OCTOBER 1, 2005
ACTUARIAL VALUATION REPORT
FOR THE
CITY OF NAPLES
GENERAL RETIREMENT SYSTEM

ANNUAL EMPLOYER CONTRIBUTION
IS DETERMINED BY THIS VALUATION
FOR THE PLAN YEAR ENDING

SEPTEMBER 30, 2006

TO BE PAID IN THE EMPLOYER FISCAL YEAR ENDING

SEPTEMBER 30, 2007

GABRIEL, ROEDER, SMITH & COMPANY
Consultants & Actuaries
301 East Las Olas Blvd. • Suite 200 • Ft. Lauderdale, FL 33301-2254 • 954-527-1616 • FAX 954-525-0083

November 21, 2005

Board of Trustees
City of Naples General Retirement
System
Naples, Florida

Dear Trustees:

We are pleased to present our October 1, 2005 Actuarial Valuation Report for the Plan. The purpose of the Report is to set forth required contribution levels, to disclose plan assets and actuarial liabilities, to comment on funding progress and to provide supporting information regarding the operation of the Plan. This Report is also designed to comply with requirements of the State.

The valuation was performed on the basis of employee, retiree and financial information supplied by the City. Although we did not audit this information, it was reviewed for reasonableness and comparability to prior years.

The benefits valued are outlined at the end of the Report. Actuarial assumptions and the actuarial cost method are also described herein. Any changes in benefits, assumptions or methods are described in the first section.

We will be pleased to answer any questions pertaining to the valuation and to meet with you to review this Report.

Respectfully submitted,

GABRIEL, ROEDER, SMITH AND COMPANY

By: J. Stephen Palmquist

J. Stephen Palmquist, ASA, MAAA, FCA
Enrolled Actuary No. 05-1560

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation and/or cost determination was prepared and completed by me or under my direct supervision, and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate. In my opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current cost have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

Signature

11-21-05

Date

05-1560

Enrollment Number

TABLE OF CONTENTS

Section	Title	Page
A	**Discussion of Valuation Results**	1
B	**Valuation Results**	
	1. Participant Data	3
	2. Annual Required Contribution	4
	3. Actuarial Value of Benefit & Assets	5
	4. Calculation of Employer Normal Cost	6
	5. Amortization of the Unfunded Liability	7
	6. Actuarial Gains and Losses	8
	7. Recent History of Valuation Results	12
	8. Recent History of Required Contributions	14
	9. Actuarial Assumptions and Cost Method	15
	10. Glossary of Terms	17
C	**Pension Fund Information**	
	1. Summary of Assets	18
	2. Summary of Fund's Income and Disbursements	19
	3. Actuarial Value of Assets	21
	4. Investment Rate of Return	22
D	**Financial Accounting Information**	
	1. FASB No. 35	23
	2. GASB No. 25	24
	3. GASB No. 27	26
E	**Miscellaneous Information**	
	1. Reconciliation of Membership Data	28
	2. Age/Service/Salary Distributions	29
F	**Summary of Plan Provisions**	31

SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Comparison of Required Employer Contributions

The minimum required employer contribution developed in this year's valuation is compared below with that of the previous valuation:

	For FYE 9/30/07 Based on 10/1/05 Valuation	For FYE 9/30/06 Based on 2/4/05 Impact Statement	Increase (Decrease)
Required Employer Contribution	$ 1,094,083	$ 982,267	$ 111,816
As % of Covered Payroll	9.16 %	8.47 %	0.69 %

The required contributions listed above were calculated as though payment is made evenly throughout the fiscal year. The actual employer contribution for the fiscal year ending September 30, 2005 was $1,002,415 compared to the minimum required payment of $882,965.

Revisions in Benefits

The following changes have been made since the last valuation:

1. A Deferred Retirement Option Plan was implemented for one member only (Ordinance No. 05-10820).
2. The employee contribution increased from 4.45% of salary to 5.00% effective February 1, 2005 (Ordinance No. 05-10758).

Actuarial impact statements of February 4, 2005 and March 31, 2005 disclosed the effect of these changes.

Revisions in Actuarial Assumptions or Methods

There were no changes in actuarial assumptions or methods since the last valuation.

Actuarial Experience

There has been a net actuarial gain of $1,775,263 for the year primarily due to the change in valuation software resulting from the change in actuaries. There were losses from less than expected investment earnings.

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2005	October 1, 2004
ACTIVE MEMBERS		
Number	286	294
Covered Annual Payroll	$ 11,268,057	$ 10,945,911
Average Annual Payroll	$ 39,399	$ 37,231
Average Age	47.9	48.5
Average Past Service	9.1	10.5
Average Age at Hire	38.8	38.0
RETIREES & BENEFICIARIES & DROP		
Number	178	177
Annual Benefits	$ 1,766,044	$ 1,585,421
Average Annual Benefit	$ 9,922	$ 8,957
Average Age	69.7	N/A
DISABILITY RETIREES		
Number	1	1
Annual Benefits	$ 10,171	$ 10,171
Average Annual Benefit	$ 10,171	$ 10,171
Average Age	56.0	N/A
TERMINATED VESTED MEMBERS		
Number	13	13
Annual Benefits	$ 125,145	$ 64,710
Average Annual Benefit	$ 9,627	$ 4,978
Average Age	51.3	N/A

ANNUAL REQUIRED CONTRIBUTION (ARC)		
A. Valuation Date	October 1, 2005	October 1, 2004
B. ARC to Be Paid During Fiscal Year Ending	9/30/2007	9/30/2006
C. Assumed Dates of Employer Contributions	Evenly	Evenly
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 182,234	$ 293,952
E. Employer Normal Cost	807,413	688,315
F. ARC if Paid on the Valuation Date: D+E	989,647	982,267
G. ARC Adjusted for Frequency of Payments	1,031,707	N/A
H. ARC as % of Covered Payroll	9.16 %	8.47 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	6.00 %	N/A
J. Covered Payroll for Contribution Year	11,944,140	11,602,665
K. ARC for Contribution Year: H x J	1,094,083	982,267
L. REC as % of Covered Payroll in Contribution Year: K ÷ J	9.16 %	8.47 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS

	October 1, 2005	October 1, 2004
A. Valuation Date		
B. Actuarial Present Value of All Projected Benefits for		
1. Active Members		
a. Service Retirement Benefits	$ 27,307,535	$ 28,494,831
b. Vesting Benefits	1,238,473	1,387,884
c. Disability Benefits	190,982	-
d. Preretirement Death Benefits	-	-
e. Return of Member Contributions	558,771	1,231,956
f. Total	29,295,761	31,114,671
2. Inactive Members		
a. Service Retirees & Beneficiaries	15,506,319	13,186,287
b. Disability Retirees	92,752	94,473
c. Terminated Vested Members	676,512	373,719
d. Total	16,275,583	13,654,479
3. Total for All Members	45,571,344	44,769,150
C. Actuarial Accrued (Past Service) Liability per GASB No. 25	37,338,981	38,044,603
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	31,269,718	28,810,986
E. Plan Assets		
1. Market Value	31,238,091	29,361,319
2. Actuarial Value	33,997,608	32,966,229
F. Unfunded Actuarial Accrued Liability: C-E2	3,341,373	5,078,374
G. Actuarial Present Value of Projected Covered Payroll	73,073,206	68,589,266
H. Actuarial Present Value of Projected Member Contributions	3,653,660	3,429,463

CALCULATION OF EMPLOYER NORMAL COST	
A. Valuation Date	October 1, 2005
B. Normal Cost for	
1. Service Retirement Benefits	$ 1,096,709
2. Vesting Benefits	57,002
3. Disability Benefits	7,908
4. Preretirement Death Benefits	-
5. Return of Member Contributions	152,615
6. Total for Future Benefits	1,314,234
7. Assumed Amount for Administrative Expenses	56,582
8. Total Normal Cost	1,370,816
C. Expected Member Contribution	563,403
D. Employer Normal Cost: B8-C	807,413
E. Employer Normal Cost as a % of Covered Payroll	7.17%

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY

A. UAAL Amortization Period and Payments

Original UAAL			Current UAAL		
Date	Source	Amount	Years Remaining	Amount	Payment
10/1/2002	Exp. Loss	$ N/A	27	$ 1,714,445	$ 94,148
10/1/2003	Exp. Loss	N/A	28	619,232	33,252
10/1/2004	Exp. Loss	N/A	29	2,759,585	145,074
10/1/2004	Amendment	N/A	29	23,374	1,229
10/1/2005	Exp. Gain	(1,775,263)	30	(1,775,263)	(91,469)
		(1,775,263)		3,341,373	182,234

B. Amortization Schedule

The UAAL is being amortized as a level percent of payroll over the number of years remaining in the amortization period. The expected amortization schedule is as follows:

Amortization Schedule	
Year	Expected UAAL
2005	$ 3,341,373
2006	3,427,672
2007	3,511,414
2008	3,591,893
2009	3,668,314
2010	3,739,786
2015	3,983,971
2020	3,898,209
2025	3,191,185
2030	1,390,287
2035	-

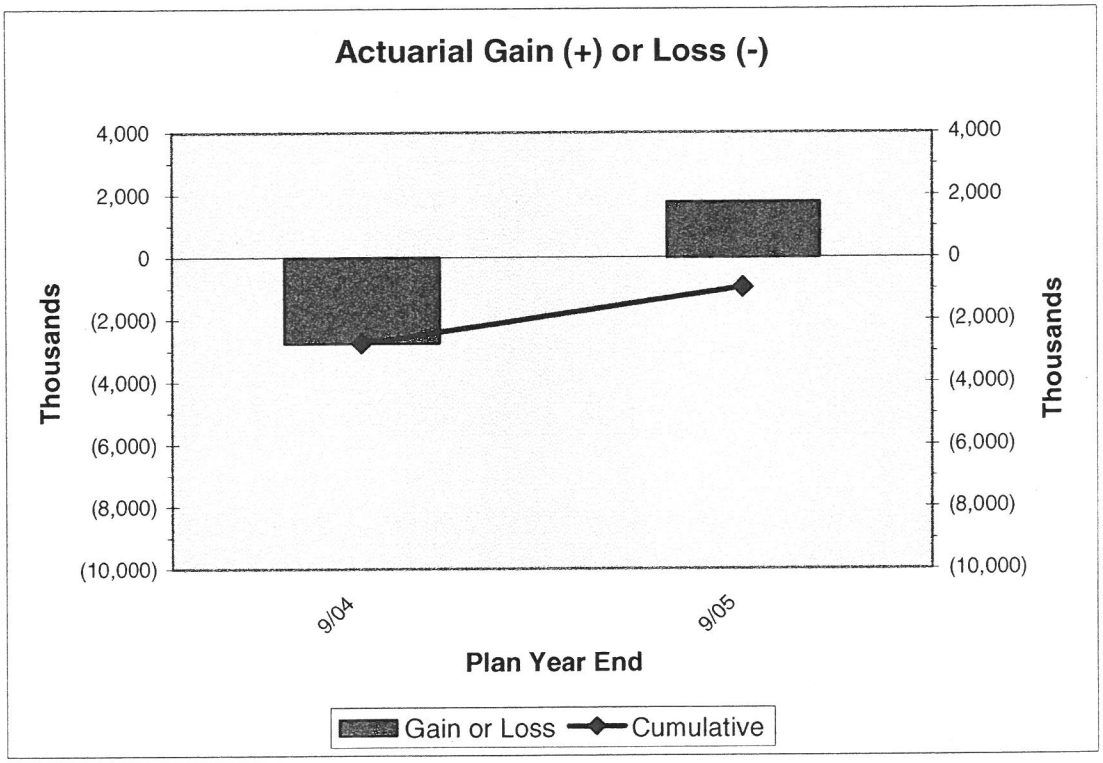
ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long-range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

1. Last Year's UAAL	$ 5,078,374
2. Last Year's Employer Normal Cost	600,570
3. Last Year's Contributions	
a. Employer	1,002,415
b. State	-
c. a + b	1,002,415
4. Interest at the Assumed Rate on:	
a. 1 and 2 for one year	482,710
b. 3 from dates paid	42,603
c. a - b	440,107
5. This Year's Expected UAAL 1 + 2 - 3c + 4c	5,116,636
6. This Year's Actual UAAL (before any changes in Benefits or Assumptions)	3,341,373
7. Net Actuarial Gain (Loss): (5) - (6)	1,775,263
8. Gain (Loss) Due to Investments	(1,393,727)
9. Gain (Loss) from Other Sources	3,168,990

Net actuarial gains (losses) in previous years are as follows:

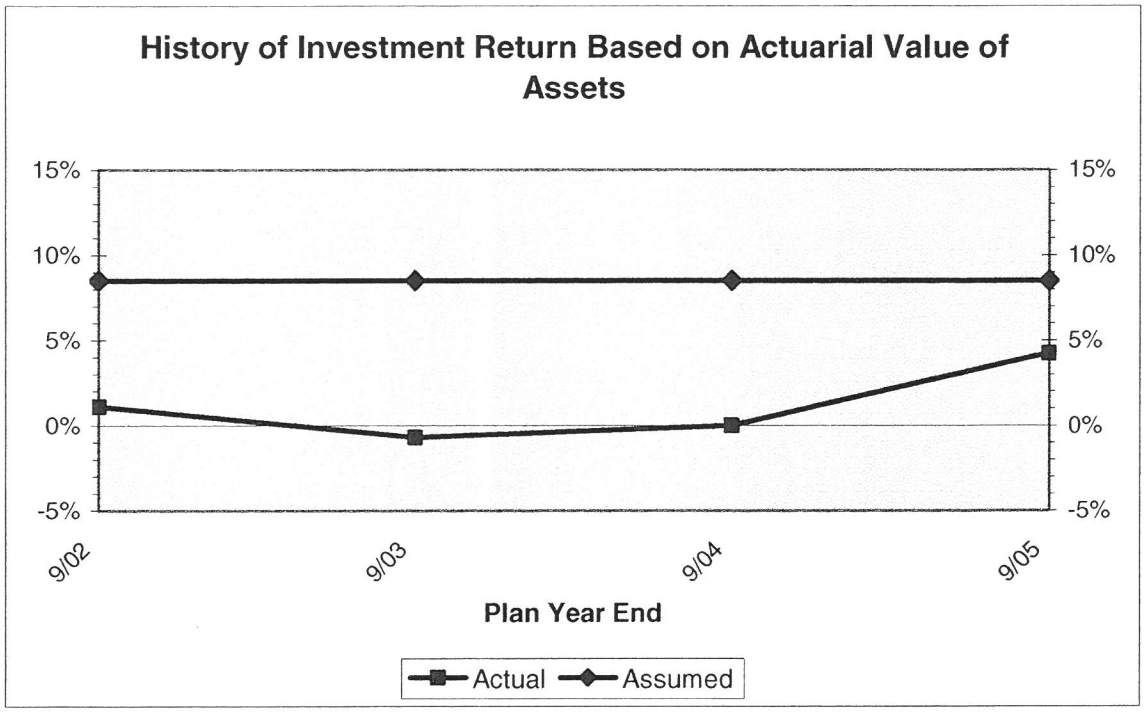
Year Ended	Gain (Loss)
9/30/2004	$ (2,736,580)
9/30/2005	1,775,263

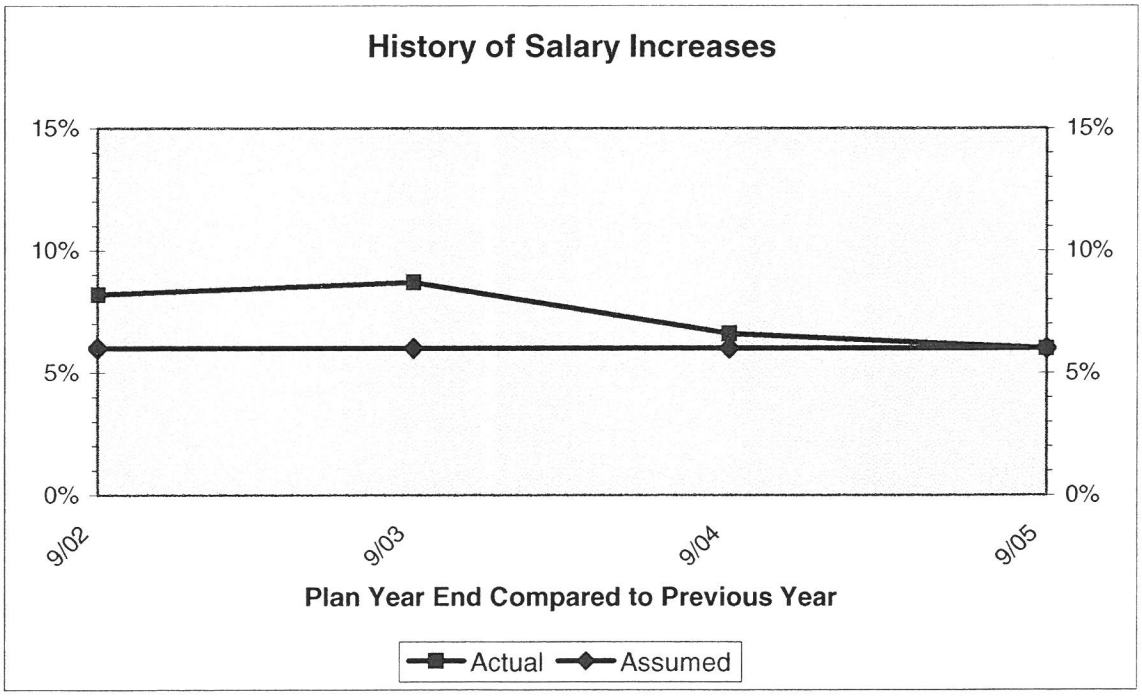

Actuarial Gain (+) or Loss (-)
4,000
2,000
0
(2,000)
(4,000)
(6,000)
(8,000)
(10,000)
Thousands
9/04
9/05
Plan Year End
Gain or Loss
Cumulative

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last few years:

	Investment Return		Salary Increases	
Year Ending	Actual	Assumed	Actual	Assumed
9/30/2002	1.1%	8.5%	8.2%	6.0%
9/30/2003	(0.7)	8.5	8.7	6.0
9/30/2004	0.0	8.5	6.6	6.0
9/30/2005	4.3	8.5	6.0	6.0
Averages	1.2%	---	7.4%	---

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.

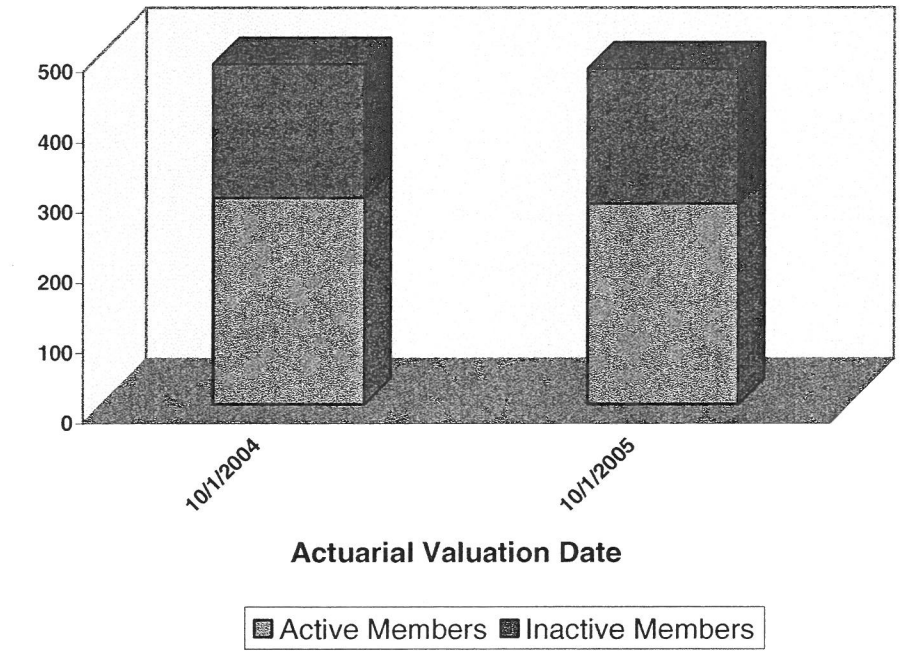

History of Investment Return Based on Actuarial Value of Assets
15%
10%
5%
0%
-5%
9/02
9/03
9/04
9/05
Plan Year End
Actual
Assumed


History of Salary Increases
15%
10%
5%
0%
9/02
9/03
9/04
9/05
Plan Year End Compared to Previous Year
Actual
Assumed

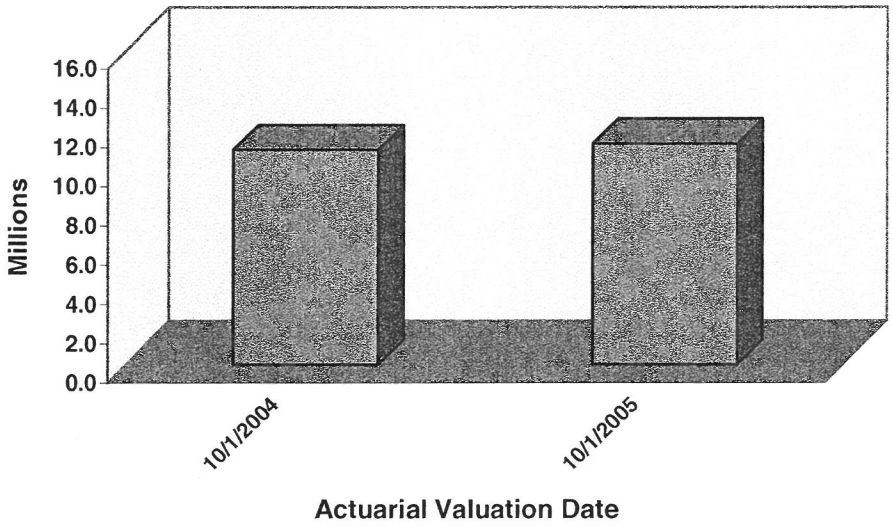
RECENT HISTORY OF VALUATION RESULTS

Valuation Date	Number of Active Members	Number of Inactive Member	Covered Annual Payroll	Actuarial Value of Assets	UFAAL	Employer Normal Cost Amount	Employer Normal Cost % of Payroll
10/1/2004	294	191	$ 10,945,911	$ 32,966,229	$ 5,078,374	$ 688,315	6.29 %
10/1/2005	286	192	11,268,057	33,997,608	3,341,373	807,413	7.17

Recent History of Number of Members

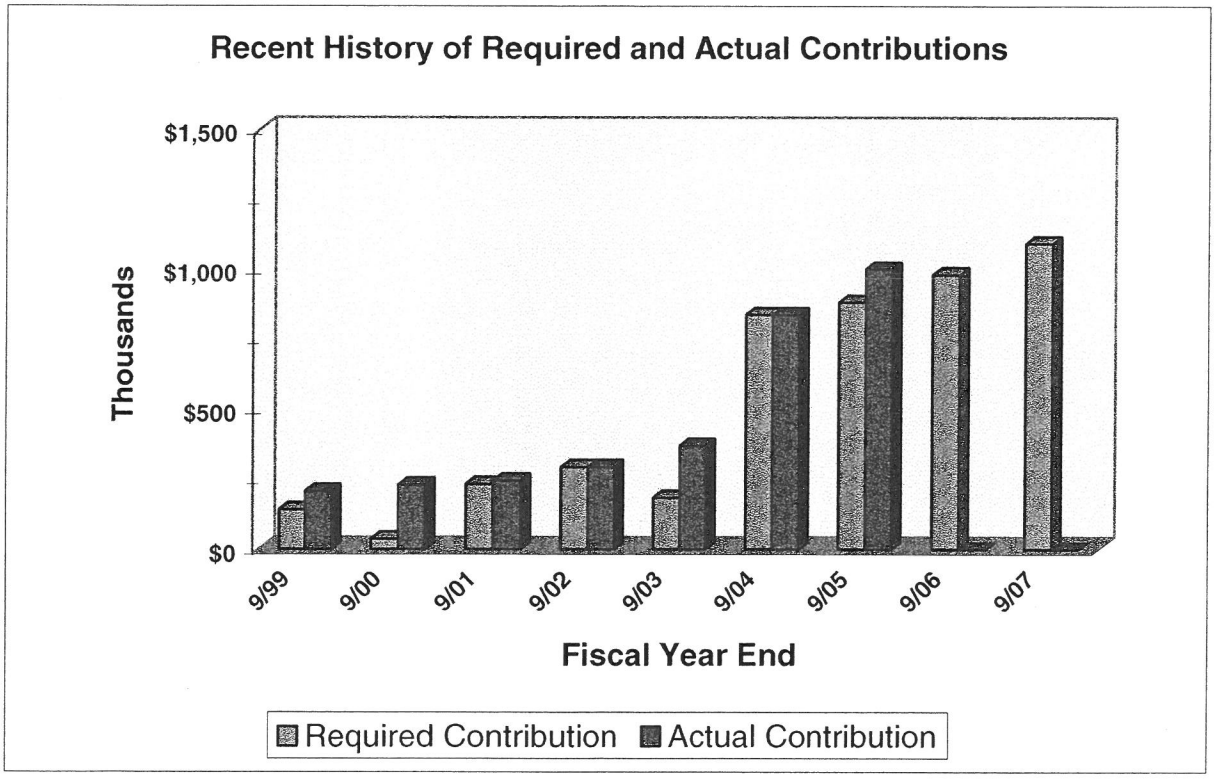


Recent History of Covered Annual Payroll



RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS

Valuation	End of Year To Which Valuation Applies	Required Contributions		Actual Contributions
		Amount	% of Payroll	
10/1/1997	9/30/1999	$ 143,000	N/A	$ 208,124
10/1/1998	9/30/2000	38,284	N/A	230,392
10/1/1999	9/30/2001	233,992	N/A	246,472
10/1/2000	9/30/2002	294,492	N/A	294,492
10/1/2001	9/30/2003	185,352	N/A	370,627
10/1/2002	9/30/2004	839,114	N/A	839,114
10/1/2003	9/30/2005	882,965	7.40 %	1,002,415
10/1/2004	9/30/2006	982,267	8.47	---
10/1/2005	9/30/2007	1,094,083	9.16	---



ACTUARIAL ASSUMPTIONS AND COST METHOD

A. Cost Method	
1. Funding	Entry Age Actuarial Cost Method.
2. Accumulated Benefit Obligation	Accrued Benefit Method.
B. Investment Earnings (Including inflation)	8.5% per year, compounded annually, net of investment related expenses.
C. Salary Increases (Including inflation)	6% each year up to the assumed retirement age.
D. Retirement Age	Later of normal retirement date or one year after valuation date; probability of early retirement is 5% for each year eligible.
E. Turnover Rates	See Table on next page.
F. Mortality Rates	1983 Group Annuity Mortality Tables for males and females; rates for disabled lives set forward five years.
G. Disability	
1. Rates	See Table on next page.
2. Percent Service Connected	N/A
H. Asset Value	Previous year's value increased with a rate of investment return equal to the average market value return over the most recent four years.
I. Administrative Expenses	$56,582 (prior year's expenses).
J. Increase in Covered Payroll	5% per year.
K. Post Retirement Benefit Increase	None.
L. Changes Since Last Valuation	None.

	Annual Rate of	
Age	Turnover	Disability
20	38.6%	0.05%
25	29.0	0.05
30	19.4	0.06
35	13.4	0.09
40	7.3	0.12
45	5.0	0.28
50	2.7	0.43

GLOSSARY OF TERMS

Actuarial Present Value is the value of an amount or series of amounts payable at various times, determined as of the valuation date by the application of the set of actuarial assumptions.

Actuarial Assumptions are assumptions as to the occurrence of future events affecting pension costs. The previous page outlines the Actuarial Assumptions utilized in this valuation.

Actuarial Cost Method is a procedure for determining the Actuarial Present Value of pension plan benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and Actuarial Accrued Liability.

Entry Age Actuarial Cost Method is a method under which the current year's cost, or Normal Cost, is calculated for each individual. This Normal Cost is the amount, determined as a level percentage of pay, which, if deposited each year from the time an employee was first included in the actuarial valuation (or would have been had the plan been in effect) until retirement, would fully fund his or her benefit.

Entry Age Actuarial Accrued Liability at any given time is equal to the Actuarial Present Value of Projected Benefits minus the Actuarial Present Value of future Normal Costs. Under the Entry Age Actuarial Cost Method, experience gains (losses) reduce (increase) the Actuarial Accrued Liability. Increases or decreases in the Actuarial Accrued Liability will also occur as a result of changes in pension plan benefits, actuarial assumptions, or asset valuation methods.

Unfunded Actuarial Accrued Liability is the Actuarial Accrued Liability, less assets.

SECTION C

PENSION FUND INFORMATION

SUMMARY OF ASSETS		
	9/30/2005	9/30/2004
Cash and Securites - Market Value		
Cash	$ -	$ (1,065)
Money Market Funds	1,396,302	1,238,608
Money Market Funds (DROP Account)	17,020	-
U.S. Government Bonds & Notes	4,965,599	4,839,558
Corporate Bonds	4,666,050	3,951,658
Common Stocks	20,043,355	18,973,624
Pooled Equity Funds	-	-
Pooled Bond Funds	-	-
International Equity Funds	-	-
Total Investments	31,088,326	29,002,383
Receivables and Accruals		
Member Contribution	-	-
Employer Contribution	-	229,971
State Contributions	-	-
Interest & Dividends	139,890	128,898
Trades Receivable	193,182	14,645
Total	333,072	373,514
Payables and Reserves		
Benefits	-	(5,747)
Refunds	(5,885)	-
Expenses	-	-
DROP Accounts	17,020	-
Trades Payable	172,172	20,325
Total	183,307	14,578
Total Assets - Market Value	**31,238,091**	**29,361,319**

PENSION FUND INCOME AND DISBURSEMENTS		
	Year Ending 9/30/2005	**Year Ending 9/30/2004**
Market Value at Beginning of Period	$ 29,361,319	$ 27,594,285
Income		
Contributions		
Member Contributions	541,940	426,708
State Contributions	-	-
Employer Contributions	1,002,415	839,114
Member Buyback	-	-
Total Contributions	1,544,355	1,265,822
Investment Income		
Dividends and Interest	866,432	783,959
Net Realized Gain (Loss)	1,559,309	1,636,432
Total Investment Income	2,425,741	2,420,391
Other Income	7,476	1,203
Total Income	3,977,572	3,687,416
Disbursements		
Monthly Benefit Payments	1,648,093	1,547,107
Lump Sum Distributions	-	-
Refund of Contributions	192,484	175,877
Investment Related Expenses	186,621	153,955
Other Administrative Expenses	56,582	43,443
Other Expenses	-	-
Total Disbursements	2,083,780	1,920,382
Net Increase During Period	1,893,792	1,767,034
Market Value at End of Period	31,255,111	29,361,319
Less: DROP Account Balance	17,020	-
Final Market Value	31,238,091	29,361,319

RECONCILIATION OF DROP ACCOUNTS	
Value at beginning of year	$ -
Payments credited to accounts	16,986
Investment Earnings credited	34
Withdrawals from accounts	-
Value at end of year	17,020

ACTUARIAL VALUE OF ASSETS

Actuarial Assets for funding purposes are developed by increasing the Actuarial Assets used in the most recent actuarial valuation of the Fund by the average annual market value rate of return (net of investment related expenses) for the past four years. Details of the derivation are set forth as follows:

	Plan Year End	Rate of Return*
	9/30/2002	(8.10) %
	9/30/2003	10.24
	9/30/2004	8.29
	9/30/2005	7.67
	Annualized Rate of Return for prior 4 years	4.25 %
(A)	Actuarial Assets Last Year	$32,966,229
	Cash Flow During Year	(345,328)
(I)	Net Investment Income Realized =(A + 1/2 Cash Flow) x Annualized Rate of Return	1,393,727
(B)	Derived Assets This Year** = A + Cash Flow + I	34,014,628
	Less: DROP Account Balance	17,020
	Final Actuarial Value ***	33,997,608
	Final Actuarial Value Rate of Return	4.25 %
	Expected Investment Income	2,787,453
	Gain (Loss) Due to Investments	(1,393,727)

* Market Value Basis, net of investment related expenses
** Before offset of DROP Account Balance
*** Actuarial Value must be within 20% of Market Value.

INVESTMENT RATE OF RETURN

Year Ending	Market Value	Actuarial Value
9/30/2001	(8.8) %	N/A %
9/30/2002	(8.1)	1.1
9/30/2003	10.2	(0.7)
9/30/2004	8.3	0.0
9/30/2005	7.7	4.3
Average Compounded Rate of Return for Number of Years Shown	1.5 %	1.2 %
Average Compounded Rate of Return for Last 5 Years	1.5 %	N/A

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION

	October 1, 2005	October 1, 2004
A. Valuation Date		
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	$ 15,599,071	$ 13,280,760
b. Terminated Vested Members	676,512	373,719
c. Other Members	12,848,273	14,148,147
d. Total	29,123,856	27,802,626
2. Non-Vested Benefits	2,145,862	1,008,360
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	31,269,718	28,810,986
4. Accumulated Contributions of Active Members	2,918,168	2,777,001
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	28,810,986	26,574,199
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment	N/A	N/A
b. Change in Actuarial Assumptions	N/A	N/A
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	4,299,309	3,959,772
d. Benefits Paid	(1,840,577)	(1,722,985)
e. Net Increase	2,458,732	2,236,787
3. Total Value at End of Period	31,269,718	28,810,986
D. Market Value of Assets	31,238,091	29,361,319
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF FUNDING PROGRESS
(GASB STATEMENT NO. 25)

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 % of Covered Payroll (b-a)/(c)
10/1/1999	$ 31,732,256	$ 31,732,256	$ 0	100.0 %	$ 8,157,116	- %
10/1/2000	34,951,081	34,951,081	0	100.0	9,193,524	-
10/1/2001	35,556,224	35,556,224	0	100.0	9,591,309	-
10/1/2002	34,466,404	35,660,591	1,194,187	96.7	10,426,400	11.5
10/1/2003	33,113,142	35,355,596	2,242,454	93.7	11,296,820	19.9
10/1/2004	32,966,229	38,021,615	5,055,386	86.7	10,945,911	46.2
10/1/2005	33,997,608	37,338,981	3,341,373	91.1	11,268,057	29.7

Note: Figures prior to 10/1/05 taken from 10/1/04 Report prepared by Foster & Foster, Inc.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(GASB STATEMENT NO. 25)

Fiscal Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
9/30/1999	$ 143,000	$ 208,124	146 %
9/30/2000	38,284	230,392	602
9/30/2001	233,992	246,472	105
9/30/2002	294,492	294,492	100
9/30/2003	185,352	370,627	200
9/30/2004	839,114	839,114	100
9/30/2005	882,965	1,002,415	114

ANNUAL PENSION COST AND NET PENSION OBLIGATION (GASB STATEMENT NO. 27)

Employer FYE September 30	2006	2005	2004
Annual Required Contribution (ARC)	$ 982,267	$ 882,965	$ 839,114
Interest on Net Pension Obligation (NPO)	(52,612)	(45,665)	(45,940)
Adjustment to ARC	(98,775)	(83,393)	(49,172)
Annual Pension Cost (APC)	1,028,430	920,693	842,346
Contributions made	**	1,002,415	839,114
Increase (decrease) in NPO	**	(81,722)	3,232
NPO at beginning of year	(618,959)	(537,237)	(540,469)
NPO at end of year	**	(618,959)	(537,237)

** To be determined

Fiscal Year Ending	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
9/30/2003	$ 187,489	$ 370,627	197.7 %	$ (540,469)
9/30/2004	842,346	839,114	99.6	(537,237)
9/30/2005	920,693	1,002,415	108.9	(618,959)

REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 25 and No. 27

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation:

Valuation date	October 1, 2005
Contribution Rates:	
Employer	9.16%
Plan Members	5.00%
Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level percent of pay, closed
Remaining amortization period	30 Years
Asset valuation method	4 year smoothed Market value
Actuarial assumptions:	
Investment rate of return	8.5%
Projected salary increases	6.0%
Includes inflation and other general increases at	3.0%
Cost-of-living adjustments	Not applicable

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/04 To 10/1/05	From 10/1/03 To 10/1/04
A. Active Members		
1. Number Included in Last Valuation	294	321
2. New Members Included in Current Valuation	39	20
3. Non-Vested Employment Terminations	(17)	(31)
4. Vested Employment Terminations	(14)	(1)
5. Service Retirements	(14)	(14)
6. Disability Retirements	0	0
7. Deaths	0	(1)
8. Rehired Members	0	0
9. DROP Retirement	(1)	0
10. Other	(1)	0
11. Number Included in This Valuation	286	294
B. Terminated Vested Members		
1. Number Included in Last Valuation	13	15
2. Additions from Active Members	14	1
3. Lump Sum Payments/Refunds	(10)	0
4. Payments Commenced	(3)	(3)
5. Deaths	0	0
6. Other - Rehired	(1)	0
7. Number Included in This Valuation	13	13
C. DROP Participation		
1. Number Included in Last Valuation	0	0
2. Additions from Active Members	1	0
3. Payments commenced	0	0
4. Deaths	0	0
5. Other	0	0
6. Number Included in This Valuation	1	0
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	178	166
2. Additions from Active Members	14	14
3. Additions from Terminated Vested Members	3	3
4. Additions from DROP	0	0
5. Deaths Resulting in No Further Payments	(11)	(5)
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	(6)	0
8. Other	0	0
9. Number Included in This Valuation	178	178

CITY OF NAPLES GENERAL RETIREMENT SYSTEM - ACTIVE MEMBERS ON OCTOBER 1, 2005

Age Group	Years of Service to Valuation Date												Total
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35 & Up	
15-19 NO.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
TOT PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
AVG PAY	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.
20-24 NO.	2.	2.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	4.
TOT PAY	50186.	74524.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	124710.
AVG PAY	25093.	37262.	0.	0.	0.	0.	0.	0.	0.	0.	0.	0.	31177.
25-29 NO.	2.	4.	1.	4.	0.	2.	0.	0.	0.	0.	0.	0.	13.
TOT PAY	39776.	97228.	44530.	113108.	0.	75225.	0.	0.	0.	0.	0.	0.	369867.
AVG PAY	19888.	24307.	44530.	28277.	0.	37613.	0.	0.	0.	0.	0.	0.	28451.
30-34 NO.	1.	0.	2.	5.	3.	4.	0.	0.	0.	0.	0.	0.	15.
TOT PAY	27242.	0.	50540.	141840.	76050.	110498.	0.	0.	0.	0.	0.	0.	406170.
AVG PAY	27242.	0.	25270.	28368.	25350.	27625.	0.	0.	0.	0.	0.	0.	27078.
35-39 NO.	0.	2.	0.	2.	4.	9.	7.	1.	0.	0.	0.	0.	25.
TOT PAY	0.	52062.	0.	75380.	141962.	320609.	265247.	50597.	0.	0.	0.	0.	905857.
AVG PAY	0.	26031.	0.	37690.	35491.	35623.	37892.	50597.	0.	0.	0.	0.	36234.
40-44 NO.	2.	3.	2.	2.	4.	7.	11.	4.	1.	1.	0.	0.	37.
TOT PAY	49112.	93202.	58053.	104614.	136687.	229777.	497613.	197809.	44384.	34720.	0.	0.	1445971.
AVG PAY	24556.	31067.	29027.	52307.	34172.	32825.	45238.	49452.	44384.	34720.	0.	0.	39080.
45-49 NO.	2.	7.	6.	1.	8.	13.	11.	6.	5.	2.	0.	0.	61.
TOT PAY	73374.	181812.	168269.	26209.	231272.	507694.	483673.	299078.	255282.	111230.	0.	0.	2337893.
AVG PAY	36687.	25973.	28045.	26209.	28909.	39053.	43970.	49846.	51056.	55615.	0.	0.	38326.
50-54 NO.	3.	6.	1.	2.	4.	17.	8.	8.	3.	3.	2.	0.	57.
TOT PAY	130393.	252043.	28479.	65984.	137405.	653075.	308208.	306261.	132722.	116981.	97535.	0.	2229086.
AVG PAY	43464.	42007.	28479.	32992.	34351.	38416.	38526.	38283.	44241.	38994.	48768.	0.	39107.
55-59 NO.	0.	5.	1.	1.	0.	10.	5.	8.	1.	2.	1.	1.	35.
TOT PAY	0.	225692.	24012.	35712.	0.	356223.	197389.	377101.	88400.	84777.	78174.	48489.	1515969.
AVG PAY	0.	45138.	24012.	35712.	0.	35622.	39478.	47138.	88400.	42389.	78174.	48489.	43313.
60-64 NO.	1.	4.	1.	2.	4.	6.	6.	4.	1.	0.	0.	1.	30.
TOT PAY	27242.	135673.	28479.	44232.	180386.	245581.	329720.	168735.	41536.	0.	0.	57720.	1259304.
AVG PAY	27242.	33918.	28479.	22116.	45097.	40930.	54953.	42184.	41536.	0.	0.	57720.	41977.
65-99 NO.	0.	0.	0.	0.	1.	4.	3.	1.	0.	0.	0.	0.	9.
TOT PAY	0.	0.	0.	0.	21447.	116765.	142750.	52500.	0.	0.	0.	0.	333462.
AVG PAY	0.	0.	0.	0.	21447.	29191.	47583.	52500.	0.	0.	0.	0.	37051.
TOT NO.	13.	33.	14.	19.	28.	72.	51.	32.	11.	8.	3.	2.	286.
TOT AMT	397325.	1112236.	402362.	607079.	925209.	2615447.	2224600.	1452081.	562324.	347708.	175709.	106209.	10928289.
AVG AMT	30563.	33704.	28740.	31952.	33043.	36326.	43620.	45378.	51120.	43464.	58570.	53105.	38211.

107 | 176

CITY OF NAPLES GENERAL RETIREMENT SYSTEM - Inactive Members on October 1, 2005

S C H E D U L E O F N O N - A C T I V E P A R T I C I P A N T S D A T A

	---Terminated Vested---		-------Disabled--------		-----Age & Service-----		---------Other---------		---------Total---------	
Age	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	0	0.	0	0.	0	0.	0	0.	0	0.
20 - 24	0	0.	0	0.	0	0.	0	0.	0	0.
25 - 29	0	0.	0	0.	0	0.	0	0.	0	0.
30 - 34	0	0.	0	0.	0	0.	0	0.	0	0.
35 - 39	1	11188.	0	0.	0	0.	0	0.	1	11188.
40 - 44	1	6308.	0	0.	0	0.	0	0.	1	6308.
45 - 49	1	17905.	0	0.	0	0.	0	0.	1	17905.
50 - 54	6	69286.	0	0.	2	49948.	0	0.	8	119234.
55 - 59	4	20458.	1	10171.	17	233614.	0	0.	22	264243.
60 - 64	0	0.	0	0.	39	471270.	1	3408.	38	456551.
65 - 69	0	0.	0	0.	46	533690.	0	0.	46	533690.
70 - 74	0	0.	0	0.	29	255927.	4	23325.	32	276139.
75 - 79	0	0.	0	0.	21	146290.	1	6620.	22	152910.
80 - 84	0	0.	0	0.	14	40752.	0	0.	14	40752.
85 - 89	0	0.	0	0.	2	600.	0	0.	2	600.
90 - 94	0	0.	0	0.	1	300.	0	0.	1	300.
95 - 99	0	0.	0	0.	1	300.	0	0.	1	300.
100 & Over	0	0.	0	0.	0	0.	0	0.	3	21240.
Total	13	125145.	1	10171.	172	1732691.	6	33353.	192	1901360.
Ave. Age		51		55		69		72		68
Liability		676512.		92752.		15246184.		260133.		16275582.

SUMMARY OF CURRENT PLAN PROVISIONS

Eligibility

Each regular full-time general employee becomes a member following six months of service. Those hired before March 1, 1995 became members at date of hire.

Compensation

Base compensation including holiday pay, vacation pay, longevity pay and sick pay, but excluding overtime and all other compensation.

Final Average Compensation (FAC)

The average of Compensation over the best three consecutive years of credited service; lump sum payment for unused vacation pay and sick leave is not included.

Normal Retirement

Eligibility - Earlier of age 60 and five years of credited service or when the total of age plus service equals 85 years.

Benefit - 2.5% of FAC multiplied by years of credited service up to a maximum of 100% of FAC.

Form of Benefit - Single life annuity; other options are also available.

Early Retirement

Eligibility - Age 55 with five years of credited service.

Benefit - Accrued benefit reduced by 0.25% for each month by which the Early Retirement Date precedes age 60.

Deferred Retirement Option Plan (DROP)

Non-union members who had 30 years of service in June, 2005 but who continue in employment past normal retirement date may either accrue larger pensions or freeze their accrued benefit and enter the DROP. Each participant in the DROP has an account credited with benefits not received and investment earnings.

Death Benefits (Pre-retirement)

Refund of employee's accumulated contributions.

Termination Benefits

For an employee who has less than five years of participation when he terminates employment, a refund of his accumulated contributions is paid. If the employee has five to ten years of participation but is under age 50, there will be a refund of the employee's contributions plus the amount the City had contributed. If the employee has at least ten years or is age 50 with five years when he terminates employment, he will be vested in his accrued benefit beginning at age 60. The vested benefit may begin at age 55 or later after a reduction of 0.25% for each month prior to age 60.

Contributions

From Employees - 5% of compensation.

From the Employer - The additional amount needed to fund the plan properly.

Changes Since Last Valuation

1. A Deferred Retirement Option Plan (DROP) was added, but only included one member.

2. The member contribution rate was raised to 5% from 4.45% of pay.