PARK EMPLOYEES' AND
RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO

(A Component Unit/Fund of the Chicago Park District)

FINANCIAL REPORT

JUNE 30, 2004 AND 2003

PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO
(A Component Unit/Fund of the Chicago Park District)

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

The Retirement Board
Park Employees' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Chicago, Illinois

We have audited the statements of plan net assets of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the Plan), a Component Unit/Fund of the Chicago Park District, as of June 30, 2004 and 2003, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan'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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of June 30, 2004 and 2003, and the changes in its plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis and the schedules of funding progress and employer contributions are not a required part 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of tax levies receivables, administrative and general expenses, annual professional expenses, and annual investment expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

October 30, 2004

PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO
(A COMPONENT UNIT/FUND OF THE CHICAGO PARK DISTRICT)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2004

This discussion and analysis of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Plan) financial performance provides an overview of the Plan's financial activities for the year ended June 30, 2004. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

- The Plan's net assets increased during the year by $34.3 million or 6.4% compared to a decline of $11.7 million or 2.1% for 2003.
- The Plan's annual investment return of 13.4% enabled the total fund to exceed the portfolio benchmark return of 11.8% and was higher than the 4.3% return for 2003 and -2.4% return for 2002.
- The Plan's three-year rate of return of 4.9% exceeded the portfolio benchmark return of 4.6% and the Public Fund's Universe Median Return of 4.3%.
- The Plan's five-year rate of return of 3.5% slightly lagged the Portfolio Benchmark Return of 3.8% and the Public Funds Universe Median Return of 3.6%.
- The Plan's ten-year return of 8.9%, as well as the 10.0% annual return since inception, both have exceeded the actuarial assumed rate of 8.0%.
- Total 2004 additions to the Plan's net assets of $90.2 million is $50.5 million higher than the 2003 additions and $89.8 million higher than the 2002 additions.
- Total 2004 deductions of $55.9 million is 8.7% higher than the 2003 deductions and 10.5% higher than the 2002 deductions.
- The Plan's June 30, 2004 actuarial valuation was based upon the actuarial liabilities being computed on the Projected Unit Credit Actuarial Cost Method. Prior years valuations were based on the Entry Age Normal Actuarial Valuation Method.
- The Plan's actuarially computed funding ratio is 82.6% which is 6.4% less than 2003 and 11.4% less than 2002.

USING THIS ANNUAL REPORT

Management Discussion and Analysis introduces the Plan's basic financial statements. The basic financial statements include the notes to the financial statements, required supplementary information and other additional information which will supplement the basic financial statements.

The financial statements provide information about the Plan's overall financial condition. The first of these statements is the Statement of Plan Net Assets. This is a statement indicating financial position information that includes assets and liabilities with the difference reported as net assets. Over time increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Plan is improving or deteriorating.

USING THIS ANNUAL REPORT (Continued)

The second financial statement is the Statement of Changes in Plan Net Assets during the fiscal year. All additions such as member and employer contributions and investment income are included. All deductions such as benefit payments, refunds of contributions and administrative and general expenses are reflected. An important purpose of the design of this statement is to show the individual components of additions and deductions that occurred during the fiscal year.

The accompanying Notes to the Financial Statements will provide information essential to achieve full disclosure and understanding of the Plan's financial statements.

In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information, including the Schedules of Funding Progress and Employer Contributions along with the accompanying note to these schedules. Other supplementary information includes schedules of Tax Levies Receivables, Administrative and General Expenses, Annual Professional Expenses and Annual Investment Expenses.

THE PLAN AS A WHOLE

The Plan's net assets at fiscal year-end are $573,870,138. This is $34,325,167 greater than 2003 year-end net assets of $539,544,971 and $22,593,982 greater than 2002 year-end net assets. The following table is a comparative summary of net assets:

	2004	2003	2002
Total Assets	$671,251,376	$602,288,757	$649,854,607
Total Liabilities	97,381,238	62,743,786	98,578,451
Net Assets	$573,870,138	$539,544,971	$551,276,156

During the current year, there was a significant increase in income. This is summarized as follows:

Additions	2004	2003	2002
Employer Contributions	$ 9,840,681	$ 9,842,559	$ 9,977,765
Employee Contributions	10,593,581	9,533,018	9,192,876
Investment income (loss) (includes security lending activities)	69,754,905	20,297,955	(18,775,731)
Totals	$90,189,167	$39,673,532	$ 394,910

The 2004 investment income was $69,754,905 as compared to the investment income of $20,297,955 in 2003 and an investment loss of ($18,775,731) in 2002. The 2004 investment income is primarily a direct result of the increase in market value of the Plan's investments producing significant unrealized gains. The unrealized gains are directly tied to the economic improvement of the broader financial markets.

For the fiscal year, expenditures were $55,864,000 which is $4,459,283 higher than 2003 and $5,314,808 over 2002 expenditures. The net increase in expenditures is primarily the result of the additional benefit payments required by the Early Retirement Incentive Program (ERI) and the benefit formula change to 2.4% for each year of service, both enacted in early January, 2004. In addition to increased annuity payments, one-time lump sum payments totaling $1.4 million are also included in the 2004 expenditures. The other 2004 expenditure increases in refunds of contributions and administration and general expenses were partially offset by decreases in disability and death benefits and childrens benefit payments.

THE PLAN AS A WHOLE (Continued)

Deductions	2004	2003	2002
Retirement Benefits	$42,831,611	$38,708,659	$38,473,834
Spouse Benefits	8,196,180	7,971,585	7,670,908
Childrens Benefits	38,600	42,050	41,950
Disability Benefits	382,263	412,555	419,289
Death Benefits	292,539	325,500	343,500
Total benefits	51,741,193	47,460,349	46,949,481
Refund of Contributions	2,923,613	2,774,837	2,477,077
Administrative and General Expenses	1,199,194	1,169,531	1,122,634
Totals	$55,864,000	$51,404,717	$50,549,192

The June 30, 2004 actuarial valuation was based upon the actuarial liabilities being computed using the Projected Unit Credit Actuarial Cost Method. Prior years actuarial valuations were based upon the Entry Age Normal Actuarial Valuation Method. The Trustees approved the change in valuation methods because of the resulting positive impact on funding due to the marked decline in the average age of active members.

The Plan's actuarially computed funding ratio is 82.6% which is 6.4% less than 2003 and 11.4% less than 2002. This drop is the direct result of the decline in investment returns over the 2000-2003 period in comparison to the actuarial assumed rate of 8.0% and the increase in actuarial liability attributed to the 2004 Early Retirement Incentive Program and the benefit formula change to 2.4% for each year of service. The annual investment return for the fiscal year was 13.4% which is higher than the 4.3% for 2003 and -2.4% for 2002, and significantly above the actuarial assumed rate of 8.0%. As the financial markets continue to improve and investment returns exceed 8% the funding ratio should stabilize and will begin to increase approaching levels closer to full funding.

In summation, the Plan's annual return of 13.4% enabled the Plan to exceed its portfolio benchmark of 11.8%. The Plan's three-year return exceeded the Plan's portfolio benchmark and the Public Fund's Median Return while the five-year return slightly lagged them. The Plan has maintained a strong absolute ten-year return of 8.9%, and since inception an annual return of 10.0%, both of which have exceeded the actuarially assumed rate of 8.0%. The fund has generated a significant increase in investment income during the current year which is the direct result of improving financial markets. In addition, the Plan's current funding ratio of 82.6% strongly positions the Plan to continue providing benefits well into the future.

CONTACTING THE PLAN'S FINANCIAL MANAGEMENT

This report is intended to provide a general overview of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago for its employees and other interested parties. If you have questions, requests or need additional information, please contact the Plan at 55 East Monroe Street, Suite 2880, Chicago, Illinois 60603.

PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO
(A Component Unit/Fund of the Chicago Park District)

STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2004 AND 2003

	2004	2003
ASSETS		
Cash	$ 63,168	$ 60,386
Receivables		
Contributions from employer, net of allowance for loss of $948,791 in 2004 and $1,077,640 in 2003	5,421,992	5,491,843
Employee contributions	302,013	268,131
Due from broker for securities sold	24,955,178	25,673,152
Accrued investment income	1,507,969	1,534,818
Note receivable	-	625,000
Early retirement incentive program	414,348	-
Miscellaneous receivable	-	1,630
	32,601,500	33,594,574
Investments, at fair value		
Short-term investments	19,872,991	19,064,481
Bonds	237,252,136	227,826,401
Common and preferred stocks	297,366,534	251,598,158
Pooled separate real estate accounts	23,981,315	23,692,581
Other	1,703,308	-
	580,176,284	522,181,621
Invested securities lending collateral	58,367,928	46,056,952
Prepaid expenses	42,496	395,224
Total assets	671,251,376	602,288,757
LIABILITIES		
Accounts payable	579,245	891,259
Accrued benefits payable	235,426	211,165
Securities lending collateral	58,367,928	46,056,952
Due to broker for securities purchased	38,198,639	15,584,410
	97,381,238	62,743,786
Net assets held in trust for pension benefits (A schedule of funding progress is presented on page 11)	$ 573,870,138	$ 539,544,971

The accompanying notes are an integral part of the financial statements.

PARK EMPLOYEES' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

(A Component Unit/Fund of the Chicago Park District)

STATEMENTS OF CHANGES IN PLAN NET ASSETS
YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003
Additions		
Contributions		
Employer contributions	$ 9,840,681	$ 9,842,559
Employee contributions	10,593,581	9,533,018
Total contributions	20,434,262	19,375,577
Investment income		
Net appreciation in fair value of investments	56,680,327	3,196,879
Interest	9,928,263	12,426,961
Dividends	3,016,260	3,868,471
Investment return on pooled separate real estate accounts	2,031,035	2,599,582
	71,655,885	22,091,893
Less investment expenses	1,981,245	1,861,912
	69,674,640	20,229,981
Security lending activities		
Securities lending income	626,727	709,663
Borrower rebates	(494,831)	(592,260)
Bank fees	(51,631)	(49,429)
	80,265	67,974
Total additions	90,189,167	39,673,532
Deductions		
Benefits		
Annuity payments	51,066,391	46,722,294
Disability and death benefits	674,802	738,055
Total benefits	51,741,193	47,460,349
Refund of contributions	2,923,613	2,774,837
Administrative and general expenses	1,199,194	1,169,531
Total deductions	55,864,000	51,404,717
Net increase (decrease)	34,325,167	(11,731,185)
Net assets held in trust for pension benefits		
Beginning of year	539,544,971	551,276,156
End of year	$ 573,870,138	$ 539,544,971

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Plan Description and Contribution Information

The Plan is the administrator of a single employer defined benefit plan (PERS) established by the State of Illinois to provide annuities and benefits for substantially all employees of the Chicago Park District. The Plan is considered a component unit of the Chicago Park District's financial statements as a pension trust fund. The Plan is administered in accordance with the Illinois Compiled Statutes. The defined benefits as well as the employer and employee contribution levels of the Plan are mandated by Illinois State Statutes and may be amended only by the Illinois legislature. The Plan provides retirement, disability and death benefits to plan members and beneficiaries. At June 30, 2004 and 2003, Plan membership consists of:

	2004	2003
Retirees and beneficiaries currently receiving benefits	3,240	3,074
Current employees	2,820	3,179

Employees attaining the age of 50 with at least ten years or more of creditable service are entitled to receive a minimum service retirement pension. The retirement pension is based upon the average of the four highest consecutive years of salary within the last ten years at various rates depending on years of service. If the employee retires prior to the attainment of age 60, the allowance computed is reduced by one-quarter percent for each full month the employee is under age 60. There is no reduction if the participant has 30 years of service. Employees with four years of service at age 60 may receive a retirement benefit. The monthly annuity of an employee who retires at age 60 or after is increased each year, following one year's receipt of pension payments, by three percent of the original monthly annuity and the same three percent (not compounded) annually thereafter. Effective August 18, 1998, Public Act 90-766 established an employee who retires with at least 30 years of service is eligible to receive the annual increase of three percent, following one full year's receipt of pension payments, without regard to the attainment of age 60 and whether or not the employee was in service on or after the effective date of this amendment.

Effective January 16, 2004, Public Act 093-0654 established an early retirement incentive program in which employees who had attained age fifty (50) and had at least 10 years of creditable service with the Chicago Park District and elected to retire during the period from January 31, 2004 to February 29, 2004 were able to attain up to five years of additional service credit upon making specified contributions. For employees who have previously earned maximum pension benefits, they were able to receive a lump sum from the Fund equal to 100% of their salary for the year ending on February 29, 2004 or the date of withdrawal, whichever is earlier. The program also changed the benefit formula to 2.4% for each year of service.

Covered employees are required by state statutes to contribute 9.0 percent of their salary to the Plan. If a covered employee leaves employment before the age of 55, accumulated employee contributions are refundable without interest. The District is required by state statute to contribute the remaining amounts necessary to finance the requirements of the Plan on an actuarially funded basis. It is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees to the Plan made in the fiscal year two years prior to the year for which the annual applicable tax is levied, multiplied by a factor of 1.1 annually. The District has no legal obligation to fund pension costs above that allowed by statute.

Note 2 – Summary of Significant Accounting Policies

Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the appointed 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 either a) the ability to impose will by the primary government, or b) the possibility 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 upon the required criteria, the Plan has no component units. The Plan is considered a component unit fund of the Chicago Park District and, as such, is included in the Chicago Park District's financial statements. Accordingly, these financial statements present only the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund and are not intended to present fairly the financial position of the Chicago Park District and the result of its operations in conformity with generally accepted accounting principles.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

The Plan is authorized to invest in bonds, notes, and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; real estate; and other investment vehicles as set forth in the Illinois Compiled Statutes. Income on all investments is recognized on the accrual basis. Gains and losses on sales and exchanges of investments are recognized on the transaction date of such sale or exchange. Dividend income is recognized based on dividends declared.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Fair values for bonds and stocks are determined by quoted market prices and for pooled separate real estate accounts as reported by the plan administrator.

Administrative Expenses

Administrative expenses are budgeted and approved by the Plan's Board of Trustees. Funding for these expenses is included in the employer contributions as determined by the annual actuarial valuation.

Reclassifications

Certain reclassifications have been made in the prior year financial statements to conform to the current year presentation.

Note 3 – Investments

The Plan's investments are held by a bank administered trust fund, except for the pooled separate real estate accounts. Investments that represent 5 percent or more of the Plan's net assets (except those issued or guaranteed by the U.S. Government) are separately identified.

	2004	2003
Investments At Fair Value As		
Determined by Quoted Price		
Short-term investments	$ 19,872,991	$ 19,064,481
Bonds		
PIMCO Fds	40,497,834	70,276,419
Other	196,754,302	157,549,982
Common and preferred stock		
Aggregate stock funds	125,514,597	123,355,287
Other	171,851,937	128,242,871
Other investments	1,703,308	-
	556,194,969	498,489,040
Investments At Fair value As		
Determined by Plan Administrator		
Pooled separate real estate accounts	23,981,315	23,692,581
	$580,176,284	$522,181,621

The following table presents a summarization of the fair and book values of the Plan's investments and related categorization of credit risk at June 30, 2004 and 2003. Category 1 includes insured or registered investments held by Northern Trust Company, as agent of the Plan, in the Plan's name.

		2004		2003	
	Risk Category	Fair Value	Cost	Fair Value	Cost
Short-term investments					
Commercial paper	1	$ 19,872,991	$ 19,872,991	$ 19,064,481	$ 19,064,481
U.S. Government bonds, Notes, bills and agency securities	1	77,926,210	78,734,140	57,613,606	56,654,908
Corporate bonds	1	159,325,926	160,488,468	170,212,795	166,932,393
Preferred stock	1	1,468,070	2,261,185	2,609,445	3,201,185
Common stock	1	252,151,960	190,295,567	213,071,646	196,108,232
International equity					
Commingled	N/A	43,746,504	42,053,983	35,917,067	43,927,276
Real estate investments	N/A	23,981,315	25,873,189	23,692,581	25,976,430
Other investments	N/A	1,703,308	1,749,900	-	-
		$580,176,284	$521,329,423	$522,181,621	$511,864,905

Note 4 – Deposits

At June 30, 2004 and 2003, the Plan's book balances of cash were $63,168 and $60,386, respectively, at the Northern Trust Company Bank. The actual bank balances were $88,038 and $63,546, respectively, at June 30, 2004 and 2003. The bank balances are insured by the Federal Deposit Insurance Corporation up to $100,000.

Note 5 – Securities Lending

Under the provisions of state statutes, the Plan lends securities (both equity and fixed income) to qualified and Plan approved brokerage firms for collateral that will be returned for the same securities in the future. The Plan's custodian, the Northern Trust Co., manages the securities lending program, which includes the securities of the Plan as well as other lenders, and receives cash, U.S. Treasury securities or letters of credit as collateral. The collateral received cannot be pledged or sold by the Plan unless the borrower defaults. However, the Plan does have the right to close the loan at any time. All security loan agreements are initially collateralized at 102% of the loaned securities. Whenever adjustments are needed to reflect changes in the market value of the securities loaned, the collateral is adjusted accordingly. As of June 30, 2004 and 2003, the Plan had loaned to borrowers securities with a market value of $66,035,976 and $59,041,846, respectively. As of June 30, 2004 and 2003, the Plan received from borrowers cash collateral of $58,367,928 and $46,056,952, and non-cash collateral of $8,854,935 and $14,670,129, respectively. Securities lending net income for the years ended June 30, 2004 and 2003 was $80,265 and $67,974, respectively.

At year end, the Plan has no credit risk exposure to the borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan.

Note 6 – Operating Lease

The Plan entered into an operating lease for office space effective August 1, 1996 and expiring July 31, 2006. The lease provides that the lessee pay monthly base rent subject to annual increases of 2% of the prior years amount, plus an escalation rent computed on costs incurred by the lessor.

Following is a schedule of minimum future rental payments for the next three years under the noncancelable operating lease at June 30, 2004:

Year Ending June 30	Amount
2005	$ 48,411
2006	49,379
2007	4,197
	$101,987

The total rental expense for the years ended June 30, 2004 and 2003 was $126,303 and $124,889, respectively.

Note 7 – Note Receivable

On October 1, 2001, the Plan completed its sale of the Fort Road and Ritchie Real Estate Properties realizing a gain approximating $2,300,000. The amount of the note was for $1,250,000 payable on or before the two-year anniversary of the date of the note. The note had an interest rate of 9.0% per annum. During the year ended June 30, 2004 the remaining balance of $625,000 was received in full.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/04	$610,294	$738,579	$128,285	82.6%	$ 87,841	146.0%
6/30/03	624,210	701,209	76,999	89.0%	102,330	75.2%
6/30/02	637,750	678,208	40,458	94.0%	103,787	39.0%
6/30/01	651,344	673,430	22,086	96.7%	105,740	20.9%
6/30/00	627,938	655,967	28,029	95.7%	101,268	27.7%
6/30/99	592,284	610,528	18,244	97.0%	94,255	19.4%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

(Dollar amounts in thousands)

	Employer Contributions	
Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2004	$7,518	100%
2003	7,215	100%
2002	6,288	100%
2001	6,197	100%
2000	6,427	100%
1999	4,098	100%

NOTE TO SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Valuation date	6/30/04
Actuarial cost method	Projected unit (previous years Entry age)
Amortization method	Level dollar
Amortization period	30 years (open period)
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Inflation rate	4%

TAX LEVIES RECEIVABLES

Levy Year (Calendar)	Tax Levy	Collections	Tax Levy Receivable	Allowance for Uncollectible Taxes	Allowance for Uncollectible Write-offs as a Percentage of Tax Levy	Net Tax Levies Receivable
At June 30, 2004:						
2000	$ 9,442,405	$ 9,346,347	$ 96,058	$ 96,058	1.02%	$ -
2001	10,036,565	9,904,376	132,189	132,189	1.32%	-
2002	10,121,430	9,907,335	214,095	214,095	2.12%	-
2003	10,135,021	4,206,580	5,928,441	506,449	5.00%	5,421,992
			$ 6,370,783	$ 948,791		$ 5,421,992
At June 30, 2003:						
1999	$ 9,019,051	$ 8,706,121	$ 312,930	$ 312,930	3.47%	$ -
2000	9,442,405	9,438,847	3,558	3,558	0.04%	-
2001	10,036,565	9,780,722	255,843	255,843	2.55%	-
2002	10,121,430	4,124,278	5,997,152	505,309	5.00%	5,491,843
			$ 6,569,483	$ 1,077,640		$ 5,491,843

ADMINISTRATIVE AND GENERAL EXPENSES

	Year Ended June 30, 2004	Year Ended June 30, 2003
Actuary expense	$ 36,000	$ 35,500
Auditing	17,800	18,500
Conference and convention expense	27,761	39,421
Contributions for annuities of Retirement Board employees	77,206	89,925
Equipment rental	6,039	6,376
Equipment maintenance	2,792	3,570
Filing fee - Department of Insurance	6,000	6,000
File storage expense	1,034	1,240
Hospitalization	127,106	105,703
Legal	27,333	25,000
Legislative consultant	17,000	17,000
Medical fees	900	850
Office supplies and expenses	27,560	38,292
Postage	15,987	17,118
Insurance - surety bond and other	1,801	2,305
Printing	7,828	7,173
Rent expense	126,303	124,889
Salaries	650,058	606,119
Social security - Medicare	7,708	7,353
Telephone	7,721	8,023
Transportation	933	1,471
Trustees' election expense	6,324	7,703
Total administrative and general expenses	$ 1,199,194	$ 1,169,531

ANNUAL PROFESSIONAL EXPENSES

	Year Ended June 30, 2004	2003
Legal	$ 27,333	$ 25,000
Medical	900	850
Actuary	36,000	35,500
Auditing	17,800	18,500
Legislative Consultant	17,000	17,000
Total	$ 99,033	$ 96,850

ANNUAL INVESTMENT EXPENSES

	Year Ended June 30, 2004	Year Ended June 30, 2003
U.S. EQUITIES		
Great Lakes Advisors	$ 121,494	$ 110,210
J.P. Morgan U.S. Research	-	49,551
The Kenwood Group	149,574	124,057
Wayne Hummer Investment LLC	237,140	212,058
Northern Trust Quantitative Advisors	55,945	39,373
	564,153	535,249
NON - U.S. EQUITY		
Wellington Trust Company	224,366	178,890
Northern Trust Quantitative Advisors	19,953	17,208
	244,319	196,098
U.S. BONDS		
Pacific Investment Management Co.	326,972	387,249
Smith Graham & Company	73,414	75,373
MacKay Shields	211,970	153,556
Reams Asset Management	146,475	147,681
	758,831	763,859
REAL ESTATE		
UBS Brinson Realty (formerly Allegis Realty)	244,285	224,366
BANKING		
Custody	50,000	50,000
Other	29,416	20,187
	79,416	70,187
CONSULTING		
Ennis Knupp & Associates	90,241	72,153
TOTAL	$ 1,981,245	$ 1,861,912