



March 12, 2024

Board of Trustees, City of Homestead  
General Employees' Retirement Plan  
c/o Ms. Lauri Patterson  
3810 Inverrary Boulevard, Suite 303  
Lauderhill, FL 33319

**Re: City of Homestead General Employees' Retirement Plan  
GASB No. 67 Disclosure Information for Fiscal Year Ending September 30, 2023**

Dear Board Members:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 67 for the fiscal year ending September 30, 2023.

The following exhibits were based upon draft financial information as of September 30, 2023, which was provided by the auditor. 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, 2023), then the following exhibits will need to be revised:

- Statement of Changes in Net Pension Liability and Ratios, using the Single Discount Rate
- Schedule of Net Pension Liability
- Notes to Schedule of Net Pension Liability
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial liabilities as of October 1, 2022 were based on the October 1, 2022 actuarial valuation report dated July 20, 2023, and "rolled forward" to the September 30, 2023 measurement date. Using the beginning of the year valuation of liabilities allows for 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 refer to our October 1, 2022 actuarial valuation report for information related to participant data, economic and demographic assumptions, and benefit provisions.

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 Financial Report 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.

### **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. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimate 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 was prepared at the request of the Board and is intended for financial reporting purposes for use by the Retirement Plan and those designated or approved by the Board. This report may be provided to parties other than the Retirement Plan only in its entirety and only with permission of the Board. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The calculations in this report are based on unaudited financial information as of September 30, 2023 furnished by the Plan's Auditor as well as the assumptions, methods, and plan provisions outlined in our October 1, 2022 Actuarial Valuation Report dated July 20, 2023.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To best of our knowledge, the information contained in this letter is accurate and fairly presents the actuarial position of the plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standard Board, and with applicable statutes.

Nicolas Lahaye and Melissa Zrelack 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. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company,



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



Melissa Zrelack, EA, MAAA  
Consultant & Actuary



## SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS GASB Statement No. 67

Fiscal year ending September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>										
Service Cost	\$ 1,080,482	\$ 1,133,469	\$ 1,298,106	\$ 1,414,901	\$ 1,493,602	\$ 1,643,498	\$ 1,667,916	\$ 1,653,360	\$ 1,693,876	\$ 1,749,000
Interest	6,702,219	6,704,144	6,647,938	6,523,098	6,275,331	6,090,423	5,674,844	5,618,813	5,415,394	5,207,957
Benefit Changes	-	-	-	-	-	-	-	-	-	-
Difference between actual & expected experience	1,171,185	(2,144,586)	254,817	(1,085,959)	282,792	(740,698)	557,519	(807,532)	(567,993)	36,579
Assumption Changes	-	-	(2,208,866)	-	-	-	1,956,133	-	-	-
Benefit Payments	(6,519,962)	(4,777,613)	(5,150,088)	(4,544,982)	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	(39,528)	-	(61,649)	(14,818)	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)	(256,423)
<b>Net Change in Total Pension Liability</b>	<b>2,394,396</b>	<b>915,414</b>	<b>780,258</b>	<b>2,292,240</b>	<b>4,006,747</b>	<b>2,830,287</b>	<b>6,668,801</b>	<b>2,684,820</b>	<b>3,610,609</b>	<b>3,110,151</b>
<b>Total Pension Liability - Beginning</b>	<b>101,491,403</b>	<b>100,575,989</b>	<b>99,795,731</b>	<b>97,503,491</b>	<b>93,496,744</b>	<b>90,666,457</b>	<b>83,997,656</b>	<b>81,312,836</b>	<b>77,702,227</b>	<b>74,592,076</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 103,885,799</b>	<b>\$ 101,491,403</b>	<b>\$ 100,575,989</b>	<b>\$ 99,795,731</b>	<b>\$ 97,503,491</b>	<b>\$ 93,496,744</b>	<b>\$ 90,666,457</b>	<b>\$ 83,997,656</b>	<b>\$ 81,312,836</b>	<b>\$ 77,702,227</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer and State	\$ 1,147,568	\$ 1,771,698	\$ 2,155,733	\$ 2,476,457	\$ 2,613,899	\$ 2,794,643	\$ 2,505,891	\$ 2,725,022	\$ 2,834,656	\$ 2,874,430
Contributions - Non Employer Contributing Entity	-	-	-	-	-	-	-	-	-	-
Contributions - Member	259,826	253,281	267,599	294,602	311,611	336,745	360,501	353,824	360,333	368,500
Net Investment Income	7,694,926	(13,772,902)	17,292,229	3,706,972	6,791,312	4,307,216	6,830,581	7,438,130	1,652,437	5,985,552
Benefit Payments	(6,519,962)	(4,777,613)	(5,150,088)	(4,544,982)	(4,037,075)	(4,128,538)	(3,157,304)	(3,721,862)	(2,900,572)	(3,626,962)
Refunds	(39,528)	-	(61,649)	(14,818)	(7,903)	(34,398)	(30,307)	(57,959)	(30,096)	(256,423)
Administrative Expense	(117,153)	(127,789)	(138,111)	(140,437)	(134,505)	(114,953)	(114,280)	(121,737)	(94,114)	(115,419)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>2,425,677</b>	<b>(16,653,325)</b>	<b>14,365,713</b>	<b>1,777,794</b>	<b>5,537,339</b>	<b>3,160,715</b>	<b>6,395,082</b>	<b>6,615,418</b>	<b>1,822,644</b>	<b>5,229,678</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>88,855,230</b>	<b>105,508,555</b>	<b>91,142,842</b>	<b>89,365,048</b>	<b>83,827,709</b>	<b>80,666,994</b>	<b>74,271,912</b>	<b>67,656,494</b>	<b>65,833,850</b>	<b>60,604,172</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 91,280,907</b>	<b>\$ 88,855,230</b>	<b>\$ 105,508,555</b>	<b>\$ 91,142,842</b>	<b>\$ 89,365,048</b>	<b>\$ 83,827,709</b>	<b>\$ 80,666,994</b>	<b>\$ 74,271,912</b>	<b>\$ 67,656,494</b>	<b>\$ 65,833,850</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>12,604,892</b>	<b>12,636,173</b>	<b>(4,932,566)</b>	<b>8,652,889</b>	<b>8,138,443</b>	<b>9,669,035</b>	<b>9,999,463</b>	<b>9,725,744</b>	<b>13,656,342</b>	<b>11,868,377</b>
<b>Plan Fiduciary Net Position as a Percentage</b>										
<b>of Total Pension Liability</b>	87.87 %	87.55 %	104.90 %	91.33 %	91.65 %	89.66 %	88.97 %	88.42 %	83.21 %	84.73 %
<b>Covered Payroll</b>	\$ 6,495,650	\$ 6,332,025	\$ 6,689,975	\$ 7,365,050	\$ 7,790,275	\$ 8,403,325	\$ 9,012,525	\$ 8,845,600	\$ 9,008,325	\$ 9,212,500
<b>Net Pension Liability as a Percentage</b>										
<b>of Covered Payroll</b>	194.05 %	199.56 %	(73.73)%	117.49 %	104.47 %	115.06 %	110.95 %	109.95 %	151.60 %	128.83 %

\* Covered Payroll was calculated by dividing the member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4.0%.



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

FY Ending Sept 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll*	Net Pension Liability as a % of Covered Payroll
2023	\$103,885,799	\$91,280,907	\$12,604,892	87.87%	\$6,495,650	194.05 %
2022	101,491,403	88,855,230	12,636,173	87.55%	6,332,025	199.56 %
2021	100,575,989	105,508,555	(4,932,566)	104.90%	6,689,975	(73.73)%
2020	99,795,731	91,142,842	8,652,889	91.33%	7,365,050	117.49 %
2019	97,503,491	89,365,048	8,138,443	91.65%	7,790,275	104.47 %
2018	93,496,744	83,827,709	9,669,035	89.66%	8,403,325	115.06 %
2017	90,666,457	80,666,994	9,999,463	88.97%	9,012,525	110.95 %
2016	83,997,656	74,271,912	9,725,744	88.42%	8,845,600	109.95 %
2015	81,312,836	67,656,494	13,656,342	83.21%	9,008,325	151.60 %
2014	77,702,227	65,833,850	11,868,377	84.73%	9,212,500	128.83 %

\* Covered Payroll was calculated by dividing the member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4.0%.



## NOTES TO SCHEDULE OF NET PENSION LIABILITY

### GASB Statement No. 67

#### Significant Methods and Assumptions Used to Determine Net Pension Liability

The Total Pension Liability was determined by the actuarial valuation as of October 1, 2022, using the following actuarial assumptions and methods, applied to all periods included in the

Actuarial Cost Method	Entry Age Normal
Salary Increases	5.00%
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For disabled retirees, PUB-2010 Headcount Weighted General Disabled Retiree Male and Female Tables, with a 3-year setforward for both males and females, with no provision being made for mortality improvements. These are the same rates used for Regular Class members in the July 1, 2021 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

Standard actuarial update procedures were used to “roll forward” the Total Pension Liability to September 30, 2023, the Plan’s fiscal year end.

#### Other Information

See Discussion of Valuation Results on Page 1 of the October 1, 2022 Valuation Report dated July 20, 2023.



## SCHEDULE OF CONTRIBUTIONS GASB Statement No. 67

FY Ending Sept 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2023	\$ 1,147,568	\$ 1,147,568	\$ -	\$ 6,495,650	17.67%
2022	1,771,698	1,771,698	-	6,332,025	27.98%
2021	2,155,733	2,155,733	-	6,689,975	32.22%
2020	2,476,457	2,476,457	-	7,365,050	33.62%
2019	2,613,899	2,613,899	-	7,790,275	33.55%
2018	2,794,643	2,794,643	-	8,403,325	33.26%
2017	2,505,891	2,505,891	-	9,012,525	27.80%
2016	2,725,022	2,725,022	-	8,845,600	30.81%
2015	2,834,656	2,834,656	-	9,008,325	31.47%
2014	2,874,430	2,874,430	-	9,212,500	31.20%

\* Covered Payroll was calculated by dividing the member contributions (excluding buyback contributions) for the fiscal year by the member contribution rate of 4.0%.



## NOTES TO SCHEDULE OF CONTRIBUTIONS

### GASB Statement No. 67

**Valuation Date:** October 1, 2021

**Notes** Actuarially determined contribution rates are calculated as of the October 1 which is two 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 Amount, Closed
Amortization Period Remaining	10 years
Asset Valuation Method	4-year smoothed market
Salary Increases	5.0%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	The PUB-2010 Headcount Weighted General Below Median Employee Mortality Table (for pre-retirement mortality) and the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Mortality Table (for post-retirement mortality), with separate rates for males and females and ages set back one year for males, with mortality improvements projected to all future years after 2010 using Scale MP-2018. For disabled retirees, PUB-2010 Headcount Weighted General Disabled Retiree Male and Female Tables, with a 3-year setforward for both males and females, with no provision being made for mortality improvements. These are the same rates used for Regular Class members in the July 1, 2020 actuarial valuation of the Florida Retirement System (FRS) Pension Plan (based on the 2019 FRS experience study report), in accordance with Florida Statutes Chapter 112.63.

**Other Information:**

**Notes** See Discussion of Valuation Results on Page 1 of the October 1, 2021 Valuation Report dated May 18, 2022.



**SENSITIVITY OF NET PENSION LIABILITY  
TO THE SINGLE DISCOUNT RATE ASSUMPTION  
GASB Statement No. 67**

A single discount rate of 6.75% 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 6.75%. 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 (6.75%) 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 6.75%, 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 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$24,094,657	\$12,604,892	\$2,987,417

