



January 18, 2023

Mr. Albert Lovingood
Resource Centers, LLC
4360 Northlake Blvd., Suite 206
Palm Beach Gardens, FL 33410

**Re: City of Lake Worth Beach General Employees Retirement System
GASB No. 67 Disclosure Information for Fiscal Year Ending September 30, 2022**

Dear Albert:

As requested, we have prepared the updated actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement No. 67 for the City of Lake Worth Beach General Employees Retirement System for the fiscal year ending September 30, 2022.

The following exhibits were based upon draft audited financial information as of September 30, 2022, which was furnished by the Plan's auditor (Kabat, Schertzer, De La Torre, Taraboulos & Co.), as well as information furnished by the Plan Administrator. If any of this information changes during the auditing process (including benefit payments, contributions, administrative expenses, or the actual market value of assets as of September 30, 2022), then the following exhibits will need to be revised:

- Statement of Changes in Employer's Net Pension Liability and Ratios
- Schedule of the Employer's Net Pension Liability
- Notes to Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity Analysis

The actuarial valuation of the liabilities has been determined as of October 1, 2021 (based on the actuarial valuation results reported in the October 1, 2021 actuarial valuation report dated October 11, 2022), and "rolled forward" to the measurement date, September 30, 2022. Using beginning of the year valuation of liabilities allows for more timely reporting at the end of the year. If significant changes occur during the year, such as benefit changes or changes in assumptions or methods, these may need to be reflected in the process.

Please note that there are other items not listed above that will be required in the Plan's financial statements and/or the City's Annual Comprehensive Financial Report (ACFR) to fully comply with GASB No. 67 standards. This additional information will need to be provided by the Plans' investment consultants, accountants or other financial statement preparers.

Required Disclosures

This information is intended to assist in preparation of the financial statements of the Plan. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 67. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 67. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 may produce significantly different results. This report may be provided to parties other than the City or Board only in its entirety and only with the permission of the City or Board. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Plan Administrator and auditor, concerning Plan benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not otherwise audited. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator and auditor.

This report complements the actuarial valuation report that was previously provided to the Board and should be considered in conjunction with that report. Please see the actuarial valuation report as of October 1, 2021 dated October 11, 2022 for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on data through September 30, 2021 and financial information through September 30, 2022. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law.



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This report was prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Plan. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

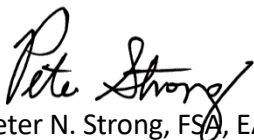
The signing actuaries are independent of the plan sponsor.

Peter N. Strong and Nicolas Lahaye are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable 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 costs 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.

We welcome your questions and comments.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Peter N. Strong, FSA, EA, MAAA, FCA
Senior Consultant and Actuary



Nicolas Lahaye, FSA, EA, MAAA, FCA
Consultant and Actuary

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Enclosures



SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

GASB Statement No. 67

Fiscal year ending September 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service Cost	\$ 1,468,610	\$ 1,646,777	\$ 1,490,960	\$ 1,344,924	\$ 1,276,370	\$ 1,264,754	\$ 1,026,628	\$ 1,289,330	\$ 1,269,805
Interest	7,500,895	7,670,545	7,681,848	7,757,646	7,622,289	7,623,881	7,765,990	7,865,429	7,897,624
Benefit Changes	1,972,829	-	-	512,928	2,327,011	-	-	-	-
Difference between actual & expected experience	(2,011,254)	-	398,714	(807,331)	217,106	186,801	(2,300,009)	(967,020)	(289,809)
Assumption Changes	986,888	(1,255,435)	1,016,341	993,106	957,440	2,876,644	-	-	-
Benefit Payments and Refunds	(8,615,800)	(8,929,498)	(9,948,781)	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Other	-	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	1,302,168	(867,611)	639,082	650,937	3,018,064	3,922,581	(2,606,699)	(1,129,203)	(430,557)
Total Pension Liability - Beginning	108,485,702	109,353,313	108,714,231	108,063,294	105,045,230	101,122,649	103,729,348	104,858,551	105,289,108
Total Pension Liability - Ending (a)	<u>\$ 109,787,870</u>	<u>\$ 108,485,702</u>	<u>\$ 109,353,313</u>	<u>\$ 108,714,231</u>	<u>\$ 108,063,294</u>	<u>\$ 105,045,230</u>	<u>\$ 101,122,649</u>	<u>\$ 103,729,348</u>	<u>\$ 104,858,551</u>
Plan Fiduciary Net Position									
Contributions - Employer (from City)	\$ 4,422,607	\$ 4,601,944	\$ 4,236,368	\$ 4,205,995	\$ 3,987,293	\$ 4,086,164	\$ 4,428,002	\$ 4,594,890	\$ 4,529,186
Contributions - Employer (from State)	-	-	-	-	-	-	-	-	-
Contributions - Non-Employer (from PBSO)	-	-	-	-	-	-	12,600	19,275	24,016
Contributions - Employee (including buybacks)	1,231,525	1,179,217	1,065,640	1,124,756	1,124,419	1,102,815	848,814	844,870	928,387
Net Investment Income	(11,264,335)	12,822,725	6,858,745	3,351,987	6,162,213	7,822,485	4,307,428	508,074	7,515,916
Benefit Payments and Refunds	(8,615,800)	(8,929,498)	(9,948,781)	(9,150,336)	(9,382,152)	(8,029,499)	(9,099,308)	(9,316,942)	(9,308,177)
Administrative Expense	(143,727)	(124,254)	(147,456)	(140,447)	(141,352)	(124,525)	(142,750)	(128,684)	(126,863)
Other	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(14,369,730)	9,550,134	2,064,516	(608,045)	1,750,421	4,857,440	354,786	(3,478,517)	3,562,465
Plan Fiduciary Net Position - Beginning	83,097,734	73,547,600	71,483,084	72,091,129	70,340,708	65,483,268	65,128,482	68,606,999	65,044,534
Plan Fiduciary Net Position - Ending (b)	<u>\$ 68,728,004</u>	<u>\$ 83,097,734</u>	<u>\$ 73,547,600</u>	<u>\$ 71,483,084</u>	<u>\$ 72,091,129</u>	<u>\$ 70,340,708</u>	<u>\$ 65,483,268</u>	<u>\$ 65,128,482</u>	<u>\$ 68,606,999</u>
Net Pension Liability - Ending (a) - (b)	41,059,866	25,387,968	35,805,713	37,231,147	35,972,165	34,704,522	35,639,381	38,600,866	36,251,552
Plan Fiduciary Net Position as a Percentage									
of Total Pension Liability	62.60 %	76.60 %	67.26 %	65.75 %	66.71 %	66.96 %	64.76 %	62.79 %	65.43 %
Covered Payroll	\$ 18,321,112	\$ 17,230,100	\$ 15,834,827	\$ 15,972,516	\$ 14,415,632	\$ 14,138,657	\$ 10,882,231	\$ 10,831,667	\$ 11,902,397
Net Pension Liability as a Percentage									
of Covered Payroll	224.11%	147.35%	226.12%	233.10 %	249.54 %	245.46 %	327.50 %	356.37 %	304.57 %



SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY
GASB Statement No. 67

FY Ending September 30,	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Plan Fiduciary Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	\$ 104,858,551	\$ 68,606,999	\$ 36,251,552	65.43%	\$ 11,902,397	304.57%
2015	103,729,348	65,128,482	38,600,866	62.79%	10,831,667	356.37%
2016	101,122,649	65,483,268	35,639,381	64.76%	10,882,231	327.50%
2017	105,045,230	70,340,708	34,704,522	66.96%	14,138,657	245.46%
2018	108,063,294	72,091,129	35,972,165	66.71%	14,415,632	249.54%
2019	108,714,231	71,483,084	37,231,147	65.75%	15,972,516	233.10%
2020	109,353,313	73,547,600	35,805,713	67.26%	15,834,827	226.12%
2021	108,485,702	83,097,734	25,387,968	76.60%	17,230,100	147.35%
2022	109,787,870	68,728,004	41,059,866	62.60%	18,321,112	224.11%



NOTES TO NET PENSION LIABILITY

GASB Statement No. 67

Valuation Date:	October 1, 2021
Measurement Date:	September 30, 2022
Roll Forward Procedures	The Total Pension Liability was rolled forward 12 months from the Valuation Date to the Measurement Date using standard actuarial techniques.

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
Salary Increases	5.0% to 7.5% depending on completed years of service, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) in their July 1, 2020 actuarial valuation (with mortality improvements projected for nondisabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes See Discussion of Valuation Results on Page 1 of the October 1, 2021 Actuarial Valuation Report dated October 11, 2022.

The following assumption and benefit changes are recognized in the Net Pension Liability as of the measurement date:

Effective October 1, 2021, the investment return assumption was lowered from 7.10% to 7.00%.

An Ordinance was adopted on March 15, 2022 which amended the provisions of the Plan applicable to IBEW employees. All IBEW employees hired after March 31, 2022 will accrue benefits under the cash balance plan formula. IBEW employees hired between October 1, 2010 and March 31, 2022 must make a one-time election to accrue future benefits under either the new cash balance feature or the old plan formula. IBEW employees hired prior to October 1, 2010 who are employed as of March 31, 2022 will not be subject to the new cash balance formula but will have their benefit multiplier increased from 2.0% to 2.25% for all service post September 30, 2010 and will be subject to enhanced vesting and normal retirement eligibility conditions.



SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

<u>FY Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2014	\$ 4,553,202	\$ 4,553,202	\$ -	\$ 11,902,397	38.25%
2015	4,614,165	4,614,165	-	10,831,667	42.60%
2016	4,440,602	4,440,602	-	10,882,231	40.81%
2017	4,086,164	4,086,164	-	14,138,657	28.90%
2018	3,987,293	3,987,293	-	14,415,632	27.66%
2019	4,205,995	4,205,995	-	15,972,516	26.33%
2020	4,236,368	4,236,368	-	15,834,827	26.75%
2021	4,601,944 *	4,601,944	-	17,230,100	26.71%
2022	4,422,607	4,422,607	-	18,321,112	24.14%

*Reflects interest accrued through September 30, 2020 on the receivable employer contributions.



NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 67

Valuation Date: October 1, 2019

Notes Actuarially determined contributions are calculated as of the October 1st which is three years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	19 years (single equivalent amortization period)
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increases	5.0% to 7.5% depending on years of service, including inflation
Investment Rate of Return	7.20%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	RP-2000 Combined Healthy Participant Mortality Table (for preretirement mortality) and the RP-2000 Mortality Table for Annuitants (for postretirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates as used for Non-Special-Risk Class members of the Florida Retirement System (FRS) in the July 1, 2018 Actuarial Valuation. Florida Statutes Chapter 112.63 mandates the use of the same mortality assumptions used by FRS in either of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes See Discussion of Valuation Results on Page 1 of the October 1, 2019 Actuarial Valuation Report dated May 4, 2020.



SINGLE DISCOUNT RATE GASB Statement No. 67

A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.00%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan’s net pension liability, calculated using a single discount rate of 7.00%, as well as what the plan’s net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease	Current Single Discount Rate Assumption	1% Increase
6.00%	7.00%	8.00%
\$51,985,464	\$41,059,866	\$31,830,592

