

Fiduciary Funds (Trust and Agency Funds)

Trust and Agency Funds are used to account for assets held by a government unit as trustee, or agent, for individuals, private organizations, other governmental units, and/or other funds.

Pension trust funds are used to account for the operation of the employee pension retirement programs. The funds include: Houston Firefighters' Relief and Retirement, Houston Municipal Employees', and Police Officers' funds.

Agency funds are custodial in nature, and assets equal liabilities with no measure of the results of operations or financial position. Agency funds include: Payroll Revolving, City Deposits, and Tax Clearing Funds.

CITY OF HOUSTON, TEXAS
PENSION TRUST FUNDS
Combining Statement of Plan Net Assets
June 30, 2004
(With comparative totals for 2003)
amounts expressed in thousands

		Firefighters' Relief and Retirement Pension Trust Fund
Assets		
Cash	\$	9,102
Investments		
U.S. government and agency securities		-
Corporate bonds		-
Other fixed income securities		617,678
Commingled equity funds		-
Common and preferred stock		840,839
Real estate and partnerships		408,817
Short-term investment funds		80,834
Invested securities lending collateral		402,959
Receivables, net of allowances		
Due from broker		86
Contributions		1,447
Accrued interest and dividends		10,341
Other		544,516
Other assets		1,471
Land		541
Building		8,085
Total assets		2,926,716
 Liabilities and plan net asset		
Liabilities		
Accounts payable		15,253
Securities lending collateral		402,959
Foreign funds contracts payable		527,557
Other liabilities		43
Total liabilities		945,812
 Plan net assets held in trust for pension benefits	 \$	 1,980,904

(Continued)

Municipal Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	2004	2003
\$ 2,691	\$ 70	\$ 11,863	\$ 9,887
88,750		88,750	213,671
100,820		100,820	400,040
	312,670	930,348	811,280
291,694	-	291,694	1,568,471
552,420	1,369,177	2,762,436	1,027,096
350,343		759,160	760,350
53,978	441,660	576,472	226,346
109,440	646,066	1,158,465	510,979
12,511	27,986	40,583	32,172
2,430	927	4,804	3,302
3,369	8,505	22,215	20,517
796	40	545,352	28,850
7,496	-	8,967	3,749
-	-	541	541
-	-	8,085	8,392
<u>1,576,738</u>	<u>2,807,101</u>	<u>7,310,555</u>	<u>5,625,643</u>
33,040	35,576	83,869	87,229
109,440	348,478	860,877	510,979
12,512	-	540,069	19,205
3,021	280	3,344	497
<u>158,013</u>	<u>384,334</u>	<u>1,488,159</u>	<u>617,910</u>
<u>\$ 1,418,725</u>	<u>\$ 2,422,767</u>	<u>\$ 5,822,396</u>	<u>\$ 5,007,733</u>

CITY OF HOUSTON, TEXAS
PENSION TRUST FUNDS
Combining Statement of Changes in Plan Net Assets
For the Year Ended June 30, 2004
(With comparative totals for 2003)
amounts expressed in thousands

	Firefighters' Relief and Retirement Pension Trust Fund
Additions:	
Contributions	
City of Houston	\$ 28,477
Members	14,238
Total Contributions	42,715
Investment income	
Interest	38,618
Net decrease in fair value of investments	252,764
Dividends	15,476
Income on securities lending	3,510
Earnings from real estate, limited partnerships real estate investments, and other investments	8,189
Other income	391
Total investment and other income (loss)	318,948
Less - investment expense	(11,966)
Less - cost of securities lending	(2,757)
Total additions (reductions)	346,940
Deductions:	
Benefits paid to members	83,619
Refunds to members	97
Other	5,565
Total deductions	89,281
Net increase (decrease)	257,659
Plan net assets held in trust for pension benefits, beginning of year	1,723,244
Plan net assets held in trust for pension benefits, end of year	\$ 1,980,903

(Continued)

Municipal Employees' Pension Trust Fund	Police Officers' Pension Trust Fund	2004	2003
\$ 57,308	\$ 36,645	\$ 122,430	\$ 103,256
26,189	26,393	66,820	61,765
<u>83,497</u>	<u>63,038</u>	<u>189,250</u>	<u>165,021</u>
9,514	29,477	77,609	55,786
189,465	401,591	843,820	97,638
15,134	15,897	46,507	30,385
1,122	1,153	5,785	4,451
19,464	1,598	29,251	21,212
726	333	1,450	29,397
<u>235,425</u>	<u>450,049</u>	<u>1,004,422</u>	<u>238,869</u>
(770)	(11,889)	(24,625)	(19,060)
(6,568)	(412)	(9,737)	(7,219)
<u>311,584</u>	<u>500,786</u>	<u>1,159,310</u>	<u>377,611</u>
153,202	92,697	329,518	235,824
635	852	1,584	1,593
5,212	2,768	13,545	12,565
<u>159,049</u>	<u>96,317</u>	<u>344,647</u>	<u>249,982</u>
152,535	404,469	814,663	127,629
<u>1,266,190</u>	<u>2,018,299</u>	<u>5,007,733</u>	<u>4,880,104</u>
<u>\$ 1,418,725</u>	<u>\$ 2,422,768</u>	<u>\$ 5,822,396</u>	<u>\$ 5,007,733</u>

CITY OF HOUSTON, TEXAS
AGENCY FUNDS
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2004
amounts expressed in thousands

	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
Payroll Revolving Fund				
Assets				
Equity in pooled cash and investments	\$ 2,363	\$ 3,531,898	\$ 3,532,396	\$ 1,865
Accounts receivable	48	72	-	120
Total assets	<u>\$ 2,411</u>	<u>\$ 3,531,970</u>	<u>\$ 3,532,396</u>	<u>\$ 1,985</u>
Liabilities				
Accounts payable	<u>\$ 2,411</u>	<u>\$ 1,781,556</u>	<u>\$ 1,781,982</u>	<u>\$ 1,985</u>
Total liabilities	<u>\$ 2,411</u>	<u>\$ 1,781,556</u>	<u>\$ 1,781,982</u>	<u>\$ 1,985</u>
City Deposit Fund				
Assets				
Equity in pooled cash and investments	\$ 130	\$ -	\$ -	\$ 130
Total assets	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>
Liabilities				
Advances and deposits	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>
Total liabilities	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130</u>
Tax Clearing Fund				
Assets				
Equity in pooled cash and investments	\$ 29,580	\$ 195,407	\$ 221,617	\$ 3,370
Accounts receivable	915	49	915	49
Total assets	<u>\$ 30,495</u>	<u>\$ 195,456</u>	<u>\$ 222,532</u>	<u>\$ 3,419</u>
Liabilities				
Accounts payable	<u>\$ 30,495</u>	<u>\$ 124,787</u>	<u>\$ 151,863</u>	<u>\$ 3,419</u>
Total liabilities	<u>\$ 30,495</u>	<u>\$ 124,787</u>	<u>\$ 151,863</u>	<u>\$ 3,419</u>
Totals - All Agency Funds				
Assets				
Equity in pooled cash and investments	\$ 32,073	\$ 3,727,305	\$ 3,754,013	\$ 5,365
Accounts receivable	963	121	915	169
Total assets	<u>\$ 33,036</u>	<u>\$ 3,727,426</u>	<u>\$ 3,754,928</u>	<u>\$ 5,534</u>
Liabilities				
Accounts payable	\$ 32,906	\$ 1,906,343	\$ 1,933,845	\$ 5,404
Advances and deposits	130	-	-	130
Total liabilities	<u>\$ 33,036</u>	<u>\$ 1,906,343</u>	<u>\$ 1,933,845</u>	<u>\$ 5,534</u>