



**CITY OF DALLAS, TEXAS**  
**Required Supplementary Information**  
**Schedule of Funding Progress (unaudited)**  
**Employee's Retirement Fund, Dallas Police and Fire Pension System and Police and Fire**  
**Supplemental Pension Plan**  
**Year Ended September 30, 2004**  
**(in millions)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (a-b)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/03	\$1,843	\$2,489	(\$646)	74.0%	\$318	202.8%
12/31/02	1,864	2,400	(536)	77.7%	325	165.0%
12/31/01	2,017	2,276	(259)	88.6%	333	77.9%
12/31/03	\$2,286	\$2,889	(\$603)	79.1%	\$265	227.5%
12/31/02	1,992	2,738	(746)	72.8%	270	276.3%
12/31/01	2,158	2,554	(396)	84.5%	251	157.8%
12/31/03	\$17	\$23	(\$6)	72.7%	\$1	873.3%
12/31/02	14	23	(9)	62.9%	1	969.3%
12/31/01	15	21	(6)	71.4%	1	775.8%

The actuarial information presented is determined by an actuarial valuation and is the amount that results from applying various assumptions with regard to termination, disability, retirement, mortality and the time value of money to the accumulated plan benefits.

Significant actuarial assumptions used include: (a) an annual rate of return on the investment of present and future assets of 8.5% in 2003 and 2002, respectively, compounded annually, (b) projected salary increases based on certain factors, such as changes in benefit provisions, the size or composition of the population (c) postretirement benefit increases of 4% in 2003 and 2002 calculated annually, and (d) asset valuation method three year smoothed market