| 7. Current Service Annuity Reserve Fund Allocation*   |  |  |   |   |  |   |  |       |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)]   |  |  |   |   |  |   |  |       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |  |  |   |   |  |   |  |       |
| Retirement  |  |  |   |   |  |   |  |       |
| Normal Cost   | 9.57%  | 1.84%  | 8.81%   | 7.77%   | 8.94%  | 9.37%   | 9.28%  |       |
| Prior Service   | 4.74%  | 0.33%  | 3.64%   | 2.54%   | 3.14%  | 6.83%   | 4.27%  |       |
| Total Retirement  | 14.31%   | 2.17%  | 12.45%  | 10.31%  | 12.08%   | 16.20%  | 13.55%   |       |
| Supplemental Death  | 0.29%  | 0.33%  | 0.25%   | 0.24%   | 0.00%  | 0.00%   | 0.00%  |       |
| Total Rate  | 14.60%   | 2.50%  | 12.70%  | 10.55%  | 12.08%   | 16.20%  | 13.55%   |       |
| <b>ADDITIONAL INFORMATION</b>   |  |  |   |   |  |   |  |       |
| Amortization period as of 1/2008  | 25 years   | 25 years   | 25 years  | 25 years  | 25 years   | 25 years  | 25 years   |       |
| Number of annuitants  | 236  | 0  | 75  | 14  | 84   | 48  | 172  |       |
| Number of members   | 550  | 7  | 208   | 76  | 307  | 122   | 178  |       |
| Number of contributing members  | 550  | 6  | 160   | 47  | 245  | 94  | 157  |       |
| Average age of contributing members   | 42.9 years   | 50.3 years   | 40.1 years  | 39.2 years  | 45.6 years   | 35.6 years  | 43.0 years   |       |
| Average length of service of contributing members   | 12.0 years   | 7.2 years  | 10.1 years  | 12.4 years  | 10.7 years   | 10.7 years  | 11.0 years   |       |
| <b>Texarkana</b>  |  |  |   |   |  |   |  |       |
| <b>Texarkana Water Utilities</b>  |  |  |   |   |  |   |  |       |
| <b>Texarkana Police Dept</b>  |  |  |   |   |  |   |  |       |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Texas City   | Texas Municipal League | Texas Municipal League IEBP | Texas Municipal League IRP | Texhoma    | The Colony   | Thompsons  |
|---|--------------|------------------------|-----------------------------|----------------------------|------------|--------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                        |                             |                            |            |              |            |
| 1. Prior Service Liability  |              |                        |                             |                            |            |              |            |
| a. Present Members  | \$644,290    | \$640,713              | \$498,860                   | \$2,080,180                | \$0        | \$3,628,650  | \$12,349   |
| b. Annuitants   | 6,719,989    | 652,916                | 10,124                      | 65,300                     | 8,309      | 2,608,338    | 0          |
| 2. Current Service Liability (Present Members)  | 45,273,335   | 6,012,432              | 9,535,318                   | 34,826,905                 | 17,463     | 22,032,920   | 22,943     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$52,637,614 | \$7,306,061            | \$10,044,302                | \$36,972,385               | \$25,772   | \$28,269,908 | \$35,292   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 38,330,758   | 6,321,794              | 9,882,259                   | 32,150,199                 | 27,103     | 20,909,428   | 22,442     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$14,306,856 | \$984,267              | \$162,043                   | \$4,822,186                | (\$1,331)  | \$7,360,480  | \$12,850   |
| 6. Funded Ratio: (4) / (3)  | 72.8%        | 86.5%                  | 98.4%                       | 87.0%                      | 105.2%     | 74.0%        | 63.6%      |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$35,235,922 | \$2,430,716            | \$199,682                   | \$1,517,885                | \$9,687    | \$7,303,641  | \$0        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 83.7%        | 89.9%                  | 98.4%                       | 87.5%                      | 103.8%     | 79.3%        | 63.6%      |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                        |                             |                            |            |              |            |
| Retirement  |              |                        |                             |                            |            |              |            |
| Normal Cost   | 9.66%        | 8.83%                  | 7.47%                       | 10.82%                     | 3.24%      | 9.27%        | 3.27%      |
| Prior Service   | 5.23%        | 2.71%                  | 0.16%                       | 1.97%                      | -0.37%     | 3.32%        | 0.87%      |
| Total Retirement  | 14.89%       | 11.54%                 | 7.63%                       | 12.79%                     | 2.87%      | 12.59%       | 4.14%      |
| Supplemental Death  | 0.00%        | 0.27%                  | 0.19%                       | 0.27%                      | 0.51%      | 0.22%        | 0.29%      |
| Total Rate  | 14.89%       | 11.81%                 | 7.82%                       | 13.06%                     | 3.38%      | 12.81%       | 4.43%      |
| <b>ADDITIONAL INFORMATION</b>   |              |                        |                             |                            |            |              |            |
| Amortization period as of 1/2008  | 25 years     | 25 years               | 25 years                    | 25 years                   | 9 years    | 25 years     | 25 years   |
| Number of annuitants  | 199          | 11                     | 3                           | 9                          | 1          | 59           | 0          |
| Number of members   | 539          | 58                     | 198                         | 249                        | 2          | 396          | 3          |
| Number of contributing members  | 417          | 33                     | 113                         | 218                        | 2          | 265          | 3          |
| Average age of contributing members   | 42.1 years   | 46.7 years             | 45.2 years                  | 47.3 years                 | 50.6 years | 41.9 years   | 47.4 years |
| Average length of service of contributing members   | 10.4 years   | 15.7 years             | 8.8 years                   | 13.6 years                 | 7.2 years  | 10.9 years   | 6.0 years  |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |                        |                             |                            |            |              |            |
| 1. Prior Service Liability  |              |                        |                             |                            |            |              |            |
| a. Present Members  | \$522        | \$343,156              | \$1,942                     | \$50,191                   | \$103,243  | \$5,019      | \$1,094    |
| b. Annuitants   | 28,984       | 135,683                | 33,573                      | 0                          | 4,407      | 0            | 0          |
| 2. Current Service Liability (Present Members)  | 228,055      | 1,642,532              | 340,380                     | 42,064                     | 278,153    | 123,180      | 61,658     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$257,561    | \$2,121,371            | \$375,895                   | \$92,255                   | \$385,803  | \$128,199    | \$62,752   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 259,735      | 1,838,421              | 372,092                     | 50,289                     | 316,734    | 118,648      | 63,575     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | (\$2,174)    | \$282,950              | \$3,803                     | \$41,966                   | \$69,069   | \$9,551      | (\$823)    |
| 6. Funded Ratio: (4) / (3)  | 100.8%       | 86.7%                  | 99.0%                       | 54.5%                      | 82.1%      | 92.5%        | 101.3%     |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$15,361     | \$102,251              | \$89,994                    | \$0                        | \$19,869   | \$0          | \$0        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 100.8%       | 87.3%                  | 99.2%                       | 54.5%                      | 83.0%      | 92.5%        | 101.3%     |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |                        |                             |                            |            |              |            |
| Retirement  |              |                        |                             |                            |            |              |            |
| Normal Cost   | 3.19%        | 3.32%                  | 5.40%                       | 2.96%                      | 3.33%      | 3.83%        | 8.90%      |
| Prior Service   | -0.05%       | 1.70%                  | 0.16%                       | 0.98%                      | 1.98%      | 0.49%        | -0.04%     |
| Total Retirement  | 3.14%        | 5.02%                  | 5.56%                       | 3.94%                      | 5.31%      | 4.32%        | 8.86%      |
| Supplemental Death  | 0.53%        | 0.48%                  | 0.39%                       | 0.26%                      | 0.47%      | 0.16%        | 0.27%      |
| Total Rate  | 3.67%        | 5.50%                  | 5.97%                       | 4.20%                      | 5.78%      | 4.48%        | 9.13%      |
| <b>ADDITIONAL INFORMATION</b>   |              |                        |                             |                            |            |              |            |
| Amortization period as of 1/2008  | 25 years     | 25 years               | 25 years                    | 25 years                   | 25 years   | 25 years     | 25 years   |
| Number of annuitants  | 3            | 4                      | 3                           | 0                          | 3          | 0            | 0          |
| Number of members   | 17           | 43                     | 10                          | 9                          | 12         | 10           | 8          |
| Number of contributing members  | 9            | 35                     | 5                           | 7                          | 7          | 4            | 4          |
| Average age of contributing members   | 48.0 years   | 49.5 years             | 44.3 years                  | 44.9 years                 | 49.1 years | 41.9 years   | 50.1 years |
| Average length of service of contributing members   | 6.7 years    | 13.2 years             | 13.5 years                  | 5.2 years                  | 14.6 years | 10.0 years   | 8.6 years  |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Tom Bean   | Tomball      | Trent       | Trenton    | Trinidad*  | Trinity      | Trophy Club |
|---|------------|--------------|-------------|------------|------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |            |            |              |             |
| 1. Prior Service Liability  |            |              |             |            |            |              |             |
| a. Present Members  | \$650      | \$1,170,144  | \$1,341     | \$103,347  | \$54,307   | \$116,948    | \$1,209,368 |
| b. Annuitants   | 53,997     | 626,077      | 3,077       | 0          | 117,548    | 104,222      | 813,409     |
| 2. Current Service Liability (Present Members)  | 38,689     | 10,153,537   | 20,303      | 139,881    | 109,011    | 284,905      | 2,913,184   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$93,336   | \$11,949,758 | \$24,721    | \$243,228  | \$280,866  | \$506,075    | \$4,935,961 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 63,540     | 9,557,364    | 26,827      | 201,583    | 166,589    | 538,135      | 3,388,657   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$29,796   | \$2,392,394  | (\$2,106)   | \$41,645   | \$114,277  | (\$32,060)   | \$1,547,304 |
| 6. Funded Ratio: (4) / (3)  | 68.1%      | 80.0%        | 108.5%      | 82.9%      | 59.3%      | 106.3%       | 68.7%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$17,671   | \$2,112,709  | \$0         | \$0        | \$93,222   | \$52,872     | \$509,677   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 73.2%      | 83.0%        | 105.6%      | 82.9%      | 69.5%      | 105.7%       | 71.6%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |            |            |              |             |
| Retirement  |            |              |             |            |            |              |             |
| Normal Cost   | 2.06%      | 9.36%        | 4.13%       | 3.96%      | 2.94%      | 2.16%        | 9.35%       |
| Prior Service   | 1.24%      | 2.39%        | -0.25%      | 1.30%      | 4.56%      | -0.37%       | 2.97%       |
| Total Retirement  | 3.30%      | 11.75%       | 3.88%       | 5.26%      | 7.50%      | 1.79%        | 12.32%      |
| Supplemental Death  | 0.13%      | 0.28%        | 0.47%       | 0.17%      | 0.37%      | 0.27%        | 0.18%       |
| Total Rate  | 3.43%      | 12.03%       | 4.35%       | 5.43%      | 7.87%      | 2.06%        | 12.50%      |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |            |            |              |             |
| Amortization period as of 1/2008  |            |              | 8 years     | 25 years   | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 1          | 23           | 0           | 0          | 4          | 1            | 6           |
| Number of members   | 12         | 162          | 2           | 13         | 11         | 53           | 106         |
| Number of contributing members  | 6          | 123          | 2           | 7          | 5          | 25           | 65          |
| Average age of contributing members   | 34.1 years | 44.5 years   | 50.5 years  | 36.3 years | 47.9 years | 41.6 years   | 39.5 years  |
| Average length of service of contributing members   | 2.3 years  | 11.1 years   | 7.4 years   | 7.2 years  | 9.0 years  | 3.7 years    | 8.8 years   |
|   |            |              |             |            |            |              |             |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |              |             |            |            |              |             |
| 1. Prior Service Liability  |            |              |             |            |            |              |             |
| a. Present Members  | \$46,631   | \$234        | \$157,262   | \$108,515  | \$136,959  | \$6,814,040  | \$901,953   |
| b. Annuitants   | 39,508     | 69,447       | 637,971     | 0          | 101,103    | 12,833,647   | 503,724     |
| 2. Current Service Liability (Present Members)  | 343,699    | 107,165      | 3,086,487   | 40,054     | 155,895    | 66,844,950   | 5,818,469   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$429,838  | \$176,846    | \$3,881,720 | \$148,569  | \$393,957  | \$86,492,637 | \$7,224,146 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 441,600    | 199,616      | 3,172,929   | 76,480     | 205,716    | 57,705,955   | 6,100,392   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | (\$11,762) | (\$22,770)   | \$708,791   | \$72,089   | \$188,241  | \$28,786,682 | \$1,123,754 |
| 6. Funded Ratio: (4) / (3)  | 102.7%     | 112.9%       | 81.7%       | 51.5%      | 52.2%      | 66.7%        | 84.4%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$147,828  | \$141,174    | \$0         | \$0        | \$9,913    | \$34,801,889 | \$2,462,888 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 102.0%     | 107.2%       | 87.4%       | 51.5%      | 53.4%      | 76.3%        | 88.4%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |              |             |            |            |              |             |
| Retirement  |            |              |             |            |            |              |             |
| Normal Cost   | 1.63%      | 3.87%        | 8.64%       | 3.80%      | 3.73%      | 8.88%        | 5.71%       |
| Prior Service   | -0.19%     | -2.13%       | 4.23%       | 7.76%      | 3.48%      | 5.93%        | 1.46%       |
| Total Retirement  | 1.44%      | 1.74%        | 12.87%      | 11.56%     | 7.21%      | 14.81%       | 7.17%       |
| Supplemental Death  | 0.33%      | 1.31%        | 0.36%       | 0.53%      | 0.31%      | 0.31%        | 0.24%       |
| Total Rate  | 1.77%      | 3.05%        | 13.23%      | 12.09%     | 7.52%      | 15.12%       | 7.41%       |
| <b>ADDITIONAL INFORMATION</b>   |            |              |             |            |            |              |             |
| Amortization period as of 1/2008  |            |              | 25 years    | 25 years   | 25 years   | 25 years     | 25 years    |
| Number of annuitants  | 3          | 6            | 21          | 0          | 2          | 333          | 27          |
| Number of members   | 28         | 48           | 4           | 4          | 13         | 795          | 177         |
| Number of contributing members  | 13         | 3            | 34          | 3          | 11         | 597          | 118         |
| Average age of contributing members   | 40.6 years | 60.9 years   | 42.2 years  | 57.6 years | 45.7 years | 42.8 years   | 41.3 years  |
| Average length of service of contributing members   | 2.0 years  | 9.2 years    | 12.3 years  | 15.8 years | 12.8 years | 12.7 years   | 10.4 years  |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|  | University Park | Uvalde       | Van         | Van Alstyne             | Van Horn      | Vega       | Venus        |
|--|-----------------|--------------|-------------|-------------------------|---------------|------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |                 |              |             |                         |               |            |              |
| 1. Prior Service Liability   | \$470,646       | \$198,566    | \$0         | \$138,093               | \$19,852      | \$0        | \$66,980     |
| a. Present Members   | 2,662,598       | 591,670      | 97,787      | 143,873                 | 65,653        | 62,740     | 29,034       |
| b. Annuitants  | 39,321,925      | 5,848,105    | 715,712     | 930,896                 | 1,596,528     | 800,760    | 216,031      |
| 2. Current Service Liability (Present Members)   | \$42,455,169    | \$6,638,341  | \$813,499   | \$1,212,862             | \$1,682,033   | \$863,500  | \$312,045    |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 33,147,932      | 5,793,092    | 719,467     | 1,005,020               | 1,619,697     | 747,222    | 282,631      |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$9,307,237     | \$845,249    | \$94,032    | \$207,842               | \$62,336      | \$116,278  | \$29,414     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 78.1%           | 87.3%        | 88.4%       | 82.9%                   | 96.3%         | 86.5%      | 90.6%        |
| 6. Funded Ratio: (4) / (3)   | \$15,265,265    | \$2,268,683  | \$443,381   | \$61,137                | \$211,937     | \$16,155   | \$105,177    |
| 7. Current Service Annuity Reserve Fund Allocation*  | 83.9%           | 90.5%        | 92.5%       | 83.7%                   | 96.7%         | 86.8%      | 93.0%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |                 |              |             |                         |               |            |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |                 |              |             |                         |               |            |              |
| Retirement   |                 |              |             |                         |               |            |              |
| Normal Cost  | 10.86%          | 2.98%        | 6.52%       | 6.04%                   | 5.08%         | 11.32%     | 8.01%        |
| Prior Service  | 4.00%           | 1.33%        | 1.02%       | 1.21%                   | 0.52%         | 4.22%      | 0.37%        |
| Total Retirement   | 14.86%          | 4.31%        | 7.54%       | 7.25%                   | 5.60%         | 15.54%     | 8.38%        |
| Supplemental Death   | 0.00%           | 0.34%        | 0.34%       | 0.16%                   | 0.21%         | 0.46%      | 0.00%        |
| Total Rate   | 14.86%          | 4.65%        | 7.88%       | 7.41%                   | 5.81%         | 16.00%     | 8.38%        |
| <b>ADDITIONAL INFORMATION</b>  |                 |              |             |                         |               |            |              |
| Amortization period as of 1/2008   | 25 years        | 25 years     | 25 years    | 25 years                | 25 years      | 25 years   | 25 years     |
| Number of annuitants   | 84              | 37           | 7           | 4                       | 4             | 2          | 4            |
| Number of members  | 249             | 174          | 16          | 70                      | 39            | 7          | 24           |
| Number of contributing members   | 205             | 139          | 14          | 31                      | 28            | 6          | 15           |
| Average age of contributing members  | 45.2 years      | 42.9 years   | 44.0 years  | 36.2 years              | 41.3 years    | 50.7 years | 49.7 years   |
| Average length of service of contributing members  | 16.0 years      | 10.0 years   | 8.6 years   | 6.3 years               | 12.1 years    | 14.0 years | 5.6 years    |
|  |                 |              |             |                         |               |            |              |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>  |                 |              |             | Village Fire Department | Waco          | Waelder    | Wake Village |
| 1. Prior Service Liability   | \$746,899       | \$2,459,272  | \$1,696,383 | \$2,895,070             | \$15,974,747  | \$7,098    | \$27,565     |
| a. Present Members   | 1,912,338       | 14,808,237   | 634,897     | 896,663                 | 39,080,159    | 13,964     | 139,418      |
| b. Annuitants  | 6,964,262       | 53,903,931   | 5,557,458   | 6,864,406               | 163,081,580   | 279,029    | 1,189,221    |
| 2. Current Service Liability (Present Members)   | \$9,623,499     | \$7,171,440  | \$7,888,738 | \$10,656,139            | \$218,136,486 | \$300,091  | \$1,356,204  |
| 3. Total Actuarial Accrued Liability: (1) + (2)  | 6,161,282       | 46,282,645   | 5,920,912   | 7,671,219               | 144,619,109   | 221,320    | 1,106,206    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                            | \$3,462,217     | \$24,868,795 | \$1,967,826 | \$2,984,920             | \$73,517,377  | \$78,771   | \$249,998    |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                      | 64.0%           | 65.0%        | 75.1%       | 72.0%                   | 66.3%         | 73.8%      | 81.6%        |
| 6. Funded Ratio: (4) / (3)   | \$4,088,684     | \$45,831,291 | \$1,166,870 | \$867,632               | \$84,142,927  | \$219,647  | \$443,598    |
| 7. Current Service Annuity Reserve Fund Allocation*  | 74.8%           | 78.7%        | 78.3%       | 74.1%                   | 75.7%         | 84.8%      | 86.1%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund<br>[(4) + (7)] / [(3) + (7)] |                 |              |             |                         |               |            |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>  |                 |              |             |                         |               |            |              |
| Retirement   |                 |              |             |                         |               |            |              |
| Normal Cost  | 7.51%           | 7.65%        | 10.49%      | 10.85%                  | 9.14%         | 2.95%      | 8.61%        |
| Prior Service  | 6.28%           | 5.75%        | 5.38%       | 7.29%                   | 6.33%         | 1.28%      | 2.45%        |
| Total Retirement   | 13.79%          | 13.40%       | 15.87%      | 18.14%                  | 15.47%        | 4.23%      | 11.06%       |
| Supplemental Death   | 0.42%           | 0.26%        | 0.30%       | 0.24%                   | 0.00%         | 0.29%      | 0.40%        |
| Total Rate   | 14.21%          | 13.66%       | 16.17%      | 18.38%                  | 15.47%        | 4.52%      | 11.46%       |
| <b>ADDITIONAL INFORMATION</b>  |                 |              |             |                         |               |            |              |
| Amortization period as of 1/2008   | 25 years        | 25 years     | 25 years    | 25 years                | 25 years      | 25 years   | 25 years     |
| Number of annuitants   | 62              | 309          | 21          | 7                       | 635           | 2          | 10           |
| Number of members  | 149             | 735          | 82          | 72                      | 1,818         | 20         | 28           |
| Number of contributing members   | 97              | 559          | 64          | 48                      | 1,442         | 13         | 21           |
| Average age of contributing members  | 41.3 years      | 39.9 years   | 45.0 years  | 41.7 years              | 43.1 years    | 43.2 years | 47.2 years   |
| Average length of service of contributing members  | 10.5 years      | 11.3 years   | 13.6 years  | 16.5 years              | 13.2 years    | 6.6 years  | 11.8 years   |

\* See Note on page 170.



|   | Waller       | Wallis      | Walnut Springs | Westkom    | Watauga      | Waxahachie   | Weatherford  |
|---|--------------|-------------|----------------|------------|--------------|--------------|--------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |                |            |              |              |              |
| 1. Prior Service Liability  | \$56,585     | \$81,123    | \$4,228        | \$272,312  | \$1,609,763  | \$1,744,677  | \$3,662,868  |
| a. Present Members  | 202,679      | 108,842     | 2,958          | 0          | 622,681      | 3,460,971    | 3,906,770    |
| b. Annuitants   | 1,071,387    | 324,002     | 24,958         | 524,151    | 12,637,659   | 16,962,375   | 32,858,043   |
| 2. Current Service Liability (Present Members)  | \$1,330,651  | \$513,967   | \$32,144       | \$796,463  | \$14,870,103 | \$22,168,023 | \$40,427,681 |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 1,170,058    | 393,303     | 23,257         | 631,535    | 12,447,352   | 15,262,553   | 29,932,522   |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$160,593    | \$120,664   | \$8,887        | \$164,928  | \$2,422,751  | \$6,905,470  | \$10,495,159 |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 87.9%        | 76.5%       | 72.4%          | 79.3%      | 83.7%        | 68.8%        | 74.0%        |
| 6. Funded Ratio: (4) / (3)  | \$506,232    | \$133,533   | \$7,996        | \$0        | \$2,970,006  | \$6,205,010  | \$13,123,537 |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 91.3%        | 81.4%       | 77.9%          | 79.3%      | 86.4%        | 75.7%        | 80.4%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |                |            |              |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |                |            |              |              |              |
| Retirement  |              |             |                |            |              |              |              |
| Normal Cost   | 3.13%        | 4.06%       | 3.24%          | 3.44%      | 8.23%        | 8.45%        | 10.32%       |
| Prior Service   | 1.43%        | 3.65%       | 1.85%          | 1.67%      | 2.22%        | 4.02%        | 3.66%        |
| Total Retirement  | 4.56%        | 7.71%       | 5.09%          | 5.11%      | 10.45%       | 12.47%       | 13.98%       |
| Supplemental Death  | 0.46%        | 0.29%       | 0.19%          | 0.24%      | 0.22%        | 0.28%        | 0.26%        |
| Total Rate  | 5.02%        | 8.00%       | 5.28%          | 5.35%      | 10.67%       | 12.75%       | 14.24%       |
| <b>ADDITIONAL INFORMATION</b>   |              |             |                |            |              |              |              |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 12 years       | 25 years   | 25 years     | 25 years     | 25 years     |
| Number of annuitants  | 10           | 3           | 1              | 0          | 26           | 65           | 103          |
| Number of members   | 32           | 20          | 2              | 25         | 286          | 229          | 394          |
| Number of contributing members  | 22           | 7           | 2              | 18         | 173          | 201          | 311          |
| Average age of contributing members   | 49.5 years   | 46.5 years  | 46.4 years     | 44.2 years | 40.9 years   | 42.8 years   | 41.8 years   |
| Average length of service of contributing members   | 11.9 years   | 11.7 years  | 6.4 years      | 10.7 years | 10.1 years   | 10.5 years   | 12.6 years   |
|   |              |             |                |            |              |              |              |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |              |             |                |            |              |              |              |
| 1. Prior Service Liability  | \$1,709,794  | \$7,146     | \$973          | \$589      | \$3,225,319  | \$98,885     | \$165,768    |
| a. Present Members  | 1,685,687    | 311,115     | 199,891        | 14,426     | 1,085,374    | 43,593       | 74,786       |
| b. Annuitants   | 16,482,057   | 1,944,862   | 1,257,242      | 112,608    | 15,195,860   | 854,200      | 2,075,946    |
| 2. Current Service Liability (Present Members)  | \$19,877,538 | \$2,263,123 | \$1,458,106    | \$127,623  | \$19,506,553 | \$996,678    | \$2,316,500  |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 15,824,518   | 1,538,420   | 1,018,988      | 117,936    | 14,910,028   | 884,242      | 2,271,053    |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$4,053,020  | \$724,703   | \$439,118      | \$9,687    | \$4,596,525  | \$112,436    | \$45,447     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 79.6%        | 68.0%       | 69.9%          | 92.4%      | 76.4%        | 88.7%        | 98.0%        |
| 6. Funded Ratio: (4) / (3)  | \$3,873,855  | \$1,985,300 | \$1,048,241    | \$69,754   | \$5,681,127  | \$440,090    | \$379,832    |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 82.9%        | 82.9%       | 82.5%          | 95.1%      | 81.8%        | 92.2%        | 98.3%        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |              |             |                |            |              |              |              |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |              |             |                |            |              |              |              |
| Retirement  |              |             |                |            |              |              |              |
| Normal Cost   | 10.09%       | 6.71%       | 8.29%          | 3.44%      | 8.86%        | 5.35%        | 7.12%        |
| Prior Service   | 3.36%        | 4.79%       | 8.73%          | 0.58%      | 2.88%        | 1.36%        | 0.23%        |
| Total Retirement  | 13.45%       | 11.50%      | 17.02%         | 4.02%      | 11.74%       | 6.71%        | 7.35%        |
| Supplemental Death  | 0.26%        | 0.46%       | 0.58%          | 0.00%      | 0.27%        | 0.45%        | 0.00%        |
| Total Rate  | 13.71%       | 11.96%      | 17.60%         | 4.02%      | 12.01%       | 7.16%        | 7.35%        |
| <b>ADDITIONAL INFORMATION</b>   |              |             |                |            |              |              |              |
| Amortization period as of 1/2008  | 25 years     | 25 years    | 25 years       | 25 years   | 25 years     | 25 years     | 25 years     |
| Number of annuitants  | 35           | 15          | 12             | 2          | 65           | 8            | 9            |
| Number of members   | 210          | 40          | 17             | 5          | 353          | 23           | 44           |
| Number of contributing members  | 150          | 28          | 13             | 4          | 282          | 19           | 33           |
| Average age of contributing members   | 43.5 years   | 47.7 years  | 50.2 years     | 46.5 years | 41.0 years   | 45.8 years   | 48.4 years   |
| Average length of service of contributing members   | 12.7 years   | 10.3 years  | 17.5 years     | 8.0 years  | 10.8 years   | 12.7 years   | 11.1 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | West Lake Hills | West Orange | West Tawakoni | West Univ. Place | Westlake     | Westover Hills | Westworth Village |
|---|-----------------|-------------|---------------|------------------|--------------|----------------|-------------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                 |             |               |                  |              |                |                   |
| 1. Prior Service Liability  | \$271,782       | \$580,673   | \$274,284     | \$2,507,538      | \$64,264     | \$31,271       | \$49,175          |
| a. Present Members  | 204,006         | 437,263     | 11,670        | 2,202,334        | 0            | 267,210        | 72,317            |
| b. Annuitants   | 1,904,926       | 2,548,684   | 146,418       | 17,993,056       | 757,137      | 916,995        | 914,496           |
| 2. Current Service Liability (Present Members)  | \$2,380,714     | \$3,566,620 | \$432,372     | \$22,702,928     | \$821,401    | \$1,215,476    | \$1,035,988       |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 2,007,586       | 2,456,598   | 177,269       | 15,648,469       | 773,412      | 958,441        | 955,153           |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$373,128       | \$1,110,022 | \$255,103     | \$7,054,459      | \$47,989     | \$257,035      | \$80,835          |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 84.3%           | 68.9%       | 41.0%         | 68.9%            | 94.2%        | 78.9%          | 92.2%             |
| 6. Funded Ratio: (4) / (3)  | \$604,175       | \$1,377,227 | \$11,311      | \$7,312,855      | \$25,885     | \$506,642      | \$229,983         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 87.5%           | 77.5%       | 42.5%         | 76.5%            | 94.3%        | 85.1%          | 93.6%             |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                 |             |               |                  |              |                |                   |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                 |             |               |                  |              |                |                   |
| Retirement  |                 |             |               |                  |              |                |                   |
| Normal Cost   | 9.23%           | 10.75%      | 5.80%         | 9.98%            | 8.53%        | 3.79%          | 4.66%             |
| Prior Service   | 2.05%           | 6.06%       | 3.01%         | 6.77%            | 0.23%        | 2.07%          | 0.51%             |
| Total Retirement  | 11.28%          | 16.81%      | 8.81%         | 16.75%           | 8.76%        | 5.86%          | 5.17%             |
| Supplemental Death  | 0.32%           | 0.00%       | 0.35%         | 0.29%            | 0.17%        | 0.47%          | 0.20%             |
| Total Rate  | 11.60%          | 16.81%      | 9.16%         | 17.04%           | 8.93%        | 6.33%          | 5.37%             |
| <b>ADDITIONAL INFORMATION</b>   |                 |             |               |                  |              |                |                   |
| Amortization period as of 1/2008  | 25 years        | 25 years    | 25 years      | 25 years         | 25 years     | 25 years       | 25 years          |
| Number of annuitants  | 14              | 33          | 2             | 51               | 1            | 10             | 3                 |
| Number of members   | 46              | 33          | 35            | 174              | 34           | 23             | 57                |
| Number of contributing members  | 27              | 25          | 20            | 108              | 23           | 19             | 27                |
| Average age of contributing members   | 44.0 years      | 46.3 years  | 44.5 years    | 43.4 years       | 41.1 years   | 49.5 years     | 39.2 years        |
| Average length of service of contributing members   | 8.8 years       | 14.2 years  | 6.6 years     | 13.8 years       | 8.8 years    | 15.5 years     | 5.6 years         |
|   |                 |             |               |                  |              |                |                   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |                 |             |               |                  |              |                |                   |
| 1. Prior Service Liability  | \$65,900        | \$22,719    | \$1,699       | \$115,318        | \$426,313    | \$21,887       | \$50,557          |
| a. Present Members  | 202,917         | 56,853      | 122,800       | 517,504          | 997,367      | 30,580         | 32,181            |
| b. Annuitants   | 5,460,812       | 380,405     | 39,099        | 3,490,047        | 9,908,706    | 330,168        | 1,357,272         |
| 2. Current Service Liability (Present Members)  | \$5,729,629     | \$461,977   | \$163,598     | \$4,122,869      | \$11,332,386 | \$382,635      | \$1,440,010       |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | 5,342,676       | 384,935     | 108,424       | 3,392,836        | 9,688,732    | 308,707        | 1,432,790         |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | \$366,953       | \$77,042    | \$55,174      | \$730,033        | \$1,643,654  | \$73,928       | \$7,220           |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | 93.2%           | 83.3%       | 66.3%         | 82.3%            | 85.5%        | 80.7%          | 99.5%             |
| 6. Funded Ratio: (4) / (3)  | \$1,302,315     | \$194,642   | \$143,512     | \$2,274,154      | \$3,110,055  | \$18,501       | \$338,139         |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | 94.5%           | 88.3%       | 82.0%         | 88.6%            | 88.6%        | 81.6%          | 99.6%             |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] |                 |             |               |                  |              |                |                   |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |                 |             |               |                  |              |                |                   |
| Retirement  |                 |             |               |                  |              |                |                   |
| Normal Cost   | 3.26%           | 7.46%       | 2.08%         | 9.10%            | 5.82%        | 5.80%          | 4.36%             |
| Prior Service   | 0.65%           | 3.82%       | 1.67%         | 2.98%            | 2.26%        | 3.70%          | 0.03%             |
| Total Retirement  | 3.91%           | 11.28%      | 3.75%         | 12.08%           | 8.08%        | 9.50%          | 4.39%             |
| Supplemental Death  | 0.27%           | 0.30%       | 0.43%         | 0.30%            | 0.25%        | 0.35%          | 0.22%             |
| Total Rate  | 4.18%           | 11.58%      | 4.18%         | 12.38%           | 8.33%        | 9.85%          | 4.61%             |
| <b>ADDITIONAL INFORMATION</b>   |                 |             |               |                  |              |                |                   |
| Amortization period as of 1/2008  | 25 years        | 25 years    | 25 years      | 25 years         | 25 years     | 25 years       | 25 years          |
| Number of annuitants  | 21              | 1           | 4             | 17               | 2            | 2              | 5                 |
| Number of members   | 123             | 6           | 11            | 57               | 220          | 4              | 61                |
| Number of contributing members  | 90              | 5           | 8             | 42               | 113          | 3              | 43                |
| Average age of contributing members   | 43.0 years      | 47.9 years  | 47.8 years    | 43.3 years       | 42.7 years   | 47.9 years     | 40.1 years        |
| Average length of service of contributing members   | 11.2 years      | 14.1 years  | 1.5 years     | 10.9 years       | 9.8 years    | 15.3 years     | 8.3 years         |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Whitesboro  | Whitewright | Whitney    | Wichita Falls | Willis      | Wills Point | Wilmer      |
|---|-------------|-------------|------------|---------------|-------------|-------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |            |               |             |             |             |
| 1. Prior Service Liability  |             |             |            |               |             |             |             |
| a. Present Members  | \$89,481    | \$27,412    | \$9,718    | \$967,394     | \$56,708    | \$677,782   | \$11,586    |
| b. Annuitants   | 285,334     | 72,918      | 117,891    | 12,294,818    | 61,819      | 124,380     | 47,830      |
| 2. Current Service Liability (Present Members)  | 2,075,962   | 382,936     | 271,440    | 87,729,583    | 1,312,318   | 1,146,709   | 1,234,438   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$2,450,777 | \$483,266   | \$399,049  | \$100,991,795 | \$1,430,845 | \$1,948,871 | \$1,293,854 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 2,147,674   | 439,521     | 334,730    | 69,201,457    | 1,338,970   | 1,346,966   | 1,244,245   |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$303,103   | \$43,745    | \$164,319  | \$31,790,338  | \$91,875    | \$601,905   | \$49,609    |
| 6. Funded Ratio: (4) / (3)  | 87.6%       | 90.9%       | 58.8%      | 68.5%         | 93.6%       | 69.1%       | 96.2%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$596,462   | \$111,774   | \$145,513  | \$66,901,641  | \$428,223   | \$100,710   | \$287,229   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 90.1%       | 92.6%       | 69.8%      | 81.1%         | 95.1%       | 70.6%       | 96.9%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |            |               |             |             |             |
| Retirement  |             |             |            |               |             |             |             |
| Normal Cost   | 4.99%       | 3.64%       | 2.58%      | 6.83%         | 4.97%       | 5.45%       | 4.49%       |
| Prior Service   | 1.41%       | 0.84%       | 1.79%      | 5.16%         | 0.50%       | 3.31%       | 0.25%       |
| Total Retirement  | 6.40%       | 4.48%       | 4.37%      | 11.99%        | 5.47%       | 8.76%       | 4.74%       |
| Supplemental Death  | 0.27%       | 0.30%       | 0.34%      | 0.33%         | 0.31%       | 0.29%       | 0.19%       |
| Total Rate  | 6.67%       | 4.78%       | 4.71%      | 12.32%        | 5.78%       | 9.05%       | 4.93%       |
| <b>ADDITIONAL INFORMATION</b>   |             |             |            |               |             |             |             |
| Amortization period as of 1/2008  |             | 25 years    | 25 years   | 25 years      | 25 years    | 25 years    | 25 years    |
| Number of annuitants  | 16          | 5           | 8          | 412           | 9           | 5           | 4           |
| Number of members   | 64          | 29          | 31         | 1,151         | 38          | 43          | 64          |
| Number of contributing members  | 45          | 14          | 21         | 945           | 31          | 34          | 39          |
| Average age of contributing members   | 42.9 years  | 41.6 years  | 43.0 years | 43.5 years    | 43.5 years  | 44.7 years  | 38.7 years  |
| Average length of service of contributing members   | 9.6 years   | 5.6 years   | 6.6 years  | 12.9 years    | 9.6 years   | 12.0 years  | 6.9 years   |
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |             |             |            |               |             |             |             |
| 1. Prior Service Liability  |             |             |            |               |             |             |             |
| a. Present Members  | \$2,751     | \$108,990   | \$2,049    | \$13,684      | \$5,896     | \$76,706    | \$211,320   |
| b. Annuitants   | 0           | 127,419     | 34,539     | 257,385       | 141,205     | 190,347     | 49,120      |
| 2. Current Service Liability (Present Members)  | 2,315       | 2,849,753   | 334,835    | 1,092,774     | 1,112,998   | 1,300,587   | 845,686     |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$5,066     | \$3,086,162 | \$371,423  | \$1,363,843   | \$2,58,399  | \$1,567,640 | \$1,106,126 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 2,457       | 2,913,675   | 325,555    | 1,065,896     | 210,529     | 1,380,295   | 878,632     |
| 5. Unfunded/(Overfunded) Actuarial Liability: (3) - (4)                                   | \$2,609     | \$172,487   | \$45,868   | \$297,947     | \$47,870    | \$187,345   | \$227,494   |
| 6. Funded Ratio: (4) / (3)  | 48.5%       | 94.4%       | 87.7%      | 78.2%         | 81.5%       | 88.0%       | 79.4%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0         | \$752,701   | \$101,727  | \$1,915,029   | \$186,186   | \$425,228   | \$108,350   |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 48.5%       | 95.5%       | 90.3%      | 90.9%         | 89.2%       | 90.6%       | 81.3%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |             |             |            |               |             |             |             |
| Retirement  |             |             |            |               |             |             |             |
| Normal Cost   | 2.48%       | 5.61%       | 5.40%      | 5.56%         | 7.79%       | 6.30%       | 4.23%       |
| Prior Service   | 0.13%       | 0.60%       | 1.65%      | 1.63%         | 2.09%       | 2.72%       | 1.91%       |
| Total Retirement  | 2.61%       | 6.21%       | 7.05%      | 7.19%         | 9.88%       | 9.02%       | 6.14%       |
| Supplemental Death  | 0.31%       | 0.27%       | 0.36%      | 0.37%         | 0.26%       | 0.45%       | 0.25%       |
| Total Rate  | 2.92%       | 6.48%       | 7.41%      | 7.56%         | 10.14%      | 9.47%       | 6.39%       |
| <b>ADDITIONAL INFORMATION</b>   |             |             |            |               |             |             |             |
| Amortization period as of 1/2008  |             | 25 years    | 25 years   | 25 years      | 25 years    | 25 years    | 25 years    |
| Number of annuitants  | 0           | 11          | 3          | 19            | 2           | 9           | 3           |
| Number of members   | 5           | 79          | 5          | 56            | 7           | 35          | 29          |
| Number of contributing members  | 5           | 48          | 5          | 34            | 6           | 16          | 23          |
| Average age of contributing members   | 50.2 years  | 43.3 years  | 44.8 years | 45.1 years    | 40.8 years  | 44.9 years  | 42.7 years  |
| Average length of service of contributing members   | 5.8 years   | 10.7 years  | 14.0 years | 7.8 years     | 5.0 years   | 12.4 years  | 9.3 years   |

\* See Note on page 170.

# Actuarial Valuation of Participating Municipalities

CONTINUED

|   | Woodcreek  | Woodsboro  | Woodville   | Woodway     | Wortham    | Wylie        | Yeakum      |
|---|------------|------------|-------------|-------------|------------|--------------|-------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |            |             |             |            |              |             |
| 1. Prior Service Liability  |            |            |             |             |            |              |             |
| a. Present Members  | \$12,232   | \$99       | \$72,091    | \$452,568   | \$22,987   | \$1,503,674  | \$539,909   |
| b. Annuitants   | 0          | 74,198     | 215,851     | 567,521     | 0          | 630,363      | 1,211,543   |
| 2. Current Service Liability (Present Members)  | 23,892     | 108,127    | 1,825,592   | 6,433,603   | 124,892    | 11,016,205   | 7,997,770   |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$36,124   | \$182,424  | \$2,113,534 | \$7,453,712 | \$147,879  | \$13,150,242 | \$9,749,222 |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 33,496     | 206,260    | 1,699,202   | 5,632,827   | 205,699    | 10,293,842   | 7,201,451   |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | \$2,628    | (\$23,836) | \$414,332   | \$1,820,885 | (\$57,820) | \$2,856,400  | \$2,547,771 |
| 6. Funded Ratio: (4) / (3)  | 92.7%      | 113.1%     | 80.4%       | 75.6%       | 139.1%     | 78.3%        | 73.9%       |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$0        | \$225,601  | \$520,848   | \$2,787,051 | \$0        | \$1,855,106  | \$4,036,433 |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 92.7%      | 105.8%     | 84.3%       | 82.2%       | 139.1%     | 81.0%        | 81.5%       |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |            |             |             |            |              |             |
| Retirement  |            |            |             |             |            |              |             |
| Normal Cost   | 5.00%      | 2.63%      | 8.38%       | 7.84%       | 6.71%      | 7.22%        | 8.30%       |
| Prior Service   | 3.56%      | -0.70%     | 2.86%       | 3.49%       | -2.23%     | 1.96%        | 5.82%       |
| Total Retirement  | 8.56%      | 1.93%      | 11.24%      | 11.33%      | 4.48%      | 9.18%        | 14.12%      |
| Supplemental Death  | 0.29%      | 0.37%      | 0.27%       | 0.25%       | 0.22%      | 0.19%        | 0.38%       |
| Total Rate  | 8.85%      | 2.30%      | 11.51%      | 11.58%      | 4.70%      | 9.37%        | 14.50%      |
| <b>ADDITIONAL INFORMATION</b>   |            |            |             |             |            |              |             |
| Amortization period as of 1/2008  |            |            |             |             |            |              |             |
| Number of annuitants  | 0          | 25 years   | 25 years    | 25 years    | 25 years   | 25 years     | 25 years    |
| Number of members   | 1          | 4          | 7           | 21          | 0          | 27           | 40          |
| Number of contributing members  | 1          | 10         | 39          | 112         | 16         | 268          | 112         |
| Average age of contributing members   | 57.0 years | 45.4 years | 41.9 years  | 40.2 years  | 44.1 years | 39.3 years   | 43.6 years  |
| Average length of service of contributing members   | 11.3 years | 4.7 years  | 9.4 years   | 10.0 years  | 4.6 years  | 8.6 years    | 14.5 years  |

\* This year, TMRS is providing additional information relating to the funded ratio. Line 7 shows the allocation of contributions the City has made toward the current service portion of the benefit due to the City's annuitants. Including this item in the total funded ratio (line 8) provides a figure more comparable to the ratio that would be shown in a pure Defined Benefit Plan. The ratios that we have provided in prior years' CAFR's have not included Line 7.

The monthly annuity payment for each TMRS retiree is funded from two sources: 1) the Current Service Annuity Reserve Fund (CSARF), which is fully funded at the time of the person's retirement; and 2) the Municipality Accumulation Fund (MAF), which pays for the prior service portion of the benefit. The portion of the benefit that is paid from the CSARF is a liability of TMRS, while the portion paid from the MAF remains an obligation of the City. The TMRS Actuary annually calculates the portion of the CSARF attributable to each city's retirees. For this disclosure only, that portion of the CSARF is treated as an asset of the city. The ratio shown in Line 8 above is provided to recognize benefits that have already been funded by City contributions.

\* For the 15 cities noted, the prior service portion of the contribution rate has been reduced to satisfy statutory maximum contribution rate limits. The actuarially calculated contribution rate is greater than the rate indicated in this schedule.

|   | Yorktown   | Zavalla    |
|---|------------|------------|
| <b>SUMMARY OF ACTUARIAL INFORMATION</b>   |            |            |
| 1. Prior Service Liability  |            |            |
| a. Present Members  | \$9,589    | \$62,793   |
| b. Annuitants   | 112,763    | 0          |
| 2. Current Service Liability (Present Members)  | 460,624    | 230,990    |
| 3. Total Actuarial Accrued Liability: (1) + (2)   | \$582,976  | \$293,783  |
| 4. Assets in Municipality Accumulation and Employees Saving Funds                         | 438,968    | 241,498    |
| 5. Unfunded/(Overfunded)/Actuarial Liability: (3) - (4)                                   | \$144,008  | \$52,285   |
| 6. Funded Ratio: (4) / (3)  | 75.3%      | 82.2%      |
| 7. Current Service Annuity Reserve Fund Allocation*                                       | \$591,940  | \$0        |
| 8. Total Funded Ratio with Current Service Annuity Reserve Fund [(4) + (7)] / [(3) + (7)] | 87.7%      | 82.2%      |
| <b>CITY CONTRIBUTION RATES FOR 2008</b>   |            |            |
| Retirement  |            |            |
| Normal Cost   | 3.26%      | 5.11%      |
| Prior Service   | 2.36%      | 1.54%      |
| Total Retirement  | 5.62%      | 6.65%      |
| Supplemental Death  | 0.43%      | 0.00%      |
| Total Rate  | 6.05%      | 6.65%      |
| <b>ADDITIONAL INFORMATION</b>   |            |            |
| Amortization period as of 1/2008  |            |            |
| Number of annuitants  | 9          | 25 years   |
| Number of members   | 27         | 0          |
| Number of contributing members  | 14         | 12         |
| Average age of contributing members   | 45.9 years | 10         |
| Average length of service of contributing members   | 9.7 years  | 44.0 years |
|   |            | 10.5 years |

\* See Note this page.



# Statistical



# Statistical Section Overview

---

Information in this section is presented consistent with the provisions of GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.” The objectives of statistical section information are to provide statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government’s economic condition.

The Schedule of Changes in Net Assets is presented for the ten-year period ending December 31, 2006. Trend information presented in this schedule is extracted from the Statements of Changes in Plan Net Assets located in the Financial Section of this report.

The Schedule of Average Benefit Payments over the last ten years provides information on the average monthly benefit and number of retired members categorized in five-year increments of credited service.

The Schedule of Retired Members by Type of Benefit presents data about the major plan options selected by current retired members. Numbers of retired members are organized by ranges of benefit levels and by major plan features or options.

For multiple-employer plans, a Schedule of Principal Participating Employers for the current period and nine years prior is required. This schedule shows each employer’s number of covered employees and each employer’s percentage of total covered employers for the top ten participating employers.



# Schedule of Changes in Net Assets

| Pension Trust Fund  |                 |               |                   |                 |                 |                 |               |                 |                 |               |
|---|-----------------|---------------|-------------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| Schedule of Changes in Net Assets • Last Ten Fiscal Years |                 |               |                   |                 |                 |                 |               |                 |                 |               |
| For the Year Ended December 31                            |                 |               |                   |                 |                 |                 |               |                 |                 |               |
|   | 1997            | 1998          | 1999              | 2000            | 2001            | 2002            | 2003          | 2004            | 2005            | 2006          |
| <b>Additions to plan net assets by source</b>             |                 |               |                   |                 |                 |                 |               |                 |                 |               |
| Member contributions                                      | \$136,790,865   | \$149,093,700 | \$161,456,141     | \$176,011,086   | \$192,905,967   | \$207,927,871   | \$218,080,501 | \$230,042,992   | \$241,695,424   | \$257,268,310 |
| Municipal contributions                                   | 230,743,630     | 252,049,747   | 276,662,817       | 294,249,041     | 323,861,835     | 353,646,144     | 371,308,541   | 401,399,639     | 446,302,458     | 470,710,457   |
| Net investment income                                     | 1,015,442,271   | 669,972,983   | (1,258,430,728)   | 1,071,131,388   | 904,693,712     | 1,457,375,052   | 254,518,524   | 1,271,844,834   | 1,217,136,035   | 129,429,912   |
| Other   | 352,973         | 275,488       | 324,585           | 336,334         | 237,996         | -               | 83,138        | 2,842           | 14,781          | -             |
| <b>Total additions to plan net assets</b>                 | 1,383,329,739   | 1,071,391,918 | (819,987,185)     | 1,541,727,849   | 1,421,699,510   | 2,018,949,067   | 843,990,704   | 1,903,290,307   | 1,905,148,698   | 857,408,679   |
| <b>Deductions from plan net assets by type</b>            |                 |               |                   |                 |                 |                 |               |                 |                 |               |
| <b>Benefit payments</b>                                   |                 |               |                   |                 |                 |                 |               |                 |                 |               |
| Service retirements                                       | 154,824,619     | 174,804,054   | 196,926,920       | 222,388,037     | 250,335,873     | 280,980,552     | 313,384,008   | 350,260,214     | 391,279,705     | 435,307,270   |
| Disability retirements                                    | 8,112,326       | 9,012,179     | 9,527,532         | 10,190,069      | 10,950,145      | 11,787,172      | 12,412,401    | 13,061,149      | 13,477,860      | 14,177,858    |
| Distributive benefits                                     | 27,796,480      | 31,507,106    | 35,212,025        | 38,673,830      | 43,338,598      | 42,332,981      | 40,426,932    | 30,044,642      | 13,388,067      | 11,146,810    |
| Partial lump-sum distributions                            | 1,049,077       | 20,665,362    | 27,588,660        | 57,942,699      | 58,125,775      | 66,829,982      | 76,433,937    | 78,742,778      | 96,927,134      | 94,203,122    |
| <b>Total benefit payments</b>                             | 191,782,502     | 235,988,701   | 269,255,137       | 329,194,635     | 362,750,391     | 401,930,687     | 442,657,278   | 472,108,783     | 515,072,766     | 554,835,060   |
| <b>Refunds</b>  |                 |               |                   |                 |                 |                 |               |                 |                 |               |
| Withdrawal / Ineligibility                                | 43,882,622      | 44,743,960    | 43,396,321        | 47,317,644      | 42,318,797      | 39,235,581      | 39,921,035    | 45,114,759      | 47,886,445      | 48,497,888    |
| Death   | 1,922,062       | 2,731,133     | 982,191           | 1,246,198       | 996,508         | 613,826         | 577,140       | 529,808         | 674,821         | 493,236       |
| <b>Total refunds</b>                                      | 45,804,684      | 47,475,093    | 44,378,512        | 48,563,842      | 43,315,305      | 39,849,407      | 40,498,175    | 45,644,567      | 48,561,266      | 48,991,124    |
| Administrative expenses                                   | 3,594,756       | 4,468,998     | 5,680,732         | 6,291,737       | 6,768,047       | 7,526,877       | 8,190,041     | 8,454,435       | 9,677,961       | 11,176,096    |
| Other   | 339,264         | 375,210       | 144,278           | 158,425         | 280,157         | 37,583          | -             | -               | -               | -             |
| <b>Total deductions to plan net assets</b>                | 241,521,206     | 288,308,002   | 319,458,659       | 384,208,639     | 413,113,900     | 449,344,554     | 491,345,494   | 526,207,785     | 573,311,993     | 615,002,280   |
| <b>Change in plan net assets</b>                          | \$1,141,808,533 | \$783,083,916 | \$(1,139,445,844) | \$1,157,519,210 | \$1,008,585,610 | \$1,569,604,513 | \$352,645,210 | \$1,377,082,522 | \$1,331,836,705 | \$242,406,399 |

# Schedule of Changes in Net Assets

CONTINUED

| Supplemental Death Benefits Fund<br>Schedule of Changes in Net Assets • Last Ten Fiscal Years |             |             |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| For the Year Ended December 31  |             |             |             |             |             |             |             |             |             |             |
|   | 1997        | 1998        | 1999        | 2000        | 2001        | 2002        | 2003        | 2004        | 2005        | 2006        |
| <b>Additions to plan net assets by source</b>   |             |             |             |             |             |             |             |             |             |             |
| Municipal contributions   | \$3,304,111 | \$3,760,152 | \$4,073,702 | \$4,354,335 | \$4,744,972 | \$5,189,925 | \$5,496,941 | \$5,858,662 | \$6,248,373 | \$6,741,818 |
| Net investment income   | 653,067     | 657,242     | 687,826     | 734,058     | 784,980     | 822,658     | 887,138     | 937,040     | 972,686     | 1,062,425   |
| <b>Total additions to plan net assets</b>   | 3,957,178   | 4,417,394   | 4,761,528   | 5,088,393   | 5,529,952   | 6,012,583   | 6,384,079   | 6,795,702   | 7,221,059   | 7,804,243   |
| <b>Deductions from plan net assets by type</b>  |             |             |             |             |             |             |             |             |             |             |
| Supplemental death benefits - active  | 2,686,077   | 2,887,664   | 2,134,025   | 2,915,656   | 2,435,473   | 3,422,445   | 3,301,594   | 3,485,271   | 3,008,086   | 2,895,317   |
| Supplemental death benefits - retiree   | 1,365,000   | 1,495,000   | 1,370,000   | 1,550,212   | 1,724,650   | 1,724,484   | 1,705,515   | 2,669,725   | 2,847,500   | 2,871,616   |
| <b>Total deductions from plan net assets</b>  | 4,051,077   | 4,382,664   | 3,504,025   | 4,465,868   | 4,160,123   | 5,146,929   | 5,007,109   | 6,154,996   | 5,855,586   | 5,766,933   |
| <b>Change in plan net assets</b>  | \$(93,899)  | \$34,730    | \$1,257,503 | \$622,525   | \$1,369,829 | \$865,654   | \$1,376,970 | \$640,706   | \$1,365,473 | \$2,037,310 |

# Schedule of Average Benefit Payments

| For Year Ended December 31: | Retirement Effective Dates • Jan. 1, 1997 – Dec. 31, 2006 |          |          |            |            |            |            |
|-----------------------------|---|----------|----------|------------|------------|------------|------------|
|                             | Years Credited Service                                    |          |          |            |            |            |            |
|                             | 0-5   | 5-10     | 10-15    | 15-20      | 20-25      | 25-30      | 30 +       |
| 1997                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$73.26   | \$331.16 | \$468.65 | \$803.42   | \$1,082.21 | \$1,571.26 | \$2,394.68 |
| Number of Active Retirees   | 8   | 40       | 243      | 204        | 242        | 300        | 207        |
| 1998                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$84.99   | \$295.86 | \$465.43 | \$810.28   | \$1,083.21 | \$1,536.31 | \$2,333.53 |
| Number of Active Retirees   | 19  | 32       | 265      | 213        | 317        | 359        | 289        |
| 1999                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$131.63  | \$298.15 | \$486.12 | \$818.79   | \$1,102.93 | \$1,585.70 | \$2,248.33 |
| Number of Active Retirees   | 13  | 36       | 221      | 242        | 320        | 367        | 281        |
| 2000                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$85.82   | \$371.84 | \$552.42 | \$842.45   | \$1,097.63 | \$1,653.36 | \$2,378.00 |
| Number of Active Retirees   | 20  | 39       | 314      | 294        | 481        | 458        | 331        |
| 2001                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$100.40  | \$336.40 | \$538.37 | \$919.84   | \$1,130.96 | \$1,671.67 | \$2,298.83 |
| Number of Active Retirees   | 24  | 47       | 256      | 235        | 500        | 405        | 341        |
| 2002                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$78.44   | \$311.23 | \$596.85 | \$934.80   | \$1,112.31 | \$1,686.51 | \$2,532.07 |
| Number of Active Retirees   | 45  | 194      | 266      | 263        | 658        | 406        | 328        |
| 2003                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$99.08   | \$290.68 | \$652.19 | \$945.88   | \$1,114.81 | \$1,893.98 | \$2,680.15 |
| Number of Active Retirees   | 57  | 183      | 257      | 233        | 641        | 469        | 359        |
| 2004                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$87.13   | \$288.20 | \$616.84 | \$942.03   | \$1,270.28 | \$1,892.91 | \$2,758.60 |
| Number of Active Retirees   | 85  | 201      | 248      | 261        | 603        | 476        | 377        |
| 2005                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$153.90  | \$312.70 | \$664.48 | \$1,004.01 | \$1,260.53 | \$1,975.37 | \$2,904.19 |
| Number of Active Retirees   | 43  | 190      | 234      | 267        | 660        | 503        | 448        |
| 2006                        |   |          |          |            |            |            |            |
| Average Monthly Benefit     | \$169.28  | \$333.08 | \$727.00 | \$1,049.54 | \$1,289.78 | \$1,879.44 | \$2,861.16 |
| Number of Active Retirees   | 66  | 243      | 259      | 299        | 687        | 497        | 398        |

# Schedule of Retired Members by Type of Benefit

| Amount of Monthly Benefit | Annuity Recipients |             | Type of Benefit |            | Life Only |           | Survivor Lifetime Options |     |       |       | Guaranteed Term Options |        |        |
|---------------------------|--------------------|-------------|-----------------|------------|-----------|-----------|---------------------------|-----|-------|-------|-------------------------|--------|--------|
|                           | Retirees           | Beneficiary | Service         | Disability | Retiree   | Alternate | 100%                      | 75% | 50%   | 2/3   | 5 yrs                   | 10 yrs | 15 yrs |
| \$ 0 -100                 | 413                | 92          | 405             | 100        | 71        | 58        | 241                       | 3   | 38    | 20    | 28                      | 15     | 31     |
| \$ 101 - 500              | 5,093              | 1,386       | 5,760           | 719        | 986       | 355       | 2,419                     | 106 | 624   | 255   | 665                     | 406    | 663    |
| \$ 501 - 1,000            | 6,370              | 1,182       | 7,062           | 490        | 1,070     | 141       | 2,668                     | 189 | 940   | 380   | 887                     | 455    | 822    |
| \$ 1,001 - 1,500          | 4,968              | 665         | 5,438           | 195        | 767       | 46        | 1,950                     | 173 | 808   | 336   | 614                     | 335    | 604    |
| \$ 1,501 - 2,000          | 3,146              | 291         | 3,386           | 51         | 466       | 19        | 1,102                     | 144 | 505   | 259   | 379                     | 191    | 372    |
| \$ 2,001 - 2,500          | 2,122              | 202         | 2,304           | 20         | 305       | 4         | 763                       | 100 | 360   | 211   | 246                     | 107    | 228    |
| \$ 2,501 - 3,000          | 1,277              | 111         | 1,381           | 7          | 197       | 4         | 394                       | 72  | 231   | 155   | 151                     | 57     | 127    |
| \$ 3,001 - 3,500          | 910                | 56          | 963             | 3          | 141       | 1         | 231                       | 61  | 166   | 109   | 128                     | 46     | 83     |
| \$ 3,501 - 4,000          | 550                | 34          | 582             | 2          | 88        | 1         | 135                       | 34  | 116   | 68    | 75                      | 20     | 47     |
| \$ 4,001 & Over           | 929                | 41          | 969             | 1          | 150       | 2         | 200                       | 74  | 195   | 112   | 113                     | 47     | 77     |
| Subtotals                 | 25,778             | 4,060       | 28,250          | 1,588      | 4,241     | 631       | 10,103                    | 956 | 3,983 | 1,905 | 3,286                   | 1,679  | 3,054  |
| <b>Totals</b>             |                    | 29,838      |                 | 29,838     |           |           |                           |     |       |       |                         |        | 29,838 |

**Note:** Excluded from this schedule are 251 retirees who retired with a "Cash Out" in lieu of a monthly annuity.

**Retiree Life – 100% Survivor Benefit** — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree, the same amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree's lifetime only (Retiree Life Only).\*

**Retiree Life – 75% Survivor Benefit** — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree,  $\frac{3}{4}$  the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree's lifetime only (Retiree Life Only).\*

**Retiree Life – 50% Survivor Benefit** — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree,  $\frac{1}{2}$  the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree's lifetime only (Retiree Life Only).\*

**Retiree Life – 2/3 Survivor Benefit (no longer available)** — A retirement annuity payable throughout the life of the retiree. Upon the death of the retiree,  $\frac{2}{3}$  the amount is payable throughout the life of the designated beneficiary. If the beneficiary dies before the retiree, the monthly payments the retiree will receive after that will be increased to the amount that would have been payable throughout the retiree's lifetime only (Retiree Life Only).\*

**Retiree Life – 5 Years Guaranteed** — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 5-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree's estate, will receive the same amount for the balance of the 5-year period, and then all payments cease.\*

**Retiree Life – 10 Years Guaranteed** — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 10-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree's estate, will receive the same amount for the balance of the 10-year period, and then all payments cease.\*

**Retiree Life – 15 Years Guaranteed** — A retirement annuity payable throughout the life of the retiree. If the retiree dies before the expiration of a 15-year period after the date of retirement, the designated beneficiary, or if one does not exist, the retiree's estate, will receive the same amount for the balance of the 15-year period, and then all payments cease.\*

**Retiree Life Only** — A retirement annuity payable monthly as long as the retiree lives. Upon the retiree's death, all payments will cease even though the retiree may have received only one monthly payment.\*

\* If all eligible recipients die before receiving benefits at least equal to the member deposits and interest in the retiree's account at the time of retirement, the remaining balance will be paid to the retiree's estate or beneficiary. If the retiree elected to receive a partial lump-sum distribution, the amount of that distribution will reduce the member deposits and interest used for this calculation.

# Schedule of Principal Participating Employers

| Participating Municipality | Pension Trust Fund<br>Current Year and Nine Years Ago |                           |                     |      |                           |                     |
|----------------------------|---|---------------------------|---------------------|------|---------------------------|---------------------|
|                            | 2006  |                           |                     | 1997 |                           |                     |
|                            | Rank  | Current Employee Accounts | Percentage of Total | Rank | Current Employee Accounts | Percentage of Total |
| San Antonio                | 1   | 6,166                     | 6.5 %               | 1    | 5,592                     | 7.1 %               |
| Corpus Christi             | 2   | 2,536                     | 2.7                 | 2    | 2,758                     | 3.5                 |
| Arlington                  | 3   | 2,271                     | 2.4                 | 3    | 2,229                     | 2.8                 |
| Plano                      | 4   | 2,149                     | 2.2                 | 6    | 1,521                     | 1.9                 |
| Garland                    | 5   | 1,999                     | 2.1                 | 4    | 1,762                     | 2.2                 |
| Laredo                     | 6   | 1,875                     | 2.0                 | 8    | 1,437                     | 1.8                 |
| Lubbock                    | 7   | 1,604                     | 1.7                 | 7    | 1,455                     | 1.8                 |
| Amarillo                   | 8   | 1,564                     | 1.6                 | 9    | 1,380                     | 1.7                 |
| San Antonio Water System   | 9   | 1,559                     | 1.6                 | 5    | 1,605                     | 2.0                 |
| Irving                     | 10  | 1,456                     | 1.5                 | 11   | 1,325                     | 1.7                 |
| All other                  |   | 72,404                    | 75.7                |      | 58,267                    | 73.5                |
| <b>Total</b>               |   | <b>95,583</b>             | <b>100.0 %</b>      |      | <b>79,331</b>             | <b>100.0 %</b>      |

| Participating Municipality | Supplemental Death Benefits Fund<br>Current Year and Nine Years Ago |                           |                    |                |                     |      |                           |                    |                |                     |
|----------------------------|---|---------------------------|--------------------|----------------|---------------------|------|---------------------------|--------------------|----------------|---------------------|
|                            | 2006  |                           |                    |                |                     | 1997 |                           |                    |                |                     |
|                            | Rank  | Current Employee Accounts | Annuitant Accounts | Total Accounts | Percentage of Total | Rank | Current Employee Accounts | Annuitant Accounts | Total Accounts | Percentage of Total |
| Arlington                  | 1   | 2,271                     | 852                | 3,123          | 3.8 %               | 1    | 2,229                     | 339                | 2,568          | 4.4 %               |
| Garland                    | 2   | 1,999                     | 690                | 2,689          | 3.3                 | 2    | 1,762                     | 319                | 2,081          | 3.5                 |
| Laredo                     | 3   | 1,875                     | 457                | 2,332          | 2.8                 | 3    | 1,437                     | 203                | 1,640          | 2.8                 |
| Irving                     | 4   | 1,456                     | 421                | 1,877          | 2.3                 | 4    | 1,325                     | 153                | 1,478          | 2.5                 |
| Grand Prairie              | 5   | 1,109                     | 287                | 1,396          | 1.7                 | 9    | 874                       | 155                | 1,029          | 1.8                 |
| Brownsville                | 6   | 1,059                     | 245                | 1,304          | 1.6                 | 10   | 804                       | 143                | 947            | 1.6                 |
| Abilene                    | 7   | 989                       | 436                | 1,425          | 1.7                 | 5    | 1,027                     | 276                | 1,303          | 2.2                 |
| Pasadena                   | 8   | 979                       | 452                | 1,431          | 1.7                 | 7    | 909                       | 210                | 1,119          | 1.9                 |
| Denton                     | 9   | 959                       | 253                | 1,212          | 1.5                 | 11   | 794                       | 74                 | 868            | 1.5                 |
| Wichita Falls              | 10  | 945                       | 343                | 1,288          | 1.6                 | 6    | 928                       | 222                | 1,150          | 2.0                 |
| All other                  |   | 51,408                    | 12,940             | 64,348         | 78.0                |      | 38,862                    | 5,639              | 44,501         | 75.8                |
| <b>Total</b>               |   | <b>65,049</b>             | <b>17,376</b>      | <b>82,425</b>  | <b>100.0 %</b>      |      | <b>50,951</b>             | <b>7,733</b>       | <b>58,684</b>  | <b>100.0 %</b>      |

# Plan Provisions For Participating Municipalities

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Abernathy                  | 5%                    | 1-1                              | 100 T                  | 1995R          | 30                             | 1995R          |                         |                        |
| Abilene                    | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2005R          | 1-90                    |                        |
| Addison                    | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          | 12-88                   | 11-09-88               |
| Alamo                      | 5%                    | 1.5-1                            | 100 T                  | 2007R          | 70                             | 2007R          |                         | 12-17-02               |
| Alamo Heights              | 6%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 1-99                    |                        |
| Alba                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Albany                     | 5%                    | 1-1                              | 70                     | 1988           |                                |                | 9-98                    |                        |
| Aledo                      | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Alice                      | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Allen                      | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 1-88                    | 5-11-04                |
| Alpine                     | 5%                    | 2-1                              | 100                    | 1988           | 70                             | 1988           |                         |                        |
| Alto                       | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Alton                      | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         | 8-15-00                |
| Alvarado                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Alvin                      | 6%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 10-87                   | 10-01-92               |
| Alvord                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Amarillo                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1998R          | 1-86                    | 9-19-06                |
| Amherst                    | 5%                    | 1-1                              | 100                    | 2001R          | 70                             | 2001R          |                         |                        |
| Anahuac                    | 5%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 10-06                   |                        |
| Andrews                    | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 10-02                   |                        |
| Angleton                   | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-04                    | 8-17-93                |
| Anna                       | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Anson                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Anthony                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Aransas Pass               | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 10-89                   |                        |
| Archer City                | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Argyle                     | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 12-02                   | 6-28-05                |
| Arlington                  | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 1-89                    | 3-13-01                |
| Arp                        | 5%                    | 1-1                              | 100                    | 1994R          |                                |                |                         |                        |
| Aspermont                  | 5%                    | 1-1                              | 100                    | 1989           |                                |                |                         |                        |
| Athens                     | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 6-84                    | 12-26-89               |
| Atlanta                    | 5%                    | 1-1                              | 100 T                  | 1994R          | 70                             | 1999R          |                         |                        |
| Aubrey                     | 7%                    | 1-1                              | 100                    | 1990           |                                |                |                         |                        |
| Avinger                    | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Azle                       | 6%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Baird                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Balch Springs              | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 4-99                    |                        |
| Balcones Heights           | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 11-93                   | 2-14-94                |
| Ballinger                  | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         | 9-02-03                |
| Balmorea                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Bandera                    | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Bangs                      | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Bartlett                   | 5%                    | 1-1                              | 100                    | 1994R          | 70                             | 1994R          |                         |                        |
| Bartonville                | 5%                    | 2-1                              |                        |                |                                |                |                         | 12-20-05               |
| Bastrop                    | 6%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         |                        |
| Bay City                   | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-84                    |                        |
| Bayou Vista                | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Baytown                    | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 11-84                   | 1-28-88                |
| Beaumont                   | 5% <sup>②</sup>       | 2-1                              | 100 T                  | 1992R          | 70                             | 2003R          | 1-89                    | 9-12-95                |
| Bee Cave                   | 7%                    | 2-1                              | 100 T                  | 2001R          |                                |                |                         |                        |
| Beeville                   | 5%                    | 1-1                              | 30                     | 1991           |                                |                |                         |                        |
| Bellaire                   | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Bellmead                   | 6%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Bells                      | 5%                    | 1-1                              | 100                    | 1993           |                                |                |                         |                        |
| Bellville                  | 5%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 1-90                    | 9-19-94                |
| Belton                     | 5%                    | 2-1                              | 100 T                  | 2004R          | 30                             | 2004R          | 9-91                    |                        |
| Benbrook                   | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Berryville                 | 6%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Bertram                    | 5%                    | 1-1                              |                        |                |                                |                | 10-01                   |                        |
| Big Lake                   | 6%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Big Sandy                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Big Spring                 | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 1-90                    | 7-10-01                |
| Bishop                     | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Blanco                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Blooming Grove             | 5%                    | 2-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Blossom                    | 5%                    | 2-1                              | 100 T                  | 1996R          |                                |                |                         |                        |
| Blue Mound                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Blue Ridge                 | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Boerne                     | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 12-02                   | 11-26-02               |



# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-02                            | X                           | X        | Abernathy                  | 00004       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-95                            | X                           | X        | Abilene                    | 00006       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-92                            | X                           | X        | Addison                    | 00007       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-03                            | X                           | X        | Alamo                      | 00010       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-99                            | X                           | X        | Alamo Heights              | 00012       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Alba                       | 00014       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 9-98                            | X                           | X        | Albany                     | 00016       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Aledo                      | 00017       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            |                             |          | Alice                      | 00018       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-96                            | X                           | X        | Allen                      | 00019       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-99                            | X                           | X        | Alpine                     | 00020       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Alto                       | 00022       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-99                            | X                           | X        | Alton                      | 00023       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Alvarado                   | 00024       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-92                            | X                           | X        | Alvin                      | 00026       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Alvord                     | 00028       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-92                            |                             |          | Amarillo                   | 00030       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-00                            |                             |          | Amherst                    | 00032       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-06                           | X                           | X        | Anahuac                    | 00034       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 |                             |          | Andrews                    | 00036       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    |                                 | X                           | X        | Angleton                   | 00038       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Anna                       | 00040       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Anson                      | 00044       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-05                           | X                           | X        | Anthony                    | 00045       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 10-91                           | X                           | X        | Aransas Pass               | 00048       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Archer City                | 00050       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-02                           |                             |          | Argyle                     | 00051       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-93                            | X                           | X        | Arlington                  | 00052       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Arp                        | 00054       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Aspermont                  | 00060       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-00                            | X                           | X        | Athens                     | 00062       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Atlanta                    | 00064       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Aubrey                     | 00066       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Avinger                    | 00074       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-96                            | X                           | X        | Azle                       | 00075       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Baird                      | 00077       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Balch Springs              | 00078       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-95                           | X                           | X        | Balcones Heights           | 00079       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Ballinger                  | 00080       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Balморhea                  | 00082       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-98                            | X                           | X        | Bandera                    | 00083       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Bangs                      | 00084       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Bartlett                   | 00090       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Bartonville                | 00091       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-01                           | X                           | X        | Bastrop                    | 00092       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-05                           | X                           | X        | Bay City                   | 00094       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Bayou Vista                | 00093       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-96                            | X                           | X        | Baytown                    | 00096       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-96                           |                             |          | Beaumont                   | 00098       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-99                           | X                           | X        | Bee Cave                   | 00101       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Beeville                   | 00102       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-00                            | X                           | X        | Bellaire                   | 00106       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Bellmead                   | 00109       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Bells                      | 00110       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-92                            | X                           | X        | Bellville                  | 00112       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Belton                     | 00114       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Benbrook                   | 00118       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Berryville                 | 00121       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-01                           | X                           | X        | Bertram                    | 00123       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 9-97                            | X                           | X        | Big Lake                   | 00124       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Big Sandy                  | 00126       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Big Spring                 | 00128       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Bishop                     | 00132       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-05                           | X                           | X        | Blanco                     | 00134       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Blooming Grove             | 00140       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-00                           | X                           | X        | Blossom                    | 00142       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Blue Mound                 | 00143       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-02                            | X                           | X        | Blue Ridge                 | 00144       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Boerne                     | 00148       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Bogata                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Bonham                     | 5%                    | 1.5-1                            | 100 T                  | 1995R          | 50                             | 1976           |                         | 5-06-96                |
| Booker                     | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Borger                     | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 2005R          | 5-99                    | 1-04-88                |
| Bovina                     | 5%                    | 1-1                              | 50                     | 1990           |                                |                |                         |                        |
| Bowie                      | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 10-00                   |                        |
| Boyd                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Brady                      | 5%                    | 1.5-1                            | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Brazoria                   | 5%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          |                         |                        |
| Breckenridge               | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Bremond                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Brenham                    | 5%                    | 2-1                              | 100 T                  | 2007           | 70                             | 2007           |                         |                        |
| Bridge City                | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         | 12-04-90               |
| Bridgeport                 | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 11-03                   |                        |
| Bronte                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Brookshire                 | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 10-87                   |                        |
| Brownfield                 | 5%                    | 2-1                              | 100 T                  | 1992R          | 50                             | 1992R          | 1-82                    | 12-01-05               |
| Brownsville                | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 10-89                   |                        |
| Brownsville PUB            | 7%                    | 1.5-1                            | 100 T                  | 1996R          | 70                             | 1996R          | 1-87                    |                        |
| Brownwood                  | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          |                         | 2-27-01                |
| Brownwood Health Dept.     | 7%                    | 2-1                              | 70 T                   | 1994R          |                                |                |                         |                        |
| Brownwood Public Library   | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Bruceville-Eddy            | 7%                    | 1.5-1                            | 100 T                  | 2000R          |                                |                |                         |                        |
| Bryan                      | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 12-89                   | 8-23-05                |
| Bryson                     | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Buda                       | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Buffalo                    | 5%                    | 1-1                              |                        |                |                                |                |                         | 2-14-00                |
| Bullard                    | 5%                    | 1-1                              |                        |                |                                |                |                         | 8-11-05                |
| Bulverde                   | 6%                    | 2-1                              | 100 T                  | 2005R          |                                |                |                         |                        |
| Bunker Hill Village        | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Burkburnett                | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 1993           | 9-89                    | 8-21-89                |
| Burleson                   | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 1-90                    |                        |
| Burnet                     | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 6-90                    |                        |
| Burton <sup>③</sup>        | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Cactus                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Caddo Mills                | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Caldwell                   | 5%                    | 2-1                              | 100 T                  | 2000R          | 50                             | 2000R          | 2-04                    |                        |
| Calvert                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Cameron                    | 5%                    | 1-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 5-93                    |                        |
| Canadian                   | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Canton                     | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 10-92                   |                        |
| Canyon                     | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 9-87                    | 8-23-99                |
| Carmine                    | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Carrizo Springs            | 5%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Carrollton                 | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 11-89                   |                        |
| Carthage                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1993R          | 2-01                    | 5-08-06                |
| Castle Hills               | 7%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          | 1-91                    |                        |
| Castroville                | 5%                    | 2-1                              | 100                    | 1994R          | 70                             | 1994R          |                         |                        |
| Cedar Hill                 | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 1-91                    | 10-13-92               |
| Cedar Park                 | 7%                    | 2-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Celina                     | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Center                     | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Centerville                | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Charlotte                  | 3%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          |                         |                        |
| Chester                    | 6%                    | 2-1                              | 100                    | 1988           | 70                             | 1988           |                         |                        |
| Chico                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Childress                  | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 10-96                   |                        |
| Chireno                    | 7%                    | 2-1                              | 100                    | 2000R          | 70                             | 2000R          | 7-89                    |                        |
| Christine                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Cibolo                     | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Cisco                      | 5%                    | 1.5-1                            | 100 T                  | 1999R          | 50                             | 2000R          | 8-97                    | 3-13-03                |
| Clarendon                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Clarksville                | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         | 4-18-00                |
| Clarksville City           | 5%                    | 2-1                              | 100                    | 1990           |                                |                |                         |                        |
| Clear Lake Shores          | 5%                    | 1.5-1                            | 100 T                  | 2006R          | 70                             | 2006R          |                         |                        |
| Cleburne                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-83                    | 11-08-05               |
| Cleveland                  | 5%                    | 1.5-1                            | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Clifton                    | 5%                    | 1-1                              | 100 T                  | 1992R          |                                |                |                         |                        |
| Clute                      | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 11-02                   | 7-22-04                |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities          | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|---|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |   |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Bogata                     | 00150       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 6-96                            |                             |          | Bonham                     | 00152       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Booker                     | 00154       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 1-98                            | X                           | X        | Borger                     | 00156       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Bovina                     | 00158       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 5-02                            | X                           | X        | Bowie                      | 00160       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Boyd                       | 00162       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 7-01                            | X                           | X        | Brady                      | 00166       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 5-03                            | X                           | X        | Brazoria                   | 00170       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Breckenridge               | 00172       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Bremont                    | 00174       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 1-98                            |                             |          | Brenham                    | 00176       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 3-95                            | X                           | X        | Bridge City                | 00177       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 11-03                           | X                           | X        | Bridgeport                 | 00178       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Bronte                     | 00180       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Brookshire                 | 00182       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 1-06                            |                             |          | Brownfield                 | 00184       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 2-99                            | X                           | X        | Brownsville                | 10188       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 6-96                            | X                           | X        | Brownsville PUB            | 20188       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 4-98                            |                             |          | Brownwood                  | 10190       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 |                             |          | Brownwood Health Dept.     | 30190       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 |                             |          | Brownwood Public Library   | 20190       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Bruceville-Eddy            | 00195       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 8-95                            |                             |          | Bryan                      | 00192       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Bryson                     | 00193       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 4-03                            | X                           | X        | Buda                       | 00194       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Buffalo                    | 00196       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Bullard                    | 00198       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 12-06                           | X                           | X        | Bulverde                   | 00203       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 10-94                           | X                           | X        | Bunker Hill Village        | 00199       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 1-03                            | X                           | X        | Burkburnett                | 00200       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-94                            | X                           | X        | Burleson                   | 00202       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 6-00                            | X                           | X        | Burnet                     | 00204       |
| 5 yrs               | 5 yrs/age 60, 28 yrs/any age <sup>4</sup> |                                 | X                           | X        | Burton <sup>3</sup>        | 00206       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Cactus                     | 00207       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Caddo Mills                | 00208       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             |                                 | X                           | X        | Caldwell                   | 00210       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Calvert                    | 00212       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-95                            | X                           | X        | Cameron                    | 00214       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 10-96                           | X                           | X        | Canadian                   | 00220       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 8-97                            | X                           | X        | Canton                     | 00222       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-92                            | X                           | X        | Canyon                     | 00224       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Carmine                    | 00227       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             |                                 | X                           | X        | Carrizo Springs            | 00228       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 12-91                           | X                           | X        | Carrollton                 | 00230       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 4-98                            | X                           | X        | Carthage                   | 00232       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 2-98                            | X                           | X        | Castle Hills               | 00231       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 4-97                            | X                           | X        | Castroville                | 00234       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 4-96                            | X                           | X        | Cedar Hill                 | 00238       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 6-94                            | X                           | X        | Cedar Park                 | 00239       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Celina                     | 00242       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 5-06                            | X                           | X        | Center                     | 00244       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Centerville                | 00246       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Charlotte                  | 00248       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Chester                    | 00249       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Chico                      | 00245       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 10-96                           | X                           | X        | Childress                  | 00250       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Chireno                    | 00253       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Christine                  | 00254       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 6-98                            | X                           | X        | Cibolo                     | 00255       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           |          | Cisco                      | 00256       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Clarendon                  | 00258       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Clarksville                | 00259       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Clarksville City           | 00260       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Clear Lake Shores          | 00263       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 9-05                            | X                           | X        | Cleburne                   | 00264       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 8-96                            | X                           | X        | Cleveland                  | 00266       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 5-96                            | X                           | X        | Clifton                    | 00268       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 10-91                           | X                           | X        | Clute                      | 00271       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Clyde                      | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Coahoma                    | 5%                    | 2-1                              | 100 T                  | 1992R          |                                |                | 6-91                    |                        |
| Cockrell Hill              | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 6-97                    | 12-18-01               |
| Coleman                    | 7%                    | 2-1                              | 100 T                  | 2003R          | 50                             | 2003R          |                         |                        |
| College Station            | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 1-89                    | 6-08-06                |
| Colleyville                | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 1-86                    |                        |
| Collinsville               | 6%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Colmesneil                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Colorado City              | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 9-93                    |                        |
| Columbus                   | 6%                    | 1.5-1                            | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Comanche                   | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Commerce                   | 5%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Conroe                     | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         | 6-02-88                |
| Converse                   | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 5-94                    |                        |
| Cooper                     | 6%                    | 1-1                              | 100                    | 2007           |                                |                |                         |                        |
| Coppell                    | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 5-93                    | 12-14-04               |
| Copper Canyon              | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Copperas Cove              | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 11-93                   | 10-05-93               |
| Corinth                    | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         | 3-02-06                |
| Corpus Christi             | 6%                    | 2-1                              | 100                    | 2005R          | 70                             | 2005R          | 1-85                    |                        |
| Corrigan                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Corsicana                  | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 10-89                   |                        |
| Cotulla                    | 5%                    | 1-1                              | 80 T                   | 1997R          |                                |                |                         |                        |
| Crandall                   | 7%                    | 2-1                              | 100 T                  | 2001R          |                                |                |                         |                        |
| Crane                      | 7%                    | 2-1                              | 100 T                  | 1992R          | 40                             | 1992R          |                         | 7-15-87                |
| Crawford                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Crockett                   | 5%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 10-89                   |                        |
| Crosbyton                  | 6%                    | 1.5-1                            | 100                    | 1992R          | 40                             | 1982           |                         |                        |
| Cross Plains               | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Crowley                    | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-96                    | 1-20-94                |
| Crystal Beach <sup>③</sup> | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Crystal City               | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Cuero                      | 5%                    | 1.5-1                            | 100 T                  | 1994R          | 70                             | 1994R          | 1-99                    |                        |
| Daingerfield               | 5%                    | 1.5-1                            | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Daisetta                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Dalhart                    | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1985           |                         |                        |
| Dalworthington Gardens     | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 11-05                   |                        |
| Darrouzett                 | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Dayton                     | 5%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| De Leon                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Decatur                    | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 3-01                    |                        |
| Deer Park                  | 7%                    | 2-1                              | 100 T                  | 2003R          | 50                             | 2003R          | 2-82                    |                        |
| Dekalb                     | 6%                    | 1-1                              | 100                    | 2001R          |                                |                |                         |                        |
| Del Rio                    | 5%                    | 1-1                              |                        |                |                                |                | 10-05                   |                        |
| Dell City                  | 5%                    | 2-1                              | 100 T                  | 1999R          |                                |                |                         |                        |
| Denison                    | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          |                         | 9-19-88                |
| Denton                     | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 1-94                    | 9-04-01                |
| Denver City                | 5%                    | 2-1                              | 100                    | 1999R          | 70                             | 1999R          | 11-86                   | 11-03-86               |
| Deport                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| DeSoto                     | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 1-90                    |                        |
| DeSoto EDC                 | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Devine                     | 5%                    | 1-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Diboll                     | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 1-90                    |                        |
| Dickens                    | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Dickinson                  | 7%                    | 2-1                              | 100 T                  | 2004R          |                                |                | 10-89                   |                        |
| Dilley                     | 5%                    | 1-1                              | 100 T                  | 1995R          |                                |                |                         |                        |
| Dimmitt                    | 6%                    | 2-1                              | 100 T                  | 1998R          | 30                             | 1998R          |                         |                        |
| Donna                      | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Double Oak                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Dripping Springs           | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Dublin                     | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Dumas                      | 5%                    | 1.5-1                            | 100 T                  | 1997R          | 70                             | 1997R          | 6-97                    | 10-07-91               |
| Duncanville                | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 9-90                    | 9-04-01                |
| Eagle Lake                 | 6%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Eagle Pass                 | 5%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 3-97                    | 2-04-97                |
| Early                      | 5%                    | 1.5-1                            | 100 T                  | 2007R          |                                |                |                         |                        |
| Earth                      | 5%                    | 1-1                              | 100                    | 2007           |                                |                |                         |                        |
| East Mountain              | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| East Tawakoni              | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities          | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|---|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |   |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Clyde                      | 00272       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Coahoma                    | 00274       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 3-98                            | X                           | X        | Cockrell Hill              | 00276       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 1-98                            |                             |          | Coleman                    | 00278       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 6-95                            |                             |          | College Station            | 00280       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 10-97                           | X                           | X        | Colleyville                | 00281       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             |                                 | X                           | X        | Collinsville               | 00282       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Colmesneil                 | 00283       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 10-91                           | X                           | X        | Colorado City              | 00284       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 7-98                            | X                           | X        | Columbus                   | 00286       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Comanche                   | 00288       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-94                            | X                           | X        | Commerce                   | 00290       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-02                            | X                           | X        | Conroe                     | 00294       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-98                            | X                           | X        | Converse                   | 00295       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Cooper                     | 00298       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 5-93                            | X                           | X        | Coppell                    | 00299       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Copper Canyon              | 00297       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-92                            | X                           | X        | Copperas Cove              | 00300       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 5-96                            | X                           | X        | Corinth                    | 00301       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 11-95                           |                             |          | Corpus Christi             | 00302       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Corrigan                   | 00304       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-96                            | X                           | X        | Corsicana                  | 00306       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 8-04                            | X                           | X        | Cotulla                    | 00308       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Crandall                   | 00310       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 12-95                           | X                           | X        | Crane                      | 00312       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Crawford                   | 00314       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 8-97                            | X                           | X        | Crockett                   | 00316       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Crosbyton                  | 00318       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 |                             |          | Cross Plains               | 00320       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-94                            | X                           | X        | Crowley                    | 00323       |
| 5 yrs               | 5 yrs/age 60, 28 yrs/any age <sup>④</sup> |                                 | X                           | X        | Crystal Beach <sup>③</sup> | 00325       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             | 7-00                            |                             |          | Crystal City               | 00324       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             | 7-96                            | X                           | X        | Cuero                      | 00326       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 9-97                            |                             |          | Daingerfield               | 00332       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Daisetta                   | 00334       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Dalhart                    | 00336       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-07                            | X                           | X        | Dalworthington Gardens     | 00339       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Darrouzett                 | 00341       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 1-99                            | X                           | X        | Dayton                     | 00344       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 5-98                            | X                           | X        | De Leon                    | 00352       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 11-99                           | X                           | X        | Decatur                    | 00346       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 8-97                            | X                           | X        | Deer Park                  | 00348       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 10-91                           | X                           | X        | Dekalb                     | 00350       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Del Rio                    | 00354       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Dell City                  | 00353       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 10-93                           |                             |          | Denison                    | 00356       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-94                            | X                           | X        | Denton                     | 00358       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Denver City                | 00360       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Deport                     | 00362       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 12-91                           | X                           | X        | DeSoto                     | 10366       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 2-99                            | X                           | X        | DeSoto EDC                 | 20366       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-04                            | X                           | X        | Devine                     | 00370       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-99                            | X                           | X        | Diboll                     | 00371       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Dickens                    | 00372       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age             | 4-97                            | X                           | X        | Dickinson                  | 00373       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 2-95                            | X                           | X        | Dilley                     | 00374       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              | 6-00                            |                             |          | Dimmitt                    | 00376       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Donna                      | 00382       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Double Oak                 | 00379       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Dripping Springs           | 00383       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 9-03                            | X                           | X        | Dublin                     | 00384       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age              |                                 | X                           | X        | Dumas                      | 00386       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 11-95                           |                             |          | Duncanville                | 00388       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             | 6-99                            | X                           | X        | Eagle Lake                 | 00394       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 9-98                            | X                           | X        | Eagle Pass                 | 00396       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              |                                 | X                           | X        | Early                      | 00397       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 1-07                            | X                           | X        | Earth                      | 00399       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age              | 11-02                           | X                           | X        | East Mountain              | 00401       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age             |                                 | X                           | X        | East Tawakoni              | 00395       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality  | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|-----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                             |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Eastland                    | 5%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         |                        |
| Ector                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Eden                        | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         | 6-12-84                |
| Edgewood                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Edinburg                    | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 1-85                    |                        |
| Edna                        | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          | 10-89                   | 11-05-92               |
| El Campo                    | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          | 10-90                   | 11-07-77               |
| Eldorado                    | 5%                    | 1-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 12-02                   |                        |
| Electra                     | 5%                    | 1-1                              |                        |                |                                |                |                         | 5-11-99                |
| Elgin                       | 6%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 11-89                   | 10-01-83               |
| Elkhart                     | 5%                    | 1-1                              | 100 T                  | 2003R          | 70                             | 2003R          |                         |                        |
| Emory                       | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Ennis                       | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 2001R          |                         |                        |
| Eules                       | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 9-82                    | 1-12-93                |
| Eustace                     | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Everman                     | 5%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         | 1-01-91                |
| Fair Oaks Ranch             | 7%                    | 2-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Fairfield                   | 5%                    | 2-1                              | 100 T                  | 1992R          |                                |                | 10-88                   |                        |
| Fairview                    | 6%                    | 2-1                              | 100 T                  | 2004R          |                                |                |                         |                        |
| Falfurrias                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Falfurrias Utility Board    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Falls City                  | 6%                    | 1-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Farmers Branch              | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 10-01                   | 7-07-80                |
| Farmersville                | 5%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         | 7-14-92                |
| Farwell                     | 6%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          |                         |                        |
| Fate                        | 5%                    | 2-1                              | 100 T                  | 2007R          |                                |                |                         |                        |
| Fayetteville                | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Ferris                      | 5%                    | 1.5-1                            | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Flaton                      | 7%                    | 2-1                              | 100                    | 2003R          | 70                             | 2003R          |                         |                        |
| Florence                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Floresville                 | 5%                    | 2-1                              | 100                    | 2007R          | 70                             | 2007R          | 10-02                   |                        |
| Flower Mound                | 6%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 1-95                    | 11-06-00               |
| Floydada                    | 5%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 1992R          | 10-99                   |                        |
| Forest Hill                 | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 1-92                    | 10-03-06               |
| Forney                      | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Fort Stockton               | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    |                        |
| Franklin                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Frankston                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Fredericksburg              | 5%                    | 2-1                              | 100 T                  | 2005R          | 50                             | 2005R          | 5-90                    |                        |
| Freeport                    | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 7-90                    | 11-17-80               |
| Freer                       | 5%                    | 1-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Friendswood                 | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 2-85                    | 1-21-85                |
| Friena                      | 5%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Frisco                      | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         | 6-20-06                |
| Fritch                      | 7%                    | 2-1                              | 100 T                  | 2005R          | 10                             | 1981           | 2-86                    |                        |
| Frost                       | 5%                    | 1-1                              | 100                    | 1997R          |                                |                |                         |                        |
| Gainesville                 | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          | 10-97                   | 8-16-94                |
| Galena Park                 | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          | 4-93                    | 1-18-94                |
| Ganado                      | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Garden Ridge                | 5%                    | 1-1                              | 100 T                  | 2001R          |                                |                | 3-02                    |                        |
| Garland                     | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 1-90                    | 1-16-90                |
| Garrison                    | 6%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Gary                        | 5%                    | 1-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Gatesville                  | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          |                         | 4-13-04                |
| George West                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Georgetown                  | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          |                         | 7-27-76                |
| Giddings                    | 6%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 12-94                   | 1-16-89                |
| Gilmer                      | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Gladewater                  | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Glen Rose                   | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Glenn Heights               | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 1-97                    |                        |
| Godley                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Goldsmith                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Goldthwaite                 | 7%                    | 2-1                              | 100                    | 2000R          | 70                             | 2000R          |                         |                        |
| Goliad                      | 5%                    | 2-1                              | 100 T                  | 2002           | 50                             | 2002           |                         |                        |
| Gonzales                    | 5%                    | 2-1                              | 100                    | 1999R          | 70                             | 1999R          | 4-96                    |                        |
| Graham                      | 5%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 2-97                    | 2-21-02                |
| Graham Regional Med. Center | 5%                    | 1.5-1                            | 100                    | 1989           | 70                             | 1989           |                         |                        |
| Granbury                    | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 1-90                    | 9-20-88                |



# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality  | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|-----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                             |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-96                            |                             |          | Eastland                    | 00398       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Ector                       | 00402       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Eden                        | 00406       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-03                           | X                           | X        | Edgewood                    | 00408       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-94                            | X                           | X        | Edinburg                    | 00410       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-99                            | X                           | X        | Edna                        | 00412       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-94                            | X                           | X        | El Campo                    | 00414       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Eldorado                    | 00416       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-95                            | X                           | X        | Electra                     | 00418       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-94                            | X                           | X        | Elgin                       | 00420       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Elkhart                     | 00422       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-97                            | X                           | X        | Emory                       | 00432       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-93                            | X                           | X        | Ennis                       | 00436       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Eules                       | 00439       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Eustace                     | 00440       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    |                                 | X                           | X        | Everman                     | 00441       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Fair Oaks Ranch             | 00443       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Fairfield                   | 00442       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-03                            | X                           | X        | Fairview                    | 00445       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Falfurrias                  | 20444       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-95                            | X                           | X        | Falfurrias Utility Board    | 10444       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Falls City                  | 00446       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Farmers Branch              | 00448       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-97                           | X                           | X        | Farmersville                | 00450       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Farwell                     | 00451       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Fate                        | 00452       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Fayetteville                | 00454       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-01                            | X                           | X        | Ferris                      | 00456       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-01                            | X                           | X        | Flatonia                    | 00458       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Florence                    | 00460       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Floresville                 | 20462       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-95                            | X                           | X        | Flower Mound                | 00463       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Floydada                    | 00464       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Forest Hill                 | 00468       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-97                            | X                           | X        | Forney                      | 00470       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-96                            | X                           | X        | Fort Stockton               | 00472       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Franklin                    | 00476       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Frankston                   | 00478       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            |                             |          | Fredericksburg              | 00480       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-97                            | X                           | X        | Freeport                    | 00482       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Freer                       | 00481       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-91                           | X                           | X        | Friendswood                 | 00483       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-03                            | X                           | X        | Friena                      | 00484       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-97                            | X                           | X        | Frisco                      | 00486       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Fritch                      | 00487       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 |                             |          | Frost                       | 00488       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-97                           | X                           | X        | Gainesville                 | 00492       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-93                           | X                           | X        | Galena Park                 | 00494       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Ganado                      | 00498       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-97                            | X                           | X        | Garden Ridge                | 00499       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Garland                     | 00500       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Garrison                    | 00502       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Gary                        | 00503       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-91                            | X                           | X        | Gatesville                  | 00504       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-06                            | X                           | X        | George West                 | 00505       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           |          | Georgetown                  | 00506       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-97                           | X                           | X        | Giddings                    | 00510       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-98                           | X                           | X        | Gilmer                      | 00512       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-97                           | X                           | X        | Gladewater                  | 00514       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-99                            | X                           | X        | Glen Rose                   | 00516       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-95                            | X                           | X        | Glenn Heights               | 00517       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Godley                      | 00518       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Goldsmith                   | 00519       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Goldthwaite                 | 00520       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 9-01                            | X                           | X        | Goliad                      | 00522       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 4-96                            | X                           | X        | Gonzales                    | 00524       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Graham                      | 10534       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Graham Regional Med. Center | 20534       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-96                            | X                           | X        | Granbury                    | 00536       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality  | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|-----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                             |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Grand Prairie               | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 1-89                    | 11-21-89               |
| Grand Saline                | 7%                    | 1-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 1-90                    |                        |
| Grandview                   | 7%                    | 1.5-1                            | 100 T                  | 1998R          | 70                             | 1988           |                         |                        |
| Granger                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Granite Shoals              | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Grapeland                   | 5%                    | 1-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Grapevine                   | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 10-88                   | 10-19-99               |
| Greenville                  | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 1-88                    | 2-10-04                |
| Gregory                     | 5%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 1998R          |                         |                        |
| Grey Forest Utilities       | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 1-90                    |                        |
| Groesbeck                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Groom                       | 5%                    | 1-1                              | 100                    | 1992R          |                                |                |                         |                        |
| Groves                      | 6%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 1989           | 10-86                   | 9-08-86                |
| Groveton                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Gruver                      | 6%                    | 2-1                              | 100 T                  | 1998R          |                                |                |                         |                        |
| Gun Barrel City             | 5%                    | 2-1                              | 100 T                  | 1998R          |                                |                |                         |                        |
| Gunter                      | 5%                    | 1-1                              |                        |                |                                |                | 10-04                   |                        |
| Hale Center                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Hallettsville               | 5%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          | 12-03                   | 9-11-00                |
| Hallsville                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Haltom City                 | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 2007R          | 2-83                    | 1-08-01                |
| Hamilton                    | 6%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Hamlin                      | 6%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 1-84                    |                        |
| Happy                       | 7%                    | 1.5-1                            | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Harker Heights              | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          |                         | 10-11-05               |
| Harlingen                   | 7%                    | 2-1                              | 100 T                  | 2006           | 70                             | 2006           | 10-89                   | 9-05-01                |
| Harlingen Waterworks System | 7%                    | 1-1                              | 100 T                  | 2005           | 70                             | 2005           | 4-97                    | 8-12-02                |
| Hart                        | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Haskell                     | 5%                    | 1-1                              |                        |                |                                |                | 9-89                    |                        |
| Haslet                      | 7%                    | 2-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Hawkins                     | 6%                    | 1.5-1                            | 100                    | 1998R          | 70                             | 1988           |                         | 1-16-95                |
| Hays                        | 7%                    | 2-1                              | 100 T                  | 2004R          |                                |                |                         |                        |
| Hearne                      | 7%                    | 1.5-1                            | 100 T                  | 1996R          | 70                             | 1996R          | 10-85                   | 10-01-85               |
| Heath                       | 7%                    | 2-1                              | 100 T                  | 2005R          |                                |                |                         |                        |
| Hedley                      | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Hedwig Village              | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Helotes                     | 6%                    | 2-1                              | 100                    | 2007           | 70                             | 2007           | 3-01                    |                        |
| Hemphill                    | 5%                    | 1-1                              | 100 T                  | 2002R          | 70                             | 1992           | 5-95                    |                        |
| Hempstead                   | 5%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 11-89                   |                        |
| Henderson                   | 6%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 9-98                    | 10-20-81               |
| Henrietta                   | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 12-03                   | 11-10-03               |
| Hereford                    | 5%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          |                         |                        |
| Hewitt                      | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 12-91                   | 2-18-02                |
| Hickory Creek               | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Hico                        | 5%                    | 2-1                              | 100                    | 2002R          |                                |                |                         |                        |
| Hidalgo                     | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          |                         |                        |
| Higgins                     | 5%                    | 1-1                              | 100                    | 1999R          | 70                             | 1999R          |                         |                        |
| Highland Park               | 7%                    | 2-1                              | 100                    | 2004           | 30                             | 2000           | 11-89                   |                        |
| Highland Village            | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          |                         |                        |
| Hill Country Village        | 5%                    | 2-1                              | 100 T                  | 2005           |                                |                |                         |                        |
| Hillsboro                   | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Hitchcock                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Holland                     | 6%                    | 1.5-1                            | 100 T                  | 1999R          |                                |                |                         |                        |
| Holliday                    | 5%                    | 1.5-1                            | 100                    | 2007           |                                |                |                         |                        |
| Hollywood Park              | 6%                    | 1.5-1                            | 100 T                  | 2003R          | 70                             | 2003R          | 5-89                    |                        |
| Hondo                       | 5%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          |                         |                        |
| Honey Grove                 | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Hooks                       | 5%                    | 1-1                              | 100                    | 1992R          |                                |                |                         |                        |
| Howe                        | 5%                    | 2-1                              | 100                    | 1992R          |                                |                |                         |                        |
| Hubbard                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Hudson                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Hudson Oaks                 | 5%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1999R          |                         |                        |
| Hughes Springs              | 7%                    | 2-1                              | 100                    | 1998R          | 70                             | 1998R          |                         |                        |
| Humble                      | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 2-85                    |                        |
| Hunters Creek Village       | 5%                    | 2-1                              | 100 T                  | 1998R          |                                |                |                         |                        |
| Huntington                  | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 7-99                    |                        |
| Huntsville                  | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 10-89                   | 1-01-99                |
| Hurst                       | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 4-87                    | 3-24-87                |
| Hutchins                    | 7%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality  | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|-----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                             |             |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Grand Prairie               | 00540       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-05                            | X                           | X        | Grand Saline                | 00542       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Grandview                   | 00544       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Granger                     | 00546       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Granite Shoals              | 00547       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Grapeland                   | 00548       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-92                            |                             |          | Grapevine                   | 00550       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-93                            | X                           | X        | Greenville                  | 00552       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Gregory                     | 00551       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Grey Forest Utilities       | 00553       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Groesbeck                   | 00556       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Groom                       | 00558       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-01                            |                             |          | Groves                      | 00559       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Groveton                    | 00560       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Gruver                      | 00562       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-94                            | X                           | X        | Gun Barrel City             | 00563       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Gunter                      | 00564       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hale Center                 | 00568       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-00                           | X                           | X        | Hallettsville               | 00570       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hallsville                  | 00572       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-94                            | X                           | X        | Haltom City                 | 00574       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hamilton                    | 00576       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-05                            | X                           | X        | Hamlin                      | 00578       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Happy                       | 00580       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-97                           | X                           | X        | Harker Heights              | 00581       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-93                            | X                           | X        | Harlingen                   | 10582       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-97                            | X                           | X        | Harlingen Waterworks System | 20582       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Hart                        | 00583       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Haskell                     | 00586       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-99                            | X                           | X        | Haslet                      | 00587       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-00                           | X                           | X        | Hawkins                     | 00588       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hays                        | 00585       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-95                           | X                           | X        | Hearne                      | 00590       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-98                            | X                           | X        | Heath                       | 00591       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | Hedley                      | 00592       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hedwig Village              | 00595       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-01                            | X                           | X        | Helotes                     | 00593       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-98                            | X                           | X        | Hemphill                    | 00594       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-92                            | X                           | X        | Hempstead                   | 00596       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-98                            | X                           | X        | Henderson                   | 00598       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-94                            | X                           | X        | Henrietta                   | 00600       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-96                            | X                           | X        | Hereford                    | 00602       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-91                           | X                           | X        | Hewitt                      | 00605       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Hickory Creek               | 00609       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hico                        | 00606       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Hidalgo                     | 00607       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Higgins                     | 00608       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            |                             |          | Highland Park               | 00610       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Highland Village            | 00611       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 2-00                            | X                           | X        | Hill Country Village        | 00613       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-96                            |                             |          | Hillsboro                   | 00612       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-98                            | X                           | X        | Hitchcock                   | 00614       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Holland                     | 00615       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Holliday                    | 00616       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-95                            | X                           | X        | Hollywood Park              | 00617       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-97                            | X                           | X        | Hondo                       | 00618       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 2-01                            | X                           | X        | Honey Grove                 | 00620       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-99                           | X                           | X        | Hooks                       | 00622       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-04                           | X                           | X        | Howe                        | 00626       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hubbard                     | 00627       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-01                            | X                           | X        | Hudson                      | 00628       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-98                            | X                           | X        | Hudson Oaks                 | 00629       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Hughes Springs              | 00630       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-96                            | X                           | X        | Humble                      | 00632       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-98                            | X                           | X        | Hunters Creek Village       | 00633       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Huntington                  | 00634       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Huntsville                  | 00636       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-92                            | X                           | X        | Hurst                       | 00637       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Hutchins                    | 00638       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Hutto                      | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Huxley                     | 5%                    | 1-1                              | 100                    | 1998           | 70                             | 1998           |                         |                        |
| Ingleside                  | 5%                    | 1-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Ingram                     | 5%                    | 1.5-1                            | 100 T                  | 1998R          |                                |                |                         |                        |
| Iowa Park                  | 6%                    | 1.5-1                            | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Iraan                      | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 2007R          |                         | 7-21-04                |
| Irving                     | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1999R          | 1-87                    | 6-29-06                |
| Italy                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Itasca                     | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-92                    |                        |
| Jacinto City               | 5%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 1992R          |                         | 9-24-81                |
| Jacksboro                  | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 6-98                    | 8-14-90                |
| Jacksonville               | 5%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 4-91                    |                        |
| Jasper                     | 7%                    | 2-1                              | 100 T                  | 2007           | 70                             | 2007           | 1-82                    | 10-17-83               |
| Jefferson                  | 5%                    | 1-1                              | 100 T                  | 2001R          |                                |                |                         |                        |
| Jersey Village             | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-95                   |                        |
| Jewett                     | 7%                    | 1-1                              | 100 T                  | 1994R          | 70                             | 1994R          |                         |                        |
| Joaquin                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Johnson City               | 5%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          |                         | 8-08-05                |
| Jones Creek                | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Jonestown                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Josephine                  | 6%                    | 1.5-1                            | 100 T                  | 2007R          |                                |                |                         |                        |
| Joshua                     | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Jourdanton                 | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Junction                   | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          |                         |                        |
| Justin                     | 5%                    | 1-1                              | 100                    | 1998R          |                                |                |                         |                        |
| Karnes City                | 5%                    | 1-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Katy                       | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 11-85                   |                        |
| Kaufman                    | 6%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 10-01                   |                        |
| Keene                      | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Keller                     | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-97                    | 12-20-05               |
| Kemah                      | 5%                    | 1.5-1                            |                        |                |                                |                | 8-99                    |                        |
| Kemp                       | 5%                    | 1-1                              | 100 T                  | 2001R          |                                |                |                         |                        |
| Kenedy                     | 5%                    | 1-1                              | 100 T                  | 1994R          | 70                             | 1994R          |                         |                        |
| Kennedale                  | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 9-01                    | 8-09-01                |
| Kermit                     | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         | 11-20-90               |
| Kerrville                  | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 6-90                    |                        |
| Kerrville PUB              | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 2007R          |                         |                        |
| Kilgore                    | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Killeen                    | 7%                    | 2-1                              | 100 T                  | 2007           | 70                             | 2007           | 1-01                    | 2-28-89                |
| Kingsville                 | 7%                    | 1.5-1                            | 100 T                  | 2000R          | 70                             | 2000R          | 3-85                    |                        |
| Kirby                      | 6%                    | 2-1                              | 100 T                  | 2005R          | 50                             | 1976           | 3-99                    |                        |
| Kirbyville                 | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Knox City                  | 5%                    | 1.5-1                            | 100                    | 1991           | 70                             | 1991           |                         |                        |
| Kountze                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Kress                      | 7%                    | 1-1                              | 100                    | 1995R          |                                |                |                         |                        |
| Krugerville                | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Krum                       | 5%                    | 1-1                              | 100                    | 1997           |                                |                |                         |                        |
| Kyle                       | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 2000R          |                         |                        |
| La Coste                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| La Feria                   | 7%                    | 1-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 10-03                   | 8-28-03                |
| La Grange                  | 7%                    | 1.5-1                            | 100 T                  | 2006R          | 50                             | 2006R          | 10-89                   |                        |
| La Grulla                  | 5%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| La Marque                  | 5%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 1-97                    | 4-24-06                |
| La Porte                   | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 1-83                    | 12-22-97               |
| Lacy-Lakeview              | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 10-89                   |                        |
| Ladonia                    | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Lago Vista                 | 6%                    | 2-1                              | 100 T                  | 2003R          |                                |                | 11-95                   | 10-01-90               |
| Laguna Vista               | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Lake Dallas                | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Lake Jackson               | 6%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 10-93                   |                        |
| Lake Worth                 | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-98                   | 10-10-00               |
| Lakeport                   | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Lakeside                   | 5%                    | 2-1                              | 100                    | 2005R          |                                |                |                         |                        |
| Lakeside City              | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Lakeway                    | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Lamesa                     | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    |                        |
| Lampasas                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 11-00                   | 11-21-00               |
| Lancaster                  | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 10-89                   |                        |
| Laredo                     | 7%                    | 2-1                              | 100                    | 2007R          | 70                             | 2007R          | 10-89                   | 1-20-97                |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-01                            | X                           | X        | Hutto                      | 00640       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Huxley                     | 00641       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-00                            | X                           | X        | Ingleside                  | 00643       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-96                           |                             |          | Ingram                     | 00646       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Iowa Park                  | 00644       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-97                            | X                           | X        | Iraan                      | 00645       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-93                            | X                           | X        | Irving                     | 00648       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-06                           | X                           | X        | Italy                      | 00650       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Itasca                     | 00652       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Jacinto City               | 00654       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | Jacksboro                  | 00656       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-96                            | X                           | X        | Jacksonville               | 00658       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Jasper                     | 00660       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Jefferson                  | 00664       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-95                            | X                           | X        | Jersey Village             | 00665       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Jewett                     | 00666       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Joaquin                    | 00668       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-02                            | X                           | X        | Johnson City               | 00670       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Jones Creek                | 00673       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Jonestown                  | 00675       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Josephine                  | 00677       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Joshua                     | 00671       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Jourdanton                 | 00672       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | Junction                   | 00674       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Justin                     | 00676       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Karnes City                | 00678       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-96                            | X                           | X        | Katy                       | 00680       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-97                            | X                           | X        | Kaufman                    | 00682       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-93                            | X                           | X        | Keene                      | 00683       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            | X                           | X        | Keller                     | 00681       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-99                            | X                           | X        | Kemah                      | 00685       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-96                            |                             |          | Kemp                       | 00684       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-95                           | X                           | X        | Kenedy                     | 00686       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-01                            | X                           | X        | Kennedale                  | 00688       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-01                            | X                           | X        | Kermit                     | 00692       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-92                            | X                           | X        | Kerrville                  | 10694       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-93                           | X                           | X        | Kerrville PUB              | 20694       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-97                            | X                           | X        | Kilgore                    | 10696       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Killeen                    | 00698       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-00                            |                             |          | Kingsville                 | 00700       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Kirby                      | 00701       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-91                           | X                           | X        | Kirbyville                 | 00702       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Knox City                  | 00704       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Kountze                    | 00708       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 |                             |          | Kress                      | 00709       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Krugerville                | 00699       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-06                            |                             | X        | Krum                       | 00707       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 3-00                            | X                           | X        | Kyle                       | 00710       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | La Coste                   | 00725       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-03                           | X                           | X        | La Feria                   | 00714       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | La Grange                  | 00716       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-03                           | X                           | X        | La Grulla                  | 00723       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-99                           | X                           | X        | La Marque                  | 00721       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-97                            | X                           | X        | La Porte                   | 00728       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-97                           | X                           | X        | Lacy-Lakeview              | 00711       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Ladonia                    | 00712       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-97                            | X                           | X        | Lago Vista                 | 00713       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Laguna Vista               | 00705       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-01                            | X                           | X        | Lake Dallas                | 00717       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-98                            | X                           | X        | Lake Jackson               | 00718       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-98                           | X                           | X        | Lake Worth                 | 00719       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Lakeport                   | 00727       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-99                           | X                           | X        | Lakeside                   | 00715       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Lakeside City              | 00729       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-03                            | X                           | X        | Lakeway                    | 00720       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-94                            |                             |          | Lamesa                     | 00722       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Lampasas                   | 00724       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-97                            | X                           | X        | Lancaster                  | 00726       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-93                            | X                           | X        | Laredo                     | 00730       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Lavon                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| League City                | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 5-93                    | 2-08-90                |
| Leander                    | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 11-87                   | 10-04-02               |
| Leon Valley                | 6%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 10-88                   | 9-20-88                |
| Leonard                    | 5%                    | 1-1                              |                        |                |                                |                | 1-03                    |                        |
| Levelland                  | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Lewisville                 | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 11-89                   | 5-05-97                |
| Lexington                  | 6%                    | 1.5-1                            | 100 T                  | 2000R          | 70                             | 2000R          | 9-01                    |                        |
| Liberty                    | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Lindale                    | 6%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Linden                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Lipan                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Little Elm                 | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 11-03                   |                        |
| Littlefield                | 5%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          | 6-98                    |                        |
| Live Oak                   | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 1-95                    |                        |
| Livingston                 | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 8-92                    |                        |
| Llano                      | 7%                    | 1-1                              | 100 T                  | 2005R          | 70                             | 1999           |                         |                        |
| Lockhart                   | 6%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 11-90                   | 1-06-98                |
| Lockney                    | 5%                    | 1-1                              | 100 T                  | 2001R          | 50                             | 1981           |                         |                        |
| Lone Star                  | 5%                    | 1-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         | 9-08-81                |
| Longview                   | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 1-88                    | 2-11-93                |
| Loraine                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Lorena                     | 6%                    | 1.5-1                            | 100 T                  | 2006R          | 70                             | 2006R          |                         |                        |
| Lorenzo                    | 5%                    | 1.5-1                            | 100 T                  | 1995R          | 70                             | 1995R          |                         |                        |
| Los Fresnos                | 5%                    | 1.5-1                            | 10                     | 1996R          |                                |                |                         |                        |
| Lott                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Lubbock                    | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 2001R          | 1-90                    |                        |
| Lucas                      | 7%                    | 2-1                              | 100                    | 2006R          |                                |                |                         |                        |
| Lufkin                     | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 12-89                   | 10-01-00               |
| Luling                     | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Lumberton                  | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Lytle                      | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Madisonville               | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Magnolia                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Malakoff                   | 5%                    | 1.5-1                            | 100 T                  | 1993           |                                |                |                         |                        |
| Manor                      | 5%                    | 2-1                              |                        |                |                                |                |                         | 7-19-06                |
| Mansfield                  | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-89                    |                        |
| Manvel                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Marble Falls               | 7%                    | 2-1                              | 100 T                  | 1996           |                                |                | 7-03                    | 5-23-90                |
| Marfa                      | 5%                    | 2-1                              | 100                    | 1990           | 70                             | 1990           |                         |                        |
| Marion                     | 5%                    | 1.5-1                            | 100 T                  | 2004R          |                                |                |                         |                        |
| Marlin                     | 5%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Marshall                   | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 1-90                    | 6-09-88                |
| Mart                       | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Mason                      | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         | 2-13-89                |
| Matador                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Mathis                     | 7%                    | 1-1                              | 100                    | 1991           | 70                             | 1991           | 11-03                   |                        |
| Maypearl                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| McAllen                    | 6%                    | 2-1                              | 100                    | 2003           |                                |                |                         |                        |
| McCamey                    | 7%                    | 1-1                              | 100                    | 1997R          | 70                             | 1982           |                         |                        |
| McGregor                   | 6%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          |                         |                        |
| McKinney                   | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 2003R          |                         |                        |
| McLean                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Meadows Place              | 7%                    | 2-1                              | 100                    | 2004R          | 70                             | 2006R          |                         |                        |
| Melissa                    | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Memorial Villages P.D.     | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Memphis                    | 5%                    | 1.5-1                            | 100                    | 1998R          | 70                             | 1998R          |                         |                        |
| Menard                     | 5%                    | 1.5-1                            | 100                    | 1998R          | 70                             | 1998R          |                         |                        |
| Mercedes                   | 7%                    | 1.5-1                            | 100 T                  | 2007R          | 70                             | 2007R          | 4-97                    | 7-06-99                |
| Meridian                   | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Merkel                     | 6%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 4-02                    |                        |
| Mertzson                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Mesquite                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-84                    | 9-16-91                |
| Mexia                      | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 2-84                    |                        |
| Midland                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 50                             | 1992R          | 11-83                   |                        |
| Midlothian                 | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 10-88                   | 9-13-88                |
| Miles                      | 5%                    | 1-1                              | 100                    | 1990           |                                |                |                         |                        |
| Milford                    | 7%                    | 1-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Mineola                    | 5%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 1988           | 2-99                    |                        |



# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Lavon                      | 00733       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-99                            | X                           | X        | League City                | 00736       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-02                           | X                           | X        | Leander                    | 00737       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 10-91                           | X                           | X        | Leon Valley                | 00739       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-03                            | X                           | X        | Leonard                    | 00738       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Levelland                  | 00740       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-92                            | X                           | X        | Lewisville                 | 00742       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Lexington                  | 00744       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Liberty                    | 00746       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Lindale                    | 00748       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Linden                     | 00750       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Lipan                      | 00755       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-03                           | X                           | X        | Little Elm                 | 00751       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-98                            | X                           | X        | Littlefield                | 00752       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-95                            | X                           | X        | Live Oak                   | 00753       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 3-98                            | X                           | X        | Livingston                 | 00754       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-99                            | X                           | X        | Llano                      | 00756       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            | X                           | X        | Lockhart                   | 00758       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Lockney                    | 00760       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-01                            | X                           | X        | Lone Star                  | 00765       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-93                            | X                           | X        | Longview                   | 00766       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Loraine                    | 00768       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-04                            | X                           | X        | Lorena                     | 00769       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-03                            |                             |          | Lorenzo                    | 00770       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Los Fresnos                | 00771       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Lott                       | 00773       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-95                           |                             |          | Lubbock                    | 00778       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-07                            | X                           | X        | Lucas                      | 00779       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-97                            | X                           | X        | Lufkin                     | 00782       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 9-95                            | X                           | X        | Luling                     | 00784       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-95                            | X                           | X        | Lumberton                  | 00785       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Lytle                      | 00787       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-93                            | X                           | X        | Madisonville               | 00790       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-98                            | X                           | X        | Magnolia                   | 00791       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Malakoff                   | 00792       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Manor                      | 00796       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-92                            | X                           | X        | Mansfield                  | 00798       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Manvel                     | 00799       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-96                            | X                           | X        | Marble Falls               | 00800       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-05                            | X                           | X        | Marfa                      | 00802       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Marion                     | 00804       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Marlin                     | 00806       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            | X                           | X        | Marshall                   | 00810       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Mart                       | 00812       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-97                            | X                           | X        | Mason                      | 00814       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Matador                    | 00816       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-99                            | X                           | X        | Mathis                     | 00818       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Maypearl                   | 00822       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 7-99                            |                             |          | McAllen                    | 00824       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | McCamey                    | 00826       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-96                            | X                           | X        | McGregor                   | 00828       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | McKinney                   | 00830       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | McLean                     | 00832       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-97                           | X                           | X        | Meadows Place              | 00835       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-03                            | X                           | X        | Melissa                    | 00837       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-96                            | X                           | X        | Memorial Villages P.D.     | 01501       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Memphis                    | 00840       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Menard                     | 00842       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-00                            | X                           | X        | Mercedes                   | 00844       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Meridian                   | 00846       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-01                            | X                           | X        | Merkel                     | 00848       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Mertzton                   | 00852       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            |                             |          | Mesquite                   | 00854       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-91                            | X                           | X        | Mexia                      | 00856       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 4-94                            |                             |          | Midland                    | 00860       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-91                           | X                           | X        | Midlothian                 | 00862       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Miles                      | 00864       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Milford                    | 00865       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-91                           | X                           | X        | Mineola                    | 00868       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality             | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|--|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|  |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Mineral Wells                          | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 12-90                   | 10-18-88               |
| Mission                                | 6%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Missouri City                          | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 3-93                    | 8-06-01                |
| Monahans                               | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 11-94                   |                        |
| Mont Belvieu                           | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         | 5-29-79                |
| Montgomery                             | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Moody                                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Morgan's Point                         | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Morgan's Point Resort                  | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2003R          | 1-90                    |                        |
| Morton                                 | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Moulton                                | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 12-97                   |                        |
| Mount Enterprise                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Mt. Pleasant                           | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Mt. Vernon                             | 7%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         | 1-13-98                |
| Muenster                               | 5%                    | 2-1                              | 100                    | 1981           | 20                             | 1981           |                         |                        |
| Muleshoe                               | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 2-96                    | 10-18-83               |
| Murphy                                 | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Nacogdoches                            | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 11-89                   | 3-09-99                |
| Nacogdoches Mem. Hospital <sup>③</sup> | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Naples                                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Nash                                   | 5%                    | 2-1                              | 100                    | 1993           | 70                             | 1993           |                         |                        |
| Nassau Bay                             | 5%                    | 2-1                              | 50                     | 2005R          | 70                             | 2007R          | 9-02                    | 7-08-02                |
| Navasota                               | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         | 5-08-89                |
| Nederland                              | 7%                    | 2-1                              | 100                    | 2000R          | 30                             | 1984           | 3-82                    | 12-13-83               |
| Needville                              | 7%                    | 1-1                              | 100 T                  | 1996R          | 70                             | 1989           |                         |                        |
| New Boston                             | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| New Braunfels                          | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 1-90                    | 1-11-93                |
| New Braunfels Utilities                | 7%                    | 1.5-1                            | 100 T                  | 2002R          | 70                             | 2002R          | 4-04                    |                        |
| New Deal                               | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| New London                             | 5%                    | 1-1                              | 100 T                  | 1997R          | 70                             | 1997R          |                         |                        |
| New Summerfield                        | 5%                    | 1-1                              | 100                    | 1992R          |                                |                |                         |                        |
| New Waverly                            | 5%                    | 1.5-1                            | 100                    | 2004R          |                                |                |                         |                        |
| Newton                                 | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         | 12-10-91               |
| Nixon                                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Nocona                                 | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 2001R          |                         |                        |
| Normangee                              | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| North Richland Hills                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    | 12-12-88               |
| Northlake                              | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Oak Point                              | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Oak Ridge North                        | 7%                    | 2-1                              | 100                    | 2007R          |                                |                |                         |                        |
| Odem                                   | 6%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Odessa                                 | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-89                   |                        |
| O'Donnell                              | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Oglesby                                | 5%                    | 1-1                              |                        |                |                                |                | 12-03                   |                        |
| Old River-Winfree                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Olmos Park                             | 5%                    | 1.5-1                            | 100 T                  | 2005           | 70                             | 1998           |                         |                        |
| Olney                                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Omaha                                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Onalaska                               | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Orange                                 | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 1-88                    |                        |
| Orange Grove                           | 5%                    | 1.5-1                            | 100                    | 1992R          | 50                             | 1992R          |                         |                        |
| Ore City                               | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Overton                                | 5%                    | 2-1                              | 100 T                  | 1993           | 70                             | 1993           |                         |                        |
| Ovilla                                 | 7%                    | 1.5-1                            | 100 T                  | 1998R          |                                |                |                         |                        |
| Oyster Creek                           | 6%                    | 1-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Paducah                                | 5%                    | 1.5-1                            | 100                    | 1998R          |                                |                |                         |                        |
| Palacios                               | 5%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Palestine                              | 6%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 12-03                   | 6-27-78                |
| Palmer                                 | 5%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Palmhurst                              | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Pampa                                  | 5%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 10-88                   | 12-08-87               |
| Panhandle                              | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         | 8-26-93                |
| Panorama Village                       | 5%                    | 1.5-1                            | 100                    | 1990           |                                |                |                         |                        |
| Pantego                                | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 1-93                    |                        |
| Paris                                  | 6%                    | 2-1                              | 100 T                  | 2007           | 70                             | 2007           | 9-88                    | 10-09-95               |
| Parker                                 | 6%                    | 2-1                              | 100 T                  | 1998R          |                                |                |                         |                        |
| Pasadena                               | 7%                    | 2-1                              | 100 T                  | 1993R          | 40                             | 1993R          | 1-82                    | 10-29-96               |
| Pearland                               | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 10-89                   | 2-11-91                |
| Pearsall                               | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality             | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|--|-------------|
|                     |                                  |                                 | Employees                   | Retirees |  |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Mineral Wells                          | 00870       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-98                            | X                           | X        | Mission                                | 00874       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-93                            | X                           | X        | Missouri City                          | 00875       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 11-95                           | X                           | X        | Monahans                               | 00876       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-95                           | X                           | X        | Mont Belvieu                           | 00887       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Montgomery                             | 00877       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Moody                                  | 00878       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-98                            |                             |          | Morgan's Point                         | 00883       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-03                            | X                           | X        | Morgan's Point Resort                  | 00882       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Morton                                 | 00884       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-97                           | X                           | X        | Moulton                                | 00886       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Mount Enterprise                       | 00890       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-96                            | X                           | X        | Mt. Pleasant                           | 00892       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Mt. Vernon                             | 00894       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Muenster                               | 00896       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-96                            | X                           | X        | Muleshoe                               | 00898       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-05                            | X                           | X        | Murphy                                 | 00903       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Nacogdoches                            | 10904       |
| NONE                | 15 yrs/age 60, 28 yrs/any age    |                                 |                             |          | Nacogdoches Mem. Hospital <sup>3</sup> | 20904       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Naples                                 | 00906       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-96                            | X                           | X        | Nash                                   | 00907       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-07                            | X                           | X        | Nassau Bay                             | 00905       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Navasota                               | 00908       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-00                            |                             |          | Nederland                              | 00910       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-98                            | X                           | X        | Needville                              | 00912       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | New Boston                             | 00914       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | New Braunfels                          | 10916       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | New Braunfels Utilities                | 20916       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | New Deal                               | 00915       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | New London                             | 00918       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | New Summerfield                        | 00919       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | New Waverly                            | 00917       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Newton                                 | 00920       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Nixon                                  | 00922       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Nocona                                 | 00924       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Normangee                              | 00928       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-92                            | X                           | X        | North Richland Hills                   | 00931       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Northlake                              | 00930       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-03                            | X                           | X        | Oak Point                              | 00936       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-99                            | X                           | X        | Oak Ridge North                        | 00937       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | Odem                                   | 00942       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-93                           | X                           | X        | Odessa                                 | 00944       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | O'Donnell                              | 00935       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Oglesby                                | 00945       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Old River-Winfree                      | 00949       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Olmos Park                             | 00950       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Olney                                  | 00951       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Omaha                                  | 00953       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-04                            | X                           | X        | Onalaska                               | 00954       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 3-96                            |                             |          | Orange                                 | 00958       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Orange Grove                           | 00960       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-01                           | X                           | X        | Ore City                               | 00959       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-96                            | X                           | X        | Overton                                | 00962       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Ovilla                                 | 00961       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Oyster Creek                           | 00963       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Paducah                                | 00964       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Palacios                               | 00966       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-01                           | X                           | X        | Palestine                              | 00968       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Palmer                                 | 00970       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Palmhurst                              | 00969       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-96                            | X                           | X        | Pampa                                  | 00972       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Panhandle                              | 00974       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Panorama Village                       | 00973       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-94                            | X                           | X        | Pantego                                | 00975       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | Paris                                  | 00976       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Parker                                 | 00977       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-94                            | X                           | X        | Pasadena                               | 00978       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-95                            | X                           | X        | Pearland                               | 00983       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 2-04                            | X                           | X        | Pearsall                               | 00984       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality  | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|-----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                             |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Pecos City                  | 5%                    | 2-1                              | 100 T                  | 1992R          | 30                             | 1992R          | 11-90                   | 8-08-96                |
| Perryton                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 10-84                   | 10-01-02               |
| Pflugerville                | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 9-89                    |                        |
| Pharr                       | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 4-84                    | 11-19-02               |
| Pilot Point                 | 5%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 2-00                    |                        |
| Pinehurst                   | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 4-03                    | 3-08-90                |
| Pineland                    | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          | 8-94                    | 8-20-91                |
| Piney Point Village         | 5%                    | 2-1                              | 100                    | 1999           |                                |                |                         |                        |
| Pittsburg                   | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         | 9-08-88                |
| Plains                      | 7%                    | 1.5-1                            | 100 T                  | 1996R          |                                |                |                         |                        |
| Plainview                   | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 9-95                    | 12-13-77               |
| Plano                       | 7%                    | 2-1                              | 100 T                  | 1994R          | 70                             | 1994R          | 1-92                    | 12-27-93               |
| Pleasanton                  | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          | 5-91                    | 9-21-87                |
| Point                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Ponder                      | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Port Aransas                | 5%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 2-00                    |                        |
| Port Arthur                 | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 10-85                   | 9-27-79                |
| Port Arthur Pleasure Island | 5%                    | 1.5-1                            | 100 T                  | 2007R          |                                |                |                         |                        |
| Port Isabel                 | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Port Lavaca                 | 5%                    | 1.5-1                            | 100 T                  | 2003R          | 70                             | 2003R          |                         |                        |
| Port Neches                 | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 12-87                   | 11-19-87               |
| Portland                    | 6%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 5-91                    |                        |
| Post                        | 5%                    | 2-1                              | 50 T                   | 2004R          |                                |                |                         |                        |
| Poteet                      | 5%                    | 1.5-1                            | 100                    | 2007R          |                                |                |                         |                        |
| Poth                        | 7%                    | 1-1                              | 100                    | 2004           |                                |                |                         |                        |
| Pottsboro                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Premont                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Presidio                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Primera                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Princeton                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    |                        |
| Prosper                     | 7%                    | 2-1                              | 100                    | 2005R          | 70                             | 2005R          |                         |                        |
| Quanah                      | 5%                    | 1.5-1                            | 100 T                  | 1995R          | 70                             | 1995R          |                         |                        |
| Queen City                  | 5%                    | 1-1                              | 100 T                  | 2000R          |                                |                |                         | 5-11-06                |
| Quinlan                     | 5%                    | 1-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         |                        |
| Quintana                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Quitaque                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Quitman                     | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Ralls                       | 5%                    | 1.5-1                            | 100 T                  | 1997R          | 70                             | 1997R          |                         |                        |
| Rancho Viejo                | 7%                    | 1.5-1                            | 100                    | 1999R          |                                |                |                         | 11-13-01               |
| Ranger                      | 6%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Rankin                      | 5%                    | 1-1                              | 100 T                  | 1993           |                                |                | 1-90                    |                        |
| Ransom Canyon               | 6%                    | 1-1                              | 100 T                  | 2007R          |                                |                |                         |                        |
| Raymondville                | 7%                    | 2-1                              | 90 T                   | 1988           | 70                             | 1988           | 1-86                    |                        |
| Red Oak                     | 6%                    | 2-1                              | 100 T                  | 2007           | 70                             | 2007           |                         |                        |
| Redwater                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Refugio                     | 5%                    | 1-1                              | 100                    | 1991           |                                |                |                         |                        |
| Reklaw                      | 7%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Reno (Lamar County)         | 5%                    | 2-1                              | 100                    | 1994R          |                                |                |                         |                        |
| Reno (Parker County)        | 5%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Rhame                       | 5%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Rice                        | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Richardson                  | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-87                    | 9-28-87                |
| Richland Hills              | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    | 12-10-91               |
| Richland Springs            | 5%                    | 2-1                              | 20                     | 1997           |                                |                |                         |                        |
| Richmond                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    | 4-18-05                |
| Richwood                    | 5%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 4-90                    |                        |
| Rio Grande City             | 6%                    | 1.5-1                            | 100 T                  | 2007R          | 70                             | 2007R          |                         | 9-07-06                |
| Rio Vista                   | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Rising Star                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| River Oaks                  | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 8-88                    |                        |
| Roanoke                     | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Robert Lee                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Robinson                    | 6%                    | 2-1                              | 100 T                  | 2006R          | 30                             | 2006R          |                         |                        |
| Robstown                    | 5%                    | 1.5-1                            | 100                    | 2004R          | 70                             | 2004R          |                         |                        |
| Robstown Utility Systems    | 5%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 11-03                   | 3-07-91                |
| Roby                        | 7%                    | 2-1                              | 100                    | 1994           | 70                             | 1994           |                         |                        |
| Rockdale                    | 5%                    | 2-1                              | 100                    | 2004R          | 70                             | 2004R          |                         |                        |
| Rockport                    | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 6-92                    |                        |
| Rocksprings                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality  | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|-----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                             |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-95                            | X                           | X        | Pecos City                  | 00988       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 2-97                            | X                           | X        | Perryton                    | 00994       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-95                            | X                           | X        | Pflugerville                | 01000       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-99                           | X                           | X        | Pharr                       | 01002       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-96                            | X                           | X        | Pilot Point                 | 01004       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-92                           | X                           | X        | Pinehurst                   | 01005       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-05                            | X                           | X        | Pineland                    | 01003       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Piney Point Village         | 01001       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 2-94                            | X                           | X        | Pittsburg                   | 01006       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-00                           | X                           | X        | Plains                      | 01007       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            |                             |          | Plainview                   | 01008       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            |                             |          | Plano                       | 01010       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-96                           | X                           | X        | Pleasanton                  | 01012       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    |                                 |                             |          | Point                       | 01013       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Ponder                      | 01017       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 2-00                            | X                           | X        | Port Aransas                | 01014       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 1-92                            | X                           | X        | Port Arthur                 | 11016       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Port Arthur Pleasure Island | 21016       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Port Isabel                 | 01018       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Port Lavaca                 | 01020       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 3-97                            |                             |          | Port Neches                 | 01022       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    |                                 | X                           | X        | Portland                    | 01019       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 1-97                            | X                           | X        | Post                        | 01024       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Poteet                      | 01026       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Poth                        | 01028       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Pottsboro                   | 01030       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Premont                     | 01032       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Presidio                    | 01029       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Primera                     | 01033       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-02                            | X                           | X        | Princeton                   | 01034       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Prosper                     | 01036       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Quanah                      | 01042       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-01                           | X                           | X        | Queen City                  | 01045       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-97                            | X                           | X        | Quinlan                     | 01044       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Quintana                    | 01047       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Quitaque                    | 01046       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | Quitman                     | 01048       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Ralls                       | 01050       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Rancho Viejo                | 01051       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Ranger                      | 01052       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Rankin                      | 01054       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Ransom Canyon               | 01055       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Raymondville                | 01058       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Red Oak                     | 01061       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Redwater                    | 01062       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Refugio                     | 01064       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Reklaw                      | 01065       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-01                            | X                           | X        | Reno (Lamar County)         | 01066       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Reno (Parker County)        | 01069       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-02                           | X                           | X        | Rhome                       | 01067       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Rice                        | 01068       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-91                           |                             |          | Richardson                  | 01070       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Richland Hills              | 01073       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Richland Springs            | 01074       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Richmond                    | 01076       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Richwood                    | 01077       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-07                            | X                           | X        | Rio Grande City             | 01075       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Rio Vista                   | 01079       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Rising Star                 | 01080       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | River Oaks                  | 01082       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-97                           |                             |          | Roanoke                     | 01084       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Robert Lee                  | 01088       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-97                           | X                           | X        | Robinson                    | 01089       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Robstown                    | 21090       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-97                           | X                           | X        | Robstown Utility Systems    | 11090       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Roby                        | 01092       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-01                            | X                           | X        | Rockdale                    | 01096       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 3-97                            | X                           | X        | Rockport                    | 01098       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Rocksprings                 | 01100       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Rockwall                   | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          | 7-93                    | 8-02-83                |
| Rogers                     | 5%                    | 1-1                              | 100 T                  | 1999R          |                                |                |                         |                        |
| Rollingwood                | 6%                    | 2-1                              | 100 T                  | 2002R          |                                |                |                         |                        |
| Roma                       | 5%                    | 1.5-1                            | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Roscoe                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Rosebud                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Rosenberg                  | 6%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 2-91                    | 5-18-99                |
| Rotan                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Round Rock                 | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 1-90                    | 6-08-06                |
| Rowlett                    | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 1-90                    |                        |
| Roy H. Laird Mem. Hospital | 5%                    | 2-1                              | 100                    | 1993R          | 70                             | 1993R          |                         |                        |
| Royse City                 | 5%                    | 2-1                              | 100 T                  | 2006R          |                                |                |                         |                        |
| Rule                       | 7%                    | 1.5-1                            |                        |                |                                |                |                         |                        |
| Runaway Bay                | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Runge                      | 7%                    | 1-1                              | 100 T                  | 2003R          | 70                             | 2003R          |                         |                        |
| Rusk                       | 6%                    | 1.5-1                            | 100 T                  | 2004R          | 70                             | 2004R          |                         | 12-19-02               |
| Sabinal                    | 3%                    | 2-1                              | 100 T                  | 1996R          |                                |                | 4-95                    |                        |
| Sachse                     | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Saginaw                    | 5%                    | 2-1                              | 100                    | 2005R          |                                |                |                         |                        |
| Saint Jo                   | 6%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1998R          |                         |                        |
| Salado                     | 5%                    | 2-1                              | 100 T                  | 2005R          |                                |                | 7-02                    |                        |
| San Angelo                 | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 1-82                    | 11-13-79               |
| San Antonio                | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-96                   | 1-01-00                |
| San Antonio Water System   | 3%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          | 9-89                    |                        |
| San Augustine              | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 9-99                    | 3-14-00                |
| San Benito                 | 5%                    | 2-1                              | 100 T                  | 2001           |                                |                | 6-98                    |                        |
| San Felipe                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| San Juan                   | 5%                    | 1-1                              |                        |                |                                |                | 4-01                    |                        |
| San Marcos                 | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 4-84                    | 7-09-01                |
| San Saba                   | 6%                    | 1-1                              | 100 T                  | 2004R          | 70                             | 2004R          |                         | 7-11-78                |
| Sanger                     | 6%                    | 2-1                              | 100                    | 2007R          |                                |                | 12-95                   |                        |
| Sansom Park                | 5%                    | 1-1                              | 100 T                  | 1994R          |                                |                |                         |                        |
| Santa Anna                 | 5%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Santa Fe                   | 7%                    | 1.5-1                            | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Savoy                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Schertz                    | 6%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 9-94                    | 8-16-94                |
| Schulenburg                | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         | 3-09-89                |
| Seabrook                   | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 1-88                    | 5-03-88                |
| Seadrift                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Seagoville                 | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 1988           |                         |                        |
| Seagraves                  | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Sealy                      | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 1-90                    |                        |
| Seguin                     | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 2-96                    |                        |
| Selma                      | 7%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1996R          | 7-95                    |                        |
| Seminole                   | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 7-96                    | 3-23-92                |
| Seven Points               | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Seymour                    | 6%                    | 1-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 9-89                    |                        |
| Shallowater                | 5%                    | 1.5-1                            | 100 T                  | 1999R          |                                |                |                         |                        |
| Shamrock                   | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Shavano Park               | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          |                         |                        |
| Shenandoah                 | 5%                    | 2-1                              | 100                    | 2005R          |                                |                |                         |                        |
| Shepherd                   | 7%                    | 1.5-1                            | 100                    | 1998           |                                |                |                         |                        |
| Sherman                    | 7%                    | 2-1                              | 100 T                  | 2007R          | 30                             | 2007R          | 1-91                    | 10-01-00               |
| Shiner                     | 5%                    | 1-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Shoreacres                 | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          |                         | 3-26-01                |
| Silsbee                    | 7%                    | 2-1                              | 100                    | 1996R          | 70                             | 1996R          | 10-89                   | 11-08-83               |
| Silverton                  | 6%                    | 1.5-1                            | 100                    | 1998R          | 70                             | 1998R          |                         |                        |
| Sinton                     | 5%                    | 2-1                              | 100                    | 2005R          | 70                             | 2005R          | 5-88                    |                        |
| Skellytown                 | 5%                    | 1-1                              | 100                    | 1992R          |                                |                |                         |                        |
| Slaton                     | 6%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1996           |                         |                        |
| Smithville                 | 5%                    | 1.5-1                            | 100 T                  | 2001R          | 70                             | 2001R          | 12-95                   | 4-11-94                |
| Smyer                      | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Snyder                     | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         |                        |
| Somerset                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Somerville                 | 5%                    | 1.5-1                            | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Sonora                     | 5%                    | 1.5-1                            | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Sour Lake                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| South Houston              | 5%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          | 12-91                   |                        |
| South Padre Island         | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-90                    | 7-01-78                |



# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | Rockwall                   | 01102       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Rogers                     | 01104       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-07                            | X                           | X        | Rollingwood                | 01105       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-02                            | X                           | X        | Roma                       | 01106       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Roscoe                     | 01109       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-05                           | X                           | X        | Rosebud                    | 01112       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-96                           | X                           | X        | Rosenberg                  | 01114       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Rotan                      | 01116       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-96                            | X                           | X        | Round Rock                 | 01118       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-94                            | X                           | X        | Rowlett                    | 01119       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Roy H. Laird Mem. Hospital | 20696       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-92                            | X                           | X        | Royse City                 | 01120       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Rule                       | 01122       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Runaway Bay                | 01123       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Runge                      | 01124       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Rusk                       | 01126       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Sabinal                    | 01128       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-95                            | X                           | X        | Sachse                     | 01129       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-97                           | X                           | X        | Saginaw                    | 01131       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Saint Jo                   | 01130       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Salado                     | 01133       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 10-94                           |                             |          | San Angelo                 | 01132       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-96                           |                             |          | San Antonio                | 21136       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-97                            |                             |          | San Antonio Water System   | 11136       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 9-99                            | X                           | X        | San Augustine              | 01138       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-98                            | X                           | X        | San Benito                 | 01140       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | San Felipe                 | 01144       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-00                           | X                           | X        | San Juan                   | 01148       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-96                            | X                           | X        | San Marcos                 | 01150       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | San Saba                   | 01152       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-99                            | X                           | X        | Sanger                     | 01146       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Sansom Park                | 01153       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Santa Anna                 | 01154       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 2-97                            |                             |          | Santa Fe                   | 01155       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Savoy                      | 01158       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-93                            | X                           | X        | Schertz                    | 01159       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-01                            | X                           | X        | Schulenburg                | 01160       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-94                           | X                           | X        | Seabrook                   | 01161       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Seadrift                   | 01162       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | Seagoville                 | 01164       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Seagraves                  | 01166       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-05                            | X                           | X        | Sealy                      | 01167       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            | X                           | X        | Seguin                     | 01168       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Selma                      | 01169       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-96                            | X                           | X        | Seminole                   | 01170       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 5-00                            | X                           | X        | Seven Points               | 01171       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-98                            | X                           | X        | Seymour                    | 01172       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Shallowater                | 01177       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Shamrock                   | 01174       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Shavano Park               | 01173       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Shenandoah                 | 01175       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 7-00                            | X                           | X        | Shepherd                   | 01181       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-00                           | X                           | X        | Sherman                    | 01176       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Shiner                     | 01178       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-93                           | X                           | X        | Shoreacres                 | 01179       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-98                            |                             |          | Silsbee                    | 01180       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Silverton                  | 01182       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-91                           | X                           | X        | Sinton                     | 01184       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Skellytown                 | 01185       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Slaton                     | 01186       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            | X                           | X        | Smithville                 | 01188       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Smyer                      | 01189       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Snyder                     | 01190       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-01                           | X                           | X        | Somerset                   | 01191       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Somerville                 | 01192       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-00                            | X                           | X        | Sonora                     | 01194       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Sour Lake                  | 01196       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | South Houston              | 01198       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | South Padre Island         | 01199       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality  | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|-----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                             |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Southlake                   | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 1-95                    | 6-20-00                |
| Southside Place             | 5%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 1988           | 1-03                    |                        |
| Spearman                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          |                         | 12-16-86               |
| Spring Valley               | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Springtown                  | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Spur                        | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Stafford                    | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Stamford                    | 5%                    | 1.5-1                            | 100 T                  | 1994R          | 70                             | 1994R          | 2-89                    |                        |
| Stanton                     | 5%                    | 1.5-1                            | 100                    | 1992R          | 70                             | 1992R          | 5-89                    |                        |
| Star Harbor                 | 5%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 9-82                    |                        |
| Stephenville                | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-89                   | 12-04-01               |
| Sterling City               | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Stinnett                    | 5%                    | 1.5-1                            | 100                    | 1995           | 60                             | 1995           |                         | 3-18-02                |
| Stratford                   | 5%                    | 1.5-1                            | 100 T                  | 2006R          | 70                             | 2006R          | 1-00                    |                        |
| Sudan                       | 5%                    | 1-1                              | 100                    | 1994R          | 70                             | 1994R          |                         |                        |
| Sugar Land                  | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Sulphur Springs             | 6%                    | 2-1                              | 100 T                  | 2007           | 50                             | 2007           |                         |                        |
| Sundown                     | 5%                    | 2-1                              | 100 T                  | 2000R          | 50                             | 1996           |                         |                        |
| Sunnyvale                   | 6%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 5-04                    |                        |
| Sunray                      | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 2-99                    |                        |
| Sunrise Beach Village       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Sunset Valley               | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 7-01                    |                        |
| Surfside Beach              | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Sweeny                      | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          |                         |                        |
| Sweetwater                  | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         | 9-10-91                |
| T.M.R.S.                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 2000R          | 1-82                    | 12-12-81               |
| Taft                        | 5%                    | 1.5-1                            | 100 T                  | 2002R          | 30                             | 2002R          | 11-94                   | 3-08-88                |
| Tahoka                      | 5%                    | 2-1                              | 100                    | 1990           | 50                             | 1976           | 12-03                   |                        |
| Tatum                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Taylor                      | 7%                    | 1.5-1                            | 100 T                  | 2007R          | 70                             | 2007R          | 2-92                    |                        |
| Teague                      | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         |                        |
| Temple                      | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-90                    |                        |
| Tenaha                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Terrell                     | 7%                    | 2-1                              | 100 T                  | 1996R          | 70                             | 1996R          | 1-96                    |                        |
| Terrell Hills               | 6%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 3-02                    |                        |
| Texarkana                   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 10-88                   |                        |
| Texarkana Police Dept.      | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 10-88                   |                        |
| Texarkana Water Utilities   | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 10-88                   |                        |
| Texas City                  | 7%                    | 2-1                              | 100 T                  | 2003R          | 70                             | 2003R          | 6-90                    | 1-01-03                |
| Texas Municipal League      | 6%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 11-91                   |                        |
| Texas Municipal League IEBP | 6%                    | 2-1                              | 100 T                  | 2007           |                                |                |                         |                        |
| Texas Municipal League IRP  | 7%                    | 2-1                              | 100                    | 1993R          | 70                             | 2003R          | 3-92                    | 10-19-02               |
| Texhoma                     | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| The Colony                  | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 10-93                   |                        |
| Thompsons                   | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Thorndale                   | 5%                    | 1-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Three Rivers                | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Throckmorton                | 5%                    | 1.5-1                            | 100                    | 2004R          | 70                             | 2004R          |                         | 12-08-87               |
| Tiki Island                 | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Timpson                     | 5%                    | 1-1                              | 100                    | 1996R          |                                |                |                         |                        |
| Tioga                       | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Tolar                       | 7%                    | 2-1                              |                        |                |                                |                |                         |                        |
| Tom Bean                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Tomball                     | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 11-89                   | 6-20-88                |
| Trent                       | 7%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Trenton                     | 5%                    | 1.5-1                            | 100 T                  | 1998R          |                                |                |                         | 4-07-94                |
| Trinidad                    | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Trinity                     | 5%                    | 1-1                              | 100                    | 1995R          | 70                             | 1995R          |                         |                        |
| Trophy Club                 | 7%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Troup                       | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          |                         |                        |
| Troy                        | 5%                    | 1-1                              | 100                    | 1992R          |                                |                |                         |                        |
| Tulia                       | 6%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          |                         | 5-05-87                |
| Turkey                      | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Tye                         | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Tyler                       | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 2-94                    | 5-24-00                |
| Universal City              | 5%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 3-94                    |                        |
| University Park             | 7%                    | 2-1                              | 100 T                  | 2005           | 70                             | 2005           |                         |                        |
| Uvalde                      | 5%                    | 1-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 6-90                    |                        |
| Van                         | 5%                    | 2-1                              | 100                    | 1990           | 70                             | 1990           |                         |                        |

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality  | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|-----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                             |             |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-95                            | X                           | X        | Southlake                   | 01197       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-03                            | X                           | X        | Southside Place             | 01202       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Spearman                    | 01204       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-97                            | X                           | X        | Spring Valley               | 01205       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-04                           | X                           | X        | Springtown                  | 01203       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Spur                        | 01206       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Stafford                    | 01207       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-96                            | X                           | X        | Stamford                    | 01208       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-99                           | X                           | X        | Stanton                     | 01210       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Star Harbor                 | 01211       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-91                           | X                           | X        | Stephenville                | 01212       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Sterling City               | 01213       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-98                            | X                           | X        | Stinnett                    | 01214       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-00                            | X                           | X        | Stratford                   | 01218       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-99                           |                             |          | Sudan                       | 01224       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 7-98                            | X                           | X        | Sugar Land                  | 01225       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-95                           | X                           | X        | Sulphur Springs             | 01226       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-00                            | X                           | X        | Sundown                     | 01228       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Sunnyvale                   | 01229       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-99                            | X                           | X        | Sunray                      | 01230       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Sunrise Beach Village       | 01227       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-06                            | X                           | X        | Sunset Valley               | 01231       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Surfside Beach              | 01233       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Sweeny                      | 01232       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-96                            | X                           | X        | Sweetwater                  | 01234       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-97                            | X                           | X        | T.M.R.S.                    | 01264       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Taft                        | 01236       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-04                            | X                           | X        | Tahoka                      | 01238       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Tatum                       | 01241       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 10-91                           | X                           | X        | Taylor                      | 01246       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Teague                      | 01248       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-94                            | X                           | X        | Temple                      | 01252       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Tenaha                      | 01254       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-96                            | X                           | X        | Terrell                     | 01256       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-97                            | X                           | X        | Terrell Hills               | 01258       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            |                             |          | Texarkana                   | 21260       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            |                             |          | Texarkana Police Dept.      | 11260       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-95                            |                             |          | Texarkana Water Utilities   | 31260       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Texas City                  | 01262       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 11-91                           | X                           | X        | Texas Municipal League      | 11263       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 1-99                            | X                           | X        | Texas Municipal League IEBP | 31263       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 3-92                            | X                           | X        | Texas Municipal League IRP  | 21263       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Texhoma                     | 01265       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-96                            | X                           | X        | The Colony                  | 01267       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Thompsons                   | 01269       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 9-99                            | X                           | X        | Thorndale                   | 01268       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Three Rivers                | 01274       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Throckmorton                | 01276       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Tiki Island                 | 01277       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Timpson                     | 01278       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Tioga                       | 01280       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Tolar                       | 01283       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Tom Bean                    | 01286       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-94                            | X                           | X        | Tomball                     | 01284       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Trent                       | 01290       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Trenton                     | 01292       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-96                           | X                           | X        | Trinidad                    | 01293       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 4-06                            | X                           | X        | Trinity                     | 01294       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-01                            | X                           | X        | Trophy Club                 | 01295       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Troup                       | 01296       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-98                            | X                           | X        | Troy                        | 01297       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 12-96                           | X                           | X        | Tulia                       | 01298       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Turkey                      | 01299       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Tye                         | 01301       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-94                            | X                           | X        | Tyler                       | 01304       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-97                            | X                           | X        | Universal City              | 01305       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 12-91                           |                             |          | University Park             | 01306       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-98                            | X                           | X        | Uvalde                      | 01308       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Van                         | 01314       |

# Plan Provisions For Participating Municipalities

CONTINUED

| Participating Municipality | Employee Deposit Rate | Municipal Current Matching Ratio | Updated Service Credit |                | Increased Benefits to Retirees |                | Military Service Credit | Buyback Effective Date |
|----------------------------|-----------------------|----------------------------------|------------------------|----------------|--------------------------------|----------------|-------------------------|------------------------|
|                            |                       |                                  | Rate (%)               | Year Effective | Rate <sup>①</sup> (%)          | Year Effective |                         |                        |
| Van Alstyne                | 6%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Van Horn                   | 5%                    | 1.5-1                            | 100                    | 1994R          | 70                             | 1994R          |                         | 12-10-96               |
| Vega                       | 7%                    | 2-1                              | 100 T                  | 1994           | 60                             | 1994           |                         |                        |
| Venus                      | 7%                    | 2-1                              | 100                    | 2007R          |                                |                |                         |                        |
| Vernon                     | 7%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 5-91                    |                        |
| Victoria                   | 6%                    | 2-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 11-84                   | 8-16-82                |
| Vidor                      | 7%                    | 2-1                              | 100 T                  | 2006R          | 70                             | 2006R          | 1-92                    |                        |
| Village Fire Dept.         | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Waco                       | 7%                    | 2-1                              | 100 T                  | 2005R          | 70                             | 2005R          | 9-89                    | 4-01-03                |
| Waelder                    | 5%                    | 1-1                              | 100                    | 1992R          | 30                             | 1988           |                         |                        |
| Wake Village               | 7%                    | 2-1                              | 100                    | 1995R          | 70                             | 1995R          |                         |                        |
| Waller                     | 5%                    | 1-1                              | 100 T                  | 1992R          |                                |                |                         |                        |
| Wallis                     | 6%                    | 1-1                              | 100                    | 2001R          |                                |                |                         |                        |
| Walnut Springs             | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Waskom                     | 5%                    | 1-1                              | 100 T                  | 2005R          | 70                             | 2005R          |                         |                        |
| Watauga                    | 7%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 11-89                   |                        |
| Waxahachie                 | 7%                    | 2-1                              | 100 T                  | 1997R          | 70                             | 1997R          | 1-90                    | 12-16-85               |
| Weatherford                | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          | 10-88                   | 3-28-89                |
| Webster                    | 7%                    | 2-1                              | 100 T                  | 1998R          | 70                             | 1998R          | 2-95                    |                        |
| Weimar                     | 5%                    | 2-1                              | 100                    | 1995R          | 50                             | 1995R          |                         |                        |
| Wellington                 | 5%                    | 2-1                              | 100 T                  | 1999R          | 70                             | 1999R          | 10-89                   |                        |
| Wells                      | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Weslaco                    | 7%                    | 2-1                              | 100 T                  | 2007R          | 70                             | 2007R          |                         | 8-18-05                |
| West                       | 5%                    | 1.5-1                            | 100                    | 2003R          | 50                             | 1981           |                         |                        |
| West Columbia              | 5%                    | 2-1                              | 100 T                  | 2003R          | 50                             | 1976           |                         |                        |
| West Lake Hills            | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         | 5-13-92                |
| West Orange                | 7%                    | 2-1                              | 100                    | 2003R          | 70                             | 2003R          | 11-89                   |                        |
| West Tawakoni              | 5%                    | 2-1                              | 100 T                  | 2007R          |                                |                |                         | 9-13-05                |
| West Univ. Place           | 7%                    | 2-1                              | 100 T                  | 2004R          | 70                             | 2004R          | 1-91                    | 11-26-90               |
| Westlake                   | 7%                    | 2-1                              | 100 T                  | 2006R          |                                |                |                         |                        |
| Westover Hills             | 5%                    | 1-1                              | 90                     | 1991           | 30                             | 1991           |                         |                        |
| Westworth Village          | 7%                    | 1.5-1                            | 100 T                  | 1992R          | 70                             | 2001R          |                         |                        |
| Wharton                    | 5%                    | 1-1                              | 100 T                  | 1993R          | 70                             | 1993R          | 1-97                    |                        |
| Wheeler                    | 5%                    | 2-1                              | 100                    | 1999R          | 70                             | 1999R          |                         |                        |
| White Deer                 | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| White Oak                  | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 12-00                   |                        |
| White Settlement           | 5%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 6-90                    | 12-21-99               |
| Whiteface                  | 5%                    | 1.5-1                            | 100 T                  | 1996R          | 70                             | 1996R          | 10-01                   |                        |
| Whitehouse                 | 5%                    | 1.5-1                            | 100                    | 1996R          | 70                             | 2003R          |                         |                        |
| Whitesboro                 | 5%                    | 1.5-1                            | 100 T                  | 1998R          | 70                             | 1998R          |                         |                        |
| Whitewright                | 5%                    | 1.5-1                            | 100 T                  | 1992R          |                                |                |                         |                        |
| Whitney                    | 5%                    | 1-1                              | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Wichita Falls              | 5% <sup>②</sup>       | 2-1                              | 50 T                   | 1997R          | 70                             | 1997R          |                         |                        |
| Willis                     | 6%                    | 1.5-1                            | 100 T                  | 1995R          | 70                             | 1995R          |                         |                        |
| Wills Point                | 5%                    | 1.5-1                            | 100 T                  | 2002R          | 70                             | 2002R          |                         |                        |
| Wilmer                     | 5%                    | 2-1                              | 100                    | 1991           | 70                             | 1991           |                         |                        |
| Wimberley                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Windcrest                  | 6%                    | 1.5-1                            | 100 T                  | 2004R          | 70                             | 2004R          |                         |                        |
| Wink                       | 5%                    | 1.5-1                            | 100                    | 1991           | 70                             | 1991           |                         |                        |
| Winnsboro                  | 5%                    | 2-1                              | 100 T                  | 2002R          | 70                             | 2002R          | 1-89                    | 6-08-04                |
| Winona                     | 7%                    | 2-1                              | 100                    | 2006R          | 70                             | 2007R          |                         |                        |
| Winters                    | 5%                    | 2-1                              | 100 T                  | 2001R          | 70                             | 2001R          |                         |                        |
| Wolfforth                  | 5%                    | 1.5-1                            | 100 T                  | 2004R          | 70                             | 2004R          | 1-00                    |                        |
| Woodcreek                  | 5%                    | 1-1                              |                        |                |                                |                |                         |                        |
| Woodsboro                  | 5%                    | 1-1                              | 100                    | 1992R          | 70                             | 1992R          |                         |                        |
| Woodville                  | 7%                    | 2-1                              | 100 T                  | 2000R          | 70                             | 2000R          |                         |                        |
| Woodway                    | 7%                    | 2-1                              | 100 T                  | 1992R          | 70                             | 1992R          | 1-91                    |                        |
| Wortham                    | 6%                    | 2-1                              | 100 T                  | 2004R          |                                |                |                         |                        |
| Wylie                      | 7%                    | 2-1                              | 100 T                  | 1995R          | 70                             | 1995R          | 2-89                    | 12-12-00               |
| Yoakum                     | 6%                    | 2-1                              | 100                    | 1992R          | 70                             | 1992R          | 5-82                    |                        |
| Yorktown                   | 5%                    | 1-1                              | 100                    | 1988           | 70                             | 1988           |                         |                        |
| Zavalla                    | 7%                    | 1-1                              | 100 T                  | 2001R          |                                |                | 9-05                    |                        |

① For years prior to 1982, the rate is the actual percentage in annuities. For 1982 and later, the rate is the percentage of the change in the CPI-U since retirement date granted to each annuitant as an increase of the original annuity.

② Police Department — 7%

③ All plans include Vested Employee Survivor benefits and Occupational Disability benefits except for these three inactive cities.

# Plan Provisions For Participating Municipalities

CONTINUED

| Vesting Requirement | Service Retirement Eligibilities | Restricted Prior Service Credit | Supplemental Death Benefits |          | Participating Municipality | City Number |
|---------------------|----------------------------------|---------------------------------|-----------------------------|----------|----------------------------|-------------|
|                     |                                  |                                 | Employees                   | Retirees |                            |             |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Van Alstyne                | 01316       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-97                            | X                           | X        | Van Horn                   | 01318       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-03                            | X                           | X        | Vega                       | 01320       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Venus                      | 01324       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 12-96                           | X                           | X        | Vernon                     | 01326       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-92                            | X                           | X        | Victoria                   | 01328       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 7-97                            | X                           | X        | Vidor                      | 01329       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-96                            | X                           | X        | Village Fire Dept.         | 01500       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-91                           |                             |          | Waco                       | 01330       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Waelder                    | 01332       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-92                            | X                           | X        | Wake Village               | 01334       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 6-02                            | X                           | X        | Waller                     | 01336       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    |                                 | X                           | X        | Wallis                     | 01337       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Walnut Springs             | 01338       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 5-00                            | X                           | X        | Waskom                     | 01340       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 3-92                            | X                           | X        | Watauga                    | 01341       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-91                           | X                           | X        | Waxahachie                 | 01342       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-92                           | X                           | X        | Weatherford                | 01344       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 2-95                            | X                           | X        | Webster                    | 01345       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-98                            | X                           | X        | Weimar                     | 01346       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 12-98                           | X                           | X        | Wellington                 | 01350       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | Wells                      | 01352       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-95                           | X                           | X        | Weslaco                    | 01354       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | West                       | 01356       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 |                             |          | West Columbia              | 01358       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 11-96                           | X                           | X        | West Lake Hills            | 01359       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 10-95                           |                             |          | West Orange                | 01361       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | West Tawakoni              | 01365       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 1-96                            | X                           | X        | West Univ. Place           | 01364       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Westlake                   | 01363       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 10-93                           | X                           | X        | Westover Hills             | 01362       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 8-00                            | X                           | X        | Westworth Village          | 01366       |
| 10 yrs              | 10 yrs/age 60, 20 yrs/any age    | 11-97                           | X                           | X        | Wharton                    | 01368       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Wheeler                    | 01370       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | White Deer                 | 01372       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 5-00                            | X                           | X        | White Oak                  | 01377       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 11-91                           | X                           | X        | White Settlement           | 01378       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Whiteface                  | 01374       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-95                            | X                           | X        | Whitehouse                 | 01375       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-98                            | X                           | X        | Whitesboro                 | 01376       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Whitewright                | 01380       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 4-02                            | X                           | X        | Whitney                    | 01382       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    | 10-96                           | X                           | X        | Wichita Falls              | 01384       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 8-97                            | X                           | X        | Willis                     | 01386       |
| 10 yrs              | 10 yrs/age 60, 25 yrs/any age    |                                 | X                           | X        | Wills Point                | 01388       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-97                           | X                           | X        | Wilmer                     | 01390       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Wimberley                  | 01392       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 6-00                            | X                           | X        | Windcrest                  | 01393       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 11-99                           | X                           | X        | Wink                       | 01396       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 1-96                            | X                           | X        | Winnsboro                  | 01398       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Winona                     | 01399       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 10-00                           | X                           | X        | Winters                    | 01400       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Wolfforth                  | 01403       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Woodcreek                  | 01409       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Woodsboro                  | 01404       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 5-99                            | X                           | X        | Woodville                  | 01406       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Woodway                    | 01407       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     |                                 | X                           | X        | Wortham                    | 01408       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     | 9-91                            | X                           | X        | Wylie                      | 01410       |
| 5 yrs               | 5 yrs/age 60, 25 yrs/any age     | 3-98                            | X                           | X        | Yoakum                     | 01412       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 | X                           | X        | Yorktown                   | 01414       |
| 5 yrs               | 5 yrs/age 60, 20 yrs/any age     |                                 |                             |          | Zavalla                    | 01415       |

④ Also includes 25 yrs/age 50 retirement eligibility.

T — Includes Transfer Credits.

R — Annually Repeating.







