Actuarial Certification

To the best of our knowledge, this report is complete and accurate and contains sufficient information to fully and fairly disclose the funded condition of the MISCELLANEOUS PLAN FOR NEWPORT BEACH CITY, employer number 60. Based on the employee data provided, the statement of assets provided by the CalPERS Fiscal Services Division, and the benefits provided under this contract with CalPERS, it is our opinion that the valuation has been performed in accordance with generally accepted actuarial principles and that the assumptions and methods are reasonable for this plan.

Ron Seeling

Ron Seeling, Ph.D., F.C.A., A.S.A., M.A.A.A.
Enrolled Actuary
Chief Actuary, CalPERS

Purpose of the Report

This actuarial valuation of the MISCELLANEOUS PLAN FOR NEWPORT BEACH CITY of the California Public Employees' Retirement System (CalPERS) was performed by CalPERS' staff actuaries as of June 30, 1994 in order to

- set forth the actuarial assets and funding liabilities of this plan as of June 30, 1994;
- establish the actuarially required contribution rates of this plan for the fiscal year July 1, 1996 through June 30, 1997; and
- provide actuarial information as of June 30, 1994 to the CalPERS Board of Administration and other interested parties.

Use of this report for other purposes, such as for disclosure under Governmental Accounting Standards Board Statement No. 5, is inappropriate.

Employer Contribution Rate

The actuarially required contribution rates for the fiscal year July 1, 1996 through June 30, 1997 are shown below:

	Expected Dollar Amount	Percent of Projected Payroll
Payment for Normal Cost	$ 1,092,016	5.121%
Payment on the Unfunded Liability	(82,360)	-0.386%
Payments for Ad Hoc Colas	0	0.000%
Payment for 1959 Survivor Benefits	0	0.000%
Total	$ 1,009,656	4.735%

Funded Status of the Plan

The table below displays the Entry Age Normal Accrued Liability, the Actuarial Value of Assets, the Unfunded Entry Age Normal Accrued Liability, and the ratio of the Actuarial Value of Assets to Entry Age Normal Accrued Liability as of June 30, 1994.

Funded Status of the Plan

Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/(Overfunded) Liability	Funded Status
$64,587,586	$65,768,228	$(1,180,642)	101.8%

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Comparison of Current and Prior Year Results

Shown below are the comparisons of key valuation results for the current valuation date compared to corresponding values from the prior valuation date.

	June 30, 1993	June 30, 1994
Members Included in the Valuation *		
Active Members	499	495
Transfers	126	130
Vested Terminations	76	88
Receiving Payments	234	253
Total	935	966
Expected Annual Covered Payroll	$ 20,097,370	$21,323,514
Average Annual Pay	$ 40,275	$ 43,078
Average Attained Age for Actives	40.20	40.29
Average PERS Entry Age for Actives	31.03	30.59
Present Value of Projected Benefits	$ 86,008,557	$ 90,603,300
Entry Age Normal Accrued Liability	$ 57,519,919	$ 64,587,586
Assets Values		
Cost Value	$ 54,456,234	$ 58,299,640
Actuarial Value	$ 59,762,915	$ 65,768,228
Market Value	$ 64,751,315	$ 65,563,785
Unfunded/(Overfunded) Liability	$ (2,242,996)	$ (1,180,642)
New "Surplus" at Valuation Date (at Book Value)	$ 776,603	$ 256,603
Prior Years' "Surplus" at Valuation Date (at Book Value)	22	789,828
Total "Surplus" at Valuation Date (at Book Value)	$ 776,625	$ 1,046,431
Employer Contribution Required (in Dollars)		
Payment for Normal Cost	$ 1,255,101	$ 1,092,016
Payment on the Unfunded Liability **	(95,310)	(82,360)
Payments for Ad Hoc Colas	0	0
Payment for 1959 Survivor Benefits	0	0
Total	$ 1,159,791	$ 1,009,656
Employer Contribution Required (Percent of Payroll)		
Payment for Normal Cost	6.245%	5.121%
Payment on the Unfunded Liability **	-0.474%	-0.386%
Payments for Ad Hoc Colas	0.000%	0.000%
Payment for 1959 Survivor Benefits	0.000%	0.000%
Total	5.771%	4.735%

* Counts of members included in the valuation are counts of records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in a double counting of liabilities. Counts do not include beneficiaries of 3rd or 4th level 1959 Survivor benefits.
**The payment shown is the amortization of the unfunded liability due to prior service, if any, over the period ending in 2000 and unfunded liability due to current service, if any, over the period ending in 2000.

Changes Since Prior Valuation

Actuarial Assumptions - Most of the actuarial assumptions were changed effective with the June 30, 1994 actuarial valuation. The effect of these assumption changes on employer contribution rates can be found in the supporting exhibits entitled "Reconciliation of Employer Contribution Rates" and "Reconciliation of Employer Contributions". A description of the new assumptions can be found in Appendix A.

Inflation - The inflation assumption underlying all of the economic assumptions remains at 4.5%, unchanged from the prior valuation.

Investment Return - The investment return assumption has been lowered from 8.75% for the June 30, 1993 actuarial valuation to 8.50% to reflect the lowered expectation for long term real rates of return in the future.

Individual Salary Increases - The individual salary increase assumptions have been changed from a constant rate for each future year of the employee's service to a schedule of salary increases that varies by duration of employment. The new salary scale recognizes that salary increases that occur earlier in an employee's career are usually higher than those later in the career.

Plan-wide Payroll Growth - The overall payroll growth assumption, used in spreading the unfunded liability over future payroll has been lowered from 5.25% to 4.5% anticipating that overall payroll will do little more than "keep up" with inflation for the foreseeable future.

Demographic Assumptions - The experience study covering the period June 30, 1988 through June 30, 1992 was redone based on suggestions from CalPERS' consulting actuary. Effective with the June 30, 1994 valuation, this study has been used to set new demographic assumptions for all plans. These include probabilities of termination of employment with a refund, vested termination with deferred benefits, death not in the line of duty, death in the line of duty, disability not in the line of duty, disability in the line of duty, and service retirement.

Methods - The overall funding method, Entry Age Normal, remains unchanged since the prior valuation. However, according to state statute, the portion of surplus used as a direct offset of employer contributions has been lowered from 60% of such surplus as of the June 30, 1993 valuation to 40% of such surplus as of the June 30, 1994 valuation. In addition, the CalPERS Board invoked its administrative authority to prospectively alter the administration of Purchasing Power Protection Amounts (PPPA). This actuarial valuation recognizes this change. A discussion of PPPA benefits and the methods used to value them in the prior valuation and this valuation is contained in Appendix A.

Benefits - Liabilities in this report generally reflect plan changes effective on or before June 30, 1995. This represents two years of changes since the last actuarial valuation as of June 30, 1993, which reflected plan provisions as of that date. Please refer to Appendix B for a summary of plan provisions used in this valuation.

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Development of Accrued and Unfunded Liabilities

1. Present Value of Benefits	
a) Actives, Transfers and Vested Terminated	$63,586,778
b) Receiving Payments	27,016,522
c) Total	$90,603,300
2. Present Value of Future Employer Normal Costs	$10,399,462
3. Present Value of Future Employee Contributions	15,616,252
4. Entry Age Normal Accrued Liability [(1c) - (2) - (3)]	$64,587,586
5. Actuarial Value of Assets*	
a) Employer Reserves	$50,088,169
b) Active Employee Account Balances	15,680,059
c) Total Valuation Assets	$65,768,228
6. Unfunded Accrued Liability [(4) - (5)]	$(1,180,642)

* Does not include "surplus", if any, at valuation date.

Gain/(Loss) Analysis 6/30/93 - 6/30/94

Amounts at the Beginning of the Year	
1) Accrued Liability	$57,519,919
2) Actuarial Value of Assets	59,762,915
3) Unfunded Liability [(1)-(2)]	(2,242,996)
4) Employer Normal Cost plus Employee Contributions	2,612,668
Amounts During the Year	
5) Employer and Employee Contributions	2,586,330
6) Benefit Payments	2,278,506
7) Refunds	139,161
Expected Amounts at the End of the Year	
8) Expected Accrued Liability [((1)+(4))*1.0875-((6)+(7))*1.04375]	62,870,749
9) Expected Actuarial Value of Assets [(2)*1.0875+((5)-(6)-(7))*1.04375]	65,168,212
10) Expected Unfunded/(Overfunded) Liability [(8)-(9)]	(2,297,463)
Actual Amounts at the End of the Year (before all other changes)*	
11) Actual Accrued Liability	65,173,553
12) Actual Actuarial Value of Assets**	64,013,215
13) Actual Unfunded/(Overfunded) Liability [(11)-(12)]	1,160,338
Gain/(Loss) for the Year	
14) Liability Gain/(Loss) [(8)-(11)]	(2,302,804)
15) Asset Gain/(Loss) [(12)-(9)]	(1,154,997)
16) Total Gain/(Loss) [(14)+(15)]	$(3,457,801)

* All gains and losses are determined on prior year's assumptions, plan provisions and methods.

** Does not include "surplus", if any, at valuation date.

Reconciliation of Employer Contribution Rates

1) Calculated Contribution Rate for 7/1/94 - 6/30/95[1]	5.771%
2) Effect of changes since the prior valuation	
a) Effect of (Gain)/Loss	3.036%
b) Effect of plan amendments between 6/30/93 and 6/30/94[2,3]	-0.898%
c) Effect of plan amendments between 6/30/94 and 6/30/95[3]	0.000%
d) Effect of changes in actuarial assumptions	-4.293%
e) Effect of changes in the PPPA method	1.248%
f) Effect of the phasing-out of surplus (60% to 40%)	-0.129%
g) Net effect of the changes above [Sum of (a) through (f)]	-1.036%
3) Contribution Rate for 7/1/96 - 6/30/97 [(1)+(2g)]	4.735%

Reconciliation of Estimated Employer Contributions

(Based on expected annual covered payroll)

1) Contribution Required for 7/1/94-6/30/95[1]	$	1,159,791
2) Effect of changes since the prior valuation		
a) Effect of (Gain)/Loss	$	712,930
b) Effect of plan amendments between 6/30/93 and 6/30/94[2,3]		(191,003)
c) Effect of plan amendments between 6/30/94 and 6/30/95[3]		0
d) Effect of changes in actuarial assumptions		(910,686)
e) Effect of changes in the PPPA method		266,077
f) Effect of the phasing-out of surplus as a direct offset		(27,453)
g) Net effect of the changes above [Sum of (a) through (f)]	$	(150,135)
3) Contribution Required for 7/1/96 - 6/30/97 [(1)+2(g)]	$	1,009,656

[1] The rate actually paid may be different if a continuation of the prior year's rate or an average with the prior year's rate was elected.

[2] Includes the effect of the transfer of first or second level 1959 Survivor surplus, if any.

[3] A change from 1st or 2nd level 1959 Survivor benefits to 3rd or 4th level results in a decrease in rates because contributions for the 3rd and 4th level 1959 Survivor benefits are collected outside of employer rates.

Development of the Actuarial Value of Assets for the Public Employees' Retirement Fund
(In Millions)

	As of 6/30/87	As of 6/30/88	As of 6/30/89	As of 6/30/90	As of 6/30/91	As of 6/30/92	As of 6/30/93	As of 6/30/94
1. Market Value of Assets	$ 44,027	$ 45,470	$ 52,320	$ 58,020	$ 61,278	$ 67,489	$ 76,116	$ 76,646
2. Book Value of Assets	35,173	40,208	44,630	51,584	55,272	59,827	64,014	68,154
3. Cumulative Unrealized Gain/(Loss) as of the current June 30 [(1) - (2)]	$ 8,854	$ 5,262	$ 7,690	$ 6,436	$ 6,006	$ 7,662	$ 12,102	$ 8,492
4. Cumulative Unrealized Gain/(Loss) as of the prior 6/30	7,315	8,854	5,262	7,690	6,436	6,006	7,662	12,102
5. Unrealized Gain/(Loss) for the prior fiscal year [(3) - (4)]	$ 1,539	$ (3,592)	$ 2,428	$ (1,254)	$ (430)	$ 1,656	$ 4,440	$ (3,610)
6. Realized Gain/(Loss) for the prior fiscal year	995	1,391	1,420	2,561	713	1,923	1,550	1,389
7. Total Gain/(Loss) for the prior fiscal year [(5)+(6)]	$ 2,534	$ (2,201)	$ 3,848	$ 1,307	$ 283	$ 3,579	$ 5,990	$ (2,221)
8. Market Value as of the prior 6/30	$ 37,742	$ 44,027	$ 45,470	$ 52,320	$ 58,020	$ 61,278	$ 67,489	$ 76,116
9. Total Gain/(Loss) for the prior year as a percent of the Market Value [(7)/(8)]	6.71%	-5.00%	8.46%	2.50%	0.49%	5.84%	8.88%	-2.92%
10. Cumulative Gains/(Losses) deferred into the future *	$ 4,296	$ 336	$ 2,433	$ 1,178	$ 142	$ 1,875	$ 3,603	$ (239)
11. Actuarial Value of Assets [(1) - (10)]	$ 39,731	$ 45,134	$ 49,887	$ 56,842	$ 61,137	$ 65,614	$ 72,513	$ 76,885
12. Ratio of Actuarial Value to Book Value This ratio is applied to the book value of each plan's assets to determine that plan's actuarial value. [(11)/(2)]	113.0%	112.3%	111.8%	110.2%	110.6%	109.7%	113.3%	112.8%

* See Chart on the following page for the development of the amount of gains/(losses) deferred into the future at each valuation date.

Development of the Actuarial Value of Assets
for the Public Employees' Retirement Fund

Determination of Amounts of Gain/(Loss) to be Deferred as of Each Valuation Date
(in Millions)

Fiscal Year of Gain/(Loss)	Total Gain/(Loss)	Gain/(Loss) as % of Market Value	Portion of Gain/(Loss) Spread Over: Two Years	Three Years	Four Years	Five Years	Amounts Deferred as of: 6/30/87	6/30/88	6/30/89	6/30/90	6/30/91	6/30/92	6/30/93	6/30/94
1984-85	4,833	24.30%	994	994	994	1,850	989	370	0	0	0	0	0	0
1985-86	5,525	19.32%	1,430	1,430	1,430	1,234	1,932	851	247	0	0	0	0	0
1986-87	2,534	6.71%	1,887	647	0	0	1,375	216	0	0	0	0	0	0
1987-88	(2,201)	-5.00%	(2,201)	0	0	0	N/A	(1,101)	0	0	0	0	0	0
1988-89	3,848	8.46%	2,274	1,575	0	0	N/A	N/A	2,186	525	0	0	0	0
1989-90	1,307	2.50%	1,307	0	0	0	N/A	N/A	N/A	654	0	0	0	0
1990-91	283	0.49%	283	0	0	0	N/A	N/A	N/A	N/A	142	0	0	0
1991-92	3,579	5.84%	3,064	515	0	0	N/A	N/A	N/A	N/A	N/A	1,875	172	0
1992-93	5,990	8.88%	3,374	2,616	0	0	N/A	N/A	N/A	N/A	N/A	N/A	3,431	872
1993-94	(2,221)	-2.92%	(2,221)	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(1,111)
							4,296	336	2,433	1,178	142	1,875	3,603	(239)

Reconciliation of the Actuarial Value of Assets Over the Prior Fiscal Year

1) Beginning Balance 6/30/93	$ 59,762,915
2) Contributions *	2,586,330
3) Benefit Payments	2,278,506
4) Refunds	139,161
5) Actuarial Value of Amount Transferred to Employer Surplus Asset Account	289,448
6) Investment Earnings Credited	6,126,098
7) Ending Balance 6/30/94 [(1)+(2)-(3)-(4)-(5)+(6)]	$ 65,768,228

* In accordance with Generally Accepted Accounting Principles (GAAP), the CalPERS Fiscal Services Division's accounting records include accounts receivable to recognize income that is measurable and due. When CalPERS receives payroll information, it determines the amount receivable for employer contributions. Thus, CalPERS accounts receivable reflect employer contributions due, even if not paid.

Numbers may not add due to rounding.

Final Compensation

Final compensation is the average monthly pay during the last 12 consecutive months of work or another period of 12 consecutive months selected by the member if the average pay rate was higher.

Service Retirement

The basic formula for computing the service retirement allowance is the product of years of PERS credited service, the benefit percent per year of service, and final compensation.

This group is covered under the 2.00% at 60 Formula. The benefit percent per year of service is:

Retirement Age	Percent Per Year
50	1.092
51	1.156
52	1.224
53	1.296
54	1.376
55	1.460
56	1.552
57	1.650
58	1.758
59	1.874
60	2.000
61	2.134
62	2.272
63 and over	2.418

Regular Ordinary Disability

Ordinary disability for retirement purposes, is defined as the inability of the member to perform his job because of an illness or injury which is expected to be permanent or last indefinitely. The illness or injury does not have to be job related. Five years of credited service with PERS is necessary to be eligible for this benefit.

The ordinary disability benefit is a percentage of final compensation. The benefit is 1.8% times the number of years determined as follows:

1. PERS credited service for members with 5 years but less than 10 years of service.
2. PERS credited service plus number of years the member would have worked until age 60 for members with 10 years but less than 18 1/2 years of service. The maximum benefit in this case is 33 1/3%
3. PERS credited service for those with 18 1/2 or more years of service.

1957 Survivor Benefit

The 1957 Survivor Benefit provides a monthly allowance equal to one-half of what a member's unmodified retirement allowance would have been had he retired for service on the date of his death. The beneficiaries eligible to receive this allowance are the surviving spouse to whom the member was married at least one year before death, or if there is no qualified spouse, the member's unmarried children until the youngest reaches age 18. The benefit is payable only so long as the surviving spouse lives or until remarriage. Upon death or remarriage of the spouse, the benefit will be continued to natural or adopted unmarried children under age 18. There is a guarantee that should an eligible survivor choose this benefit rather than the basic death benefit, the amount payable will be at least equal to the amount of the basic death benefit.

First Level of 1959 Survivor Benefit

For members who elected this coverage or were covered manditorily, one of the following monthly allowances may be paid upon death prior to retirement:

$430 to a surviving spouse, until remarriage, who has care of two or more eligible children.

$430 if three eligible children only

$360 to an eligible surviving spouse with one eligible child

$360 if two eligible children only

$180 if one eligible child only

$180 to an unmarried surviving spouse at age 62 or older

$180 each to dependent parents if there are none of the above

Basic Death Benefit before Retirement

The basic death benefit provides for return of member contributions with interest, plus one month's salary rate for each year of current service to a maximum benefit of six months' salary. This amount is based upon the member's average monthly salary rate during the 12 months preceding death.

Basic Death Benefit after Retirement

$500 lump-sum to a designated beneficiary.

Sick Leave Credit

Unused accumulated sick leave at time of retirement, for which there is no compensation or remuneration at all to the employee, will be converted to additional service credit at the rate of 0.004 years for each day (250 days of sick leave for one additional year of service credit). This benefit also applies to retirees who retired after January 1, 1974, and the increase will apply to any retirement allowance paid after the effective date of this benefit in your contract.

Military Service Credit

Members may purchase up to four years of service credit for any continuous active military or merchant marine service. The member must contribute an amount equal to the contribution the employee and employer would have made with respect to that period of service. However, if this benefit was added prior to January 1, 1977, no member payment is necessary under some situations.

The member's payment is calculated by PERS based upon the employer's contribution rate at the time of the member's election and the member's compensation and contribution rate at the first period of service with the employer after the military service. Interest at the crediting interest rate based on both employer and employee contribution will be calculated from the date of membership with current employer to date of member's election and included in the member costs.

The member is allowed up to 96 monthly payments to purchase the service prior to retirement. This benefit applies only to active members while in employment with an employer providing this benefit in its contract.

Post-Retirement Adjustment

2.00% annual cost-of-living allowance increase. This allows retired members an annual 2.00% maximum cost-of-lving allowance increase. (Should the CPI factor increase less than 2.00% the individual's allowance would be increased by the lesser percentage.) This benefit applies to both current and future retirees.

Termination of Service

Upon termination of PERS covered employment, a member may receive a refund of his contributions. (There is an exception to this if employment is accepted under a reciprocal retirement system.) Members who have PERS credited service may choose not to withdraw their contributions upon separation from employment. Such members may either request a refund at a later date or apply for a service retirement after they reach the minimum retirement age. Members who withdraw their contributions lose their service credit for those years. Upon reemployment, this service credit can be restored by redeposit of these contributions plus interest.

Optional Settlements

At retirement, a member may elect to take a smaller allowance and provide some security for his family or other beneficiary. A beneficiary under the optional settlements does not necessarily need to be a family member.

Option #1

Under this option a slight reduction in the member's retirement allowance is made in return for which the surviving beneficiary will receive whatever is left of the member's contributions at the time of death.

Option #2

This option requires the largest reduction in a member's allowance. In return, when the member dies, his surviving beneficiary will receive the same allowance as the member was getting.

Option #3

This results in a lesser reduction than Option #2, but it provides less for the beneficiary. The payment to the beneficiary will be one-half of the member's allowance.

Option #4

This option can be tailor made to fit the member's special needs. This option allows a member to specify the amount that will be left to his beneficiary.

ATTACHMENT I
FUNDING STATUS AND PROGRESS

NEWPORT BEACH CITY OF
EMPLOYER NUMBER 0060

THE TOTAL UNFUNDED PENSION BENEFIT OBLIGATION APPLICABLE TO THE EMPLOYEES WAS $ -21,953,868 AT JUNE 30, 1994 AS FOLLOWS :

PENSION BENEFIT OBLIGATION:

RETIREES AND BENEFICIARIES CURRENTLY RECEIVING BENEFITS AND TERMINATED EMPLOYEES NOT YET RECEIVING BENEFITS	$	58,995,699
CURRENT EMPLOYEES:		
ACCUMULATED EMPLOYEE CONTRIBUTIONS INCLUDING ALLOCATED INVESTMENT EARNINGS	$	36,450,851
EMPLOYER-FINANCED VESTED	$	36,390,127
EMPLOYER-FINANCED NON VESTED	$	1,075,245
TOTAL PENSION BENEFIT OBLIGATION	$	132,911,922
ACTUARIAL VALUE OF ASSETS * (MARKET VALUE = $ 154,401,193)	$	154,865,790
UNFUNDED PENSION BENEFIT OBLIGATION	$	-21,953,868
CHANGES IN THE PENSION BENEFIT OBLIGATION SINCE LAST YEAR DUE TO:		
CHANGES IN BENEFIT PROVISIONS	$	0
CHANGES IN ACTUARIAL METHODS AND ASSUMPTIONS	$	-5,013,851

THE DISCLOSURE STATEMENT ALSO REQUIRES THAT THE SIGNIFICANT ACTUARIAL ASSUMPTIONS USED TO CALCULATE THE ABOVE PENSION BENEFIT OBLIGATION BE INCLUDED UNDER THIS DISCLOSURE SECTION.

THE ACTUARIALLY ASSUMED INVESTMENT RETURN IS 8.50 % PER ANNUM . THE SALARY SCALE USED ASSUMES SALARY INCREASES THAT VARY BY LENGTH OF SERVICE. THE TOTAL INCREASE IN ANY FUTURE YEAR INCLUDES AN ASSUMED 4.5 % INFLATION RATE , A 0.0 % ACROSS THE BOARD INCREASE AND MERIT INCREASES THAT VARY BY LENGTH OF SERVICE.

* INCLUDES EMPLOYER SURPLUS AS OF JUNE 30, 1994

1995/09/29

ATTACHMENT II

CONTRIBUTION RATES FOR CALCULATING REQUIRED CONTRIBUTIONS

NEWPORT BEACH CITY OF
EMPLOYER NUMBER 0060

1. ANNUAL RATE COMPONENTS	MISCELLANEOUS CATEGORY	SAFETY CATEGORY	EFFECTIVE DATE
*A. NORMAL COST RATE	6.260%	11.165%	
*B. UNFUNDED LIABILITY RATE	-0.489%	-2.179%	
*C. TOTAL REQUIRED	5.771%	8.986%	07/01/94

ATTACHMENT III

NEWPORT BEACH CITY OF
EMPLOYER NUMBER 0060
REQUIRED SUPPLEMENTARY INFORMATION
ANALYSIS OF FUNDING PROGRESS
(IN MILLIONS)

FISCAL YEAR ENDING JUNE 30	(1) NET ASSETS AVAILABLE FOR BENEFITS	(2) PENSION BENEFIT OBLIGATION	(3) PERCENTAGE FUNDED (1)/(2)	(4) UNFUNDED PENSION BENEFIT OBLIGATION (2)-(1)	(5) ESTIMATED ANNUAL COVERED PAYROLL FOR THE SUCCEEDING FISCAL YEAR	(6) UNFUNDED PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL (4)/(5)
1987	$ 66.9	$ 68.2	98.0%	$ 1.3	$ 23.3	5.8 %
1988	76.1	75.3	101.0	-.8	24.4	-3.2
1989	85.5	82.4	103.8	-3.2	27.0	-11.7
1990	95.1	96.3	98.7	1.2	28.7	4.4
1991	104.0	105.0	99.0	1.0	31.4	3.2
1992	114.8	118.0	97.2	3.2	34.1	9.6
1993	126.8	121.3	104.5	-5.5	34.9	-15.7
1994	154.8	132.9	116.5	-22.0	36.9	-59.4

1995/09/29

* PRIOR TO 1994, ASSETS WERE SHOWN AT BOOK VALUE. THE 1994 ASSETS ARE SHOWN AT ACTUARIAL VALUE(SMOOTHED MARKET VALUE).

GASB STATEMENT NO. 25
MISCELLANEOUS PLAN FOR NEWPORT BEACH CITY
EMPLOYER NUMBER 60

STATEMENT OF PLAN NET ASSETS

as of June 30, 1993 and 1994

Net Assets Held for Pension Benefits
(A schedule of funding progress is shown on page 2)

	1993 Total	1994 Total
Book Value	$ 54,456,234	$ 58,299,640
Market Value	64,751,315	65,563,785
Actuarial Value	59,762,915	65,768,228
Surplus Account at Book Value	$ 776,625	$ 1,046,431

The net assets of your agency's plan(s) are comingled with the net assets of all PERS plans for investment purposes. As of June 30, 1993 and 1994, the PERS Fund was invested in the following asset classes:

	1993	1994
Corporate Stock	25.27%	34.90%
Bonds	24.44%	24.82%
International Securities	17.95%	18.11%
Real Estate Mortgage Loans	17.87%	12.84%
Real Estate Investments	9.05%	6.51%
Cash Equivalents	4.92%	1.60%
Alternative Investments	0.36%	0.54%
Private Equity	0.00%	0.48%
Housing Program	0.14%	0.20%
Total	100.00%	100.00%

STATEMENT OF CHANGES IN THE MARKET VALUE OF PLAN NET ASSETS

for the year ended June 30, 1994

Additions		
Contributions		
Employer	$	1,228,763
Plan Member		1,357,567
Total Contributions	$	2,586,330
Net Investment Income	$	932,485
Deductions		
Benefits Paid	$	2,278,506
Refunds of Contributions		139,161
Market Value of Amount Transferred to Employer Surplus Account		288,678
Net Assets Held for Pension Benefits		
Beginning of Year	$	64,751,315
End of Year	$	65,563,785

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Entry Age Actuarial Accrued Liability (AAL)	(3) Unfunded/ (Overfunded) AAL (UAAL) (2) - (1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
6/30/93	59,762,915	57,519,919	(2,242,996)	103.9%	20,097,370	-11.2%
6/30/94	65,768,228	64,587,586	(1,180,642)	101.8%	21,323,514	-5.5%

REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date	6/30/94
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Closed
End of Amortization Period for Prior Service Unfunded	June 30, 2000
End of Amortization Period for Remaining Unfunded	June 30, 2000
Asset Valuation Method	Market Related Value
Actuarial Assumptions:	
Investment Rate of Return*	8.50%
Projected Salary Increase*	Annual increases that vary by duration of service.
Post Retirement Benefit Increase	Based on member agency contract.
*Includes inflation at	4.50%

Membership consisted of the following at the last two valuations*:

	6/30/93	6/30/94
Retirees and beneficiaries receiving benefits	234	253
Transfers to other PERS covered employment entitled to future benefits	126	130
Terminated plan members entitled to but not yet receiving benefits	76	88
Active plan members	499	495
Total	935	966

* Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.

GASB STATEMENT NO. 25
SAFETY PLAN FOR NEWPORT BEACH CITY
EMPLOYER NUMBER 60

STATEMENT OF PLAN NET ASSETS

as of June 30, 1993 and 1994

		1993 Total		1994 Total
Net Assets Held for Pension Benefits (A schedule of funding progress is shown on page 2)				
Book Value	$	69,043,352	$	74,872,844
Market Value		82,096,163		84,202,013
Actuarial Value		75,695,117		84,464,574
Surplus Account at Book Value	$	2,537,097	$	2,973,870

The net assets of your agency's plan(s) are comingled with the net assets of all PERS plans for investment purposes. As of June 30, 1993 and 1994, the PERS Fund was invested in the following asset classes:

	1993	1994
Corporate Stock	25.27%	34.90%
Bonds	24.44%	24.82%
International Securities	17.95%	18.11%
Real Estate Mortgage Loans	17.87%	12.84%
Real Estate Investments	9.05%	6.51%
Cash Equivalents	4.92%	1.60%
Alternative Investments	0.36%	0.54%
Private Equity	0.00%	0.48%
Housing Program	0.14%	0.20%
Total	100.00%	100.00%

STATEMENT OF CHANGES IN THE MARKET VALUE OF PLAN NET ASSETS

for the year ended June 30, 1994

Additions		
Contributions		
Employer	$	1,947,911
Plan Member		1,367,064
Total Contributions	$	3,314,975
Net Investment Income	$	1,612,895
Deductions		
Benefits Paid	$	2,355,721
Refunds of Contributions		7,866
Market Value of Amount Transferred to Employer Surplus Account		458,434
Net Assets Held for Pension Benefits		
Beginning of Year	$	82,096,163
End of Year	$	84,202,013

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Entry Age Actuarial Accrued Liability (AAL)	(3) Unfunded/ (Overfunded) AAL (UAAL) (2) - (1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3)/(5)
6/30/93	75,695,117	73,423,950	(2,271,167)	103.1%	14,212,726	-16.0%
6/30/94	84,464,574	83,557,705	(906,869)	101.1%	14,969,939	-6.1%

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REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date	6/30/94
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent Closed
End of Amortization Period for Prior Service Unfunded	June 30, 2000
End of Amortization Period for Remaining Unfunded	June 30, 2000
Asset Valuation Method	Market Related Value
Actuarial Assumptions:	
Investment Rate of Return*	8.50%
Projected Salary Increase*	Annual increases that vary by duration of service.
Post Retirement Benefit Increase	Based on member agency contract.
*Includes inflation at	4.50%

Membership consisted of the following at the last two valuations*:

	6/30/93	6/30/94
Retirees and beneficiaries receiving benefits	132	139
Transfers to other PERS covered employment entitled to future benefits	51	48
Terminated plan members entitled to but not yet receiving benefits	23	28
Active plan members	263	255
Total	469	470

* Counts of members included in the valuation are counts of the records processed by the valuation. Multiple records may exist for those who have service in more than one coverage group. This does not result in double counting of liabilities.