

**Retirement System for General Employees of the
Utility Board of the City of Key West
Required Supplementary Information**

**Schedule of Funding Progress
(Unaudited)**

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)
01/01/99	\$ 48,032	\$ 40,295	(7,737)	119.2%	\$ 6,127	-126.3%
01/01/00	53,398	41,776	(11,622)	127.8%	6,168	-188.4%
01/01/01	52,329	48,646	(3,683)	107.6%	6,398	-57.6%
01/01/02	49,513	50,730	1,217	97.6%	6,764	18.0%
01/01/03	50,459	52,434	1,975	96.2%	6,845	28.9%
01/01/04	51,439	55,408	3,969	92.8%	6,898	57.5%
01/01/05	53,036	57,511	4,475	92.2%	6,934	64.5%

Dollar amounts in thousands

**Schedule of Employer Contributions
(Unaudited)**

Annual Year Ended December 31,	Required Contributions	Percentage Contributed
1999	\$ 624,849	212
2000	384,057	268
2001	1,245,998	100
2002	1,673,299	102
2003	1,643,987	101
2004	1,910,640	100

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**Notes to Schedule of Funding Progress
and Schedule of Employer Contributions**

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

Valuation date	January 1, 2004
Actuarial Cost Method	Entry Age
Amortization Method	Level payment, closed
Remaining amortization period	40 years
Asset valuation method	Five year smoothed market
Actuarial assumptions:	
Investment rate of return *	8.0%
Projected salary increases *	5.5%
Cost of living adjustments	3.0%

*Includes adjustment for inflation 3.0%

Significant factors affecting trends in actuarial information

2004 changes in Plan provisions and actuarial methods since prior actuarial valuation-

The definition of pensionable earnings was changed to use the member's base hourly rate each pay period, multiplied by 80 hours, less any hours that are considered leave without pay

2003 changes in Plan provisions and actuarial methods since prior actuarial valuation-

Eligibility for employees hired after October 1, 2003 was changed to begin after the employee's probationary period is completed

2002 changes in Plan provisions and actuarial methods since prior actuarial valuation-

Non service connected death benefits was changed to the same percentage as service connected death benefits

The age of surviving children eligible to receive death benefits changed from age 19 to age 21

Assumed rate of projected salary increases was lowered from 6.0% to 5.5%

Asset valuation method was changed from market value to five year smoothed market

2001 changes in Plan provisions and actuarial methods since prior actual valuation-

None

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**Notes to Schedule of Funding Progress
and Schedule of Employer Contributions**

Significant factors affecting trends in actuarial information (Continued)

2000 changes in Plan provisions and actuarial methods since prior actuarial valuation

The annual increase in benefits for retirees was increased from 2% to 3%, effective January 1, 2001

1999 changes in Plan provisions and actuarial methods since prior actuarial valuation

None