

Annual Statement

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· **OF THE FINANCIAL CONDITION**
· **OF THE LAWRENCE RETIREMENT BOARD**
· **TO THE PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION**
· **FOR THE YEAR ENDED 12/31/2022**
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Annual Statement for the Year Ended December 31, 2022 of the conditions and Affairs of the Lawrence Retirement Board.

Organized Under the Laws of the Commonwealth of Massachusetts to the Public Employee Retirement Administration Commission.

Date of Certificate 07/01/1937

Effective Date 07/01/1939

ADMINISTRATION OFFICE

354 Merrimack Street, Suite 302
Street & Number

Lawrence, MA 01843
City/Town, State and Zip Code

(978) 620-3570
Telephone Number

We, the undersigned, members of the Lawrence Retirement Board certify under penalties of perjury, that we are the official board members of said retirement system, and that on the thirty-first date of December last, all of the herein-described assets were the absolute property of said retirement system, free and clear from any liens or claims thereon, except as stated, and the following statements, with the schedules and explanations therein contained, annexed, or referred to, are a full and correct exhibit of all of the assets, liabilities, income and disbursements, changes in fund balances, and the conditions and affairs of said retirement system on the said thirty-first date of December last, and for the year ended on that date, according to the best of our information, knowledge, and belief respectively.

Board Of Retirement

Ex-Officio Member

Ramona Ceballos

(Name)

R Ceballos
(Signature)

Appointed Member

Term Expires

Pascual Ruiz

(Name)

Pascual H Ruiz
(Signature)

Elected Member

Term Expires 07/01/2025

Robert Wilson

(Name)

Robert Wilson
(Signature)

Elected Member

Term Expires 07/01/2025

Diane Cockroft

(Name)

Diane Cockroft
(Signature)

Member Appointed by Other Members

Term Expires 07/09/2024

Sheryl Wright

(Name)

Sheryl Wright
(Signature)

Investment Managers

Pension Reserve Investment Management Board

84 State Street, Suite 250, Boston, MA 02109

Investment Consultant

Custodian

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Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

ANNUAL STATEMENT BALANCE TESTS

1. ASSET BALANCE

Assets Previous Year	342,659,254.92
Income Current Year	-3,859,390.11
Disbursements Current Year	35,885,668.25
Assets Current Year	302,914,196.56

2. ASSET DIFFERENCE

Assets Current Year	302,914,196.56
Assets Previous Year	342,659,254.92
Difference	-39,745,058.36

3. INCOME DIFFERENCE

Income Current Year	-3,859,390.11
Disbursements Current Year	35,885,668.25
Difference	-39,745,058.36

4. FUND CHANGE DIFFERENCE

Total Fund Change Credits Current Year	2,649,823.29
Total Fund Change Debits Current Year	-42,394,881.65
Difference	-39,745,058.36

Note: The difference as a result of tests 2, 3 and 4 should be the same.

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

ASSETS & LIABILITIES

	2022	2021	2020
1. 1040 Cash	951,906.30	956,460.76	1,089,599.99
2. 1100 Short Term Investments	0.00	0.00	0.00
3. 1180 Fixed Income Securities	0.00	0.00	0.00
4. 1170 Equities	0.00	0.00	0.00
5. 1101 Pooled Short Term Funds	0.00	0.00	0.00
6. 1172 Pooled Domestic Equity Funds	0.00	0.00	0.00
7. 1173 Pooled International Equity Funds	0.00	0.00	0.00
8. 1174 Pooled Global Equity Funds	0.00	0.00	0.00
9. 1181 Pooled Domestic Fixed Income Funds	0.00	0.00	0.00
10. 1182 Pooled International Fixed Income Funds	0.00	0.00	0.00
11. 1183 Pooled Global Fixed Income Funds	0.00	0.00	0.00
12. 1193 Pooled Alternative Investments	0.00	0.00	0.00
13. 1194 Pooled Real Estate Funds	0.00	0.00	0.00
14. 1195 Pooled Domestic Balanced Funds	0.00	0.00	0.00
15. 1196 Pooled International Balanced Funds	0.00	0.00	0.00
16. 1197 Hedge Funds	0.00	0.00	0.00
17. 1198 PRIT Cash	1,410,503.60	1,400,162.51	1,100,194.61
18. 1199 PRIT Fund	301,160,988.08	341,383,859.00	285,714,354.30
19. 1550 Interest Due and Accrued	0.00	0.00	0.00
20. 1350 Prepaid Expenses	13,161.64	12,663.36	12,186.68
21. 1398 Accounts Receivable (A)	720,627.41	555,902.26	584,438.71
22. 1910 Land	0.00	0.00	0.00
23. 1920 Buildings	0.00	0.00	0.00
24. 1929 Accumulated Depreciation – Buildings	0.00	0.00	0.00
25. 2020 Accounts Payable (A)	(-1,342,990.47)	(-1,649,792.97)	(-1,649,124.13)
TOTAL	302,914,196.56	342,659,254.92	286,851,650.16
FUNDS			
1. 3293 Annuity Savings Fund	79,696,110.31	78,970,818.00	77,359,845.13
2. 3294 Annuity Reserve Fund	18,871,876.69	18,364,804.74	18,384,892.18
3. 3295 Military Service Fund	5,307.58	5,302.28	5,296.98
4. 3296 Pension Fund	0.00	0.00	-55,874.11
5. 3298 Expense Fund	0.00	0.00	0.00
6. 3297 Pension Reserve Fund	204,340,901.98	245,318,329.90	191,157,489.98
TOTAL ASSETS AT MARKET VALUE	302,914,196.56	342,659,254.92	286,851,650.16

(A) Specific details for Accounts Receivable and Accounts Payable are to be disclosed on Schedule A

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

	Balance Dec. 31 Prior year	Receipts	Interfund Transfers	Disbursements	Balance Dec.31 Current Year
Annuity Savings Fund	78,970,818.00	9,273,205.71	-5,050,307.39	-3,497,606.01	79,696,110.31
Annuity Reserve Fund	18,364,804.74	560,033.13	5,058,453.42	-5,111,414.60	18,871,876.69
Pension Fund	0.00	23,633,336.53	1,450,759.98	-25,084,096.51	0.00
Military Service Fund	5,302.28	5.30	0.00	0.00	5,307.58
Expense Fund	0.00	2,192,551.13	0.00	-2,192,551.13	0.00
Pension Reserve Fund	245,318,329.90	-39,518,521.91	-1,458,906.01	0.00	204,340,901.98
Total All Funds	342,659,254.92	-3,859,390.11	- 0 -	-35,885,668.25	302,914,196.56

List below all transfers:

Xfer from	Pension Reserve Fund Control Acct	to	Annuity Savings Fund Control Acct	in the amt of	9,447.67	on acct of	10+ YR INA Refund, Return & Rehired 2022
Xfer from	Annuity Savings Fund Control Acct	to	Annuity Reserve Fund	in the amt of	5,058,453.42	on acct of	2022 Retirements
Xfer from	Annuity Savings Fund Control Acct	to	Pension Reserve Fund Control Acct	in the amt of	1,301.64	on acct of	10+ YR Inactives
Xfer from	Pension Reserve Fund Control Acct	to	Pension Fund Control Account	in the amt of	1,450,759.98	on acct of	YE 2022 Negative Balance
Xfer from		to		in the amt of		on acct of	
Xfer from		to		in the amt of		on acct of	

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

RECEIPTS

	2022	2021	2020
1. Annuity Savings Fund:			
(a) 4891 Members' Deductions	8,547,095.59	7,616,774.35	7,713,914.36
(b) 4892 Transfers from Other Systems	543,752.45	319,907.92	673,029.19
(c) 4893 Member Make Up Payments and Redeposits	42,532.55	121,643.29	76,343.94
(d) 4900 Member Payments from Rollovers	0.00	0.00	0.00
(e) Investment Income Credited to Members' Accounts	139,825.12	134,983.53	103,830.45
Subtotal	9,273,205.71	8,193,309.09	8,567,117.94
2. Annuity Reserve Fund:			
(a) 4750 Recovery of Annuity from Reinstatement	0.00	0.00	0.00
(b) Investment Income Credited to Annuity Reserve Fund	560,033.13	540,315.03	546,280.51
Subtotal	560,033.13	540,315.03	546,280.51
3. Pension Fund:			
(a) 4898 3(8)(c) Reimbursements from Other Systems	414,423.94	392,137.04	358,995.12
(b) 4899 Received from Commonwealth for COLA & Survivor Bft	159,689.71	194,201.71	217,057.36
(c) 4894 Pension Fund Appropriation	23,059,222.88	22,293,528.26	21,607,083.03
(d) 4840 Workers Compensation Settlement	0.00	8,600.00	0.00
(e) 4751 Recovery of Pension from Reinstatement	0.00	0.00	0.00
(f) 4841 Recovery of 91A Overearnings	0.00	1,175.00	0.00
Subtotal	23,633,336.53	22,889,642.01	22,183,135.51
4. Military Service Fund:			
(a) 4890 Contributions Received from Municipality	0.00	0.00	0.00
(b) Investment Income Credited	5.30	5.30	5.29
Subtotal	5.30	5.30	5.29
5. Expense Fund:			
(a) 4896 Expense Fund Appropriation	0.00	0.00	0.00
(b) Investment Income Credited to Expense Fund	2,192,551.13	2,053,523.09	1,743,805.59
Subtotal	2,192,551.13	2,053,523.09	1,743,805.59
6. Pension Reserve Fund:			
(a) 4897 Federal Grant Reimbursement	690,384.63	531,502.46	468,360.61
(b) 4895 Pension Reserve Appropriation	0.00	0.00	0.00
(c) 4822 Interest Not Refunded	12,506.76	177.35	3,142.73
(d) 4825 Miscellaneous Income	15,017.79	48,884.61	1,221.18
(e) Excess Investment Income	-40,236,431.09	54,987,561.25	29,672,252.82
Subtotal	-39,518,521.91	55,568,125.67	30,144,977.34
TOTAL RECEIPTS	-3,859,390.11	89,244,920.19	63,185,322.18

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

DISBURSEMENTS

	2022	2021	2020
1. Annuity Savings Fund:			
(a) 5757 Refunds to Members	1,142,821.53	1,395,539.33	777,664.85
(b) 5756 Transfers to Other Systems	2,354,784.48	1,078,281.22	759,336.97
Subtotal	3,497,606.01	2,473,820.55	1,537,001.82
2. Annuity Reserve Fund:			
(a) 5750 Annuities Paid	4,846,445.04	4,539,793.68	4,329,326.86
(b) 5759 Option B Refunds	264,969.56	116,424.78	99,427.64
Subtotal	5,111,414.60	4,656,218.46	4,428,754.50
3. Pension Fund:			
(a) 5751 Pensions Paid	23,831,230.02	22,945,154.09	22,569,359.86
Regular Pension Payments	17,068,941.45	16,015,564.12	15,671,284.73
Survivorship Payments	1,343,372.27	1,339,445.36	1,285,381.44
Ordinary Disability Payments	253,343.52	243,248.40	185,132.42
Accidental Disability Payments	4,138,617.34	4,260,372.62	4,238,010.49
Accidental Death Payments	826,313.94	874,951.71	953,232.31
Section 101 Benefits	200,641.50	211,571.88	236,318.47
(b) 5755 3(8)(c) Reimbursements To Other Systems	1,252,866.49	1,308,599.24	1,413,455.35
(c) 5752 COLAs Paid	0.00	0.00	0.00
(d) 5753 Chapter 389 Beneficiary Increase Paid	0.00	0.00	0.00
Subtotal	25,084,096.51	24,253,753.33	23,982,815.21
4. Military Service Fund:			
(a) 4890 Return to Municipality for Members who Withdrew Funds	0.00	0.00	0.00
Subtotal	0.00	0.00	0.00
5. Expense Fund:			
(a) 5118 Board Member Stipend	13,750.00	14,750.00	15,000.00
(b) 5119 Salaries	336,441.89	247,614.01	239,981.41
(c) 5120 Benefits	51,612.30	57,268.38	53,980.09
(d) 5304 Management Fees	1,568,342.29	1,546,769.19	1,232,556.02
(e) 5305 Custodial Fees	0.00	0.00	0.00
(f) 5307 Investment Consultant Fees	0.00	0.00	0.00
(g) 5308 Legal Expenses	51,982.58	40,380.31	53,735.70
(h) 5309 Medical Expenses	0.00	0.00	0.00
(i) 5310 Fiduciary Insurance	20,424.00	20,242.00	18,985.00
(j) 5311 Service Contracts	42,001.30	41,517.48	39,904.00
(k) 5312 Rent Expense	39,662.26	43,267.92	42,918.44
(l) 5315 Professional Services	0.00	0.00	0.00
(m) 5316 Actuarial Services	25,500.00	6,500.00	14,250.00
(n) 5317 Accounting Services	14,000.00	14,000.00	12,000.00
(o) 5320 Education And Training	2,202.00	0.00	0.00
(p) 5589 Administrative Expenses	22,776.59	21,213.80	20,494.93
(q) 5599 Furniture and Equipment	0.00	0.00	0.00
(r) 5719 Travel	3,855.92	0.00	0.00
(s) 5829 Depreciation Expense: Building	0.00	0.00	0.00
Subtotal	2,192,551.13	2,053,523.09	1,743,805.59
TOTAL DISBURSEMENTS	35,885,668.25	33,437,315.43	31,692,377.12

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

INVESTMENT INCOME

	2022	2021	2020
Investment Income received from:			
(a) Cash (from Schedule 1)	171.13	146.41	956.30
(b) Short Term Investments (from Schedule 2)	0.00	0.00	0.00
(c) Fixed Income Securities (from Schedules 3A and 3C)	0.00	0.00	0.00
(d) Equities (from Schedules 4A and 4C)	0.00	0.00	0.00
(e) Pooled Funds (from Schedule 5)	8,040,950.31	7,265,504.16	5,775,488.86
(f) Commission Recapture and Securities Litigation	0.00	0.00	0.00
4821 TOTAL INVESTMENT INCOME	8,041,121.44	7,265,650.57	5,776,445.16
Plus:			
4884 Realized Gains (Profits)	2,880,602.80	24,116,479.12	12,351,145.31
4886 Unrealized Gains (Increase in Market Value)	29,646,426.54	33,745,693.87	46,697,448.20
1550 Interest Due & Accrued on Fixed Income Securities at End Of Current Year	0.00	0.00	0.00
Less:			
4823 Paid Accrued Interest on Fixed Income Securities	0.00	0.00	0.00
4885 Realized Losses	926,101.08	0.00	1,632,747.93
4887 Unrealized Losses (Decrease in Market Value)	76,986,066.11	7,411,435.36	31,126,116.08
1550 Interest Due and Accrued on Fixed Income Securities Prior Year	0.00	0.00	0.00
Additional Adjustments:			
4701 Carried Interest Expense	0.00	0.00	0.00
4702 Equalization Expense	0.00	0.00	0.00
4703 Miscellaneous Investment Expenses	0.00	0.00	0.00
NET INVESTMENT INCOME	-37,344,016.41	57,716,388.20	32,066,174.66
Income required:			
Annuity Savings Fund (from Supplementary Schedule)	139,825.12	134,983.53	103,830.45
Annuity Reserve Fund	560,033.13	540,315.03	546,280.51
Expense Fund	2,192,551.13	2,053,523.09	1,743,805.59
Military Service Fund	5.30	5.30	5.29
TOTAL INCOME REQUIRED	2,892,414.68	2,728,826.95	2,393,921.84
Net Investment Income	-37,344,016.41	57,716,388.20	32,066,174.66
Less Income Required	2,892,414.68	2,728,826.95	2,393,921.84
EXCESS INCOME TO PENSION RESERVE FUND	-40,236,431.09	54,987,561.25	29,672,252.82

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

MEMBERSHIP FOR CURRENT YEAR

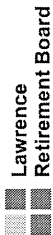
	Group 1	Group 2 & 4	TOTAL
ACTIVE MEMBERS			
Active Membership, Dec. 31st, Previous Year	1,301	283	1,584
Inactive Membership, Dec. 31st, Previous Year	752	15	767
Enrolled During Current Year	457	23	480
Transfers Between Groups	0	0	0
Reinstatements of Disabled Members	0	0	0
SUBTOTAL	457	23	480
Deduct:			
Death	2	0	2
Withdrawals	195	7	202
Retirements	34	13	47
SUBTOTAL	231	20	251
Active Membership, Dec. 31st, Current Year	1,544	285	1,829
Inactive Membership, Dec. 31st, Current Year	735	16	751
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RETIRED MEMBERS, BENEFICIARIES & SURVIVORS			
Retired, Beneficiary and Survivor Membership, Dec. 31st, Previous Year	638	285	923
Retirements During the Year			
Superannuation	34	12	46
Ordinary Disability	0	0	0
Accidental Disability	0	1	1
Termination Retirement Allowance	0	0	0
Beneficiary of Deceased Retiree	0	0	0
Survivor Benefits from Active Membership	0	0	0
SUBTOTAL	34	13	47
Deduct:			
Deaths of Retired Members	19	8	27
Termination of Survivor Benefits	9	5	14
Reinstatements of Disabled Pensions	0	0	0
SUBTOTAL	28	13	41
Retired Membership, Dec. 31st, Current Year			
Superannuation	513	163	676
Ordinary Disability	7	5	12
Accidental Disability	37	71	108
Termination	1	0	1
Beneficiaries from Accidental Deaths	3	18	21
Beneficiaries from Section 100	0	1	1
Beneficiaries from Section 101	8	9	17
Beneficiaries under Option C	39	16	55
Option (D) Survivor Allowance	30	2	32
Section 12B Survivor Allowance	6	0	6
Total Retired, Beneficiary and Survivor Membership, Dec. 31st, Current Year	644	285	929
TOTAL MEMBERSHIP			
Active, Inactive, Retired, Beneficiary and Survivor, Dec. 31st, Current Year	2,923	586	3,509

Annual Statement of the Lawrence Retirement Board for the Year Ended December 31, 2022.

Schedule A: Detail of Accounts Receivable and Accounts Payable

Accounts Receivable	Amount	Original Date
4751 Recovery of Pension from Reinstatement	0.00	
4840 Workers Compensation Settlements	0.00	
4841 Recovery of 91A Overearnings	0.00	
4891 Members Deductions	90,829.73	12/31/2022
4892 Transfers From Other Systems	0.00	
4893 Member Make Up Payments and Redeposits	0.00	
4900 Member Payments from Rollovers	0.00	
4898 3(8)(c) Reimbursements from Other Systems	412,603.20	12/31/2022
4899 Received from Commonwealth for COLA and Survivor Benefits	0.00	
4884 Realized Gain on Sale of Investments	0.00	
4894 Pension Fund Appropriation (Current Fiscal Year)	0.00	
4894 Pension Fund Appropriation (Previous Fiscal Year)	0.00	
4890 Contributions Received from Municipality on Account of Military Service	0.00	
4897 Federal Grant Reimbursement	217,194.48	12/31/2022
4895 Pension Reserve Appropriation	0.00	
Investments Sold But Funds Not Received (list individually)	0.00	
	0.00	
	0.00	
	0.00	
TOTAL RECEIVABLES	720,627.41	
Accounts Payable		
5316 Actuarial Services	0.00	
5317 Accounting Services	0.00	
5320 Education and Training	0.00	
5757 Refunds to Members	0.00	
5756 Transfers to Other Systems	0.00	
5750 Annuities Paid	0.00	
5759 Option B Refund	0.00	
5751 Pensions Paid	0.00	
5755 3(8)(c) Reimbursements to Other Systems	-1,331,311.48	12/31/2022
5752 COLAs Paid	0.00	
5753 Chapter 389 Beneficiary Increase Paid	0.00	
4885 Realized Loss on Sale of Investments	0.00	
4890 Return to Municipality for Members Who Withdrew Their Funds	0.00	
5118 Board Members' Stipend	0.00	
5119 Salaries	0.00	
5304 Management Fees	0.00	
5305 Custodial Fees	0.00	
5307 Investment Consultant Fees	0.00	
5308 Legal Expenses	-3,357.55	12/31/2022
5309 Medical Expenses	0.00	
5310 Fiduciary Insurance	0.00	
5311 Service Contracts	-399.72	12/31/2022
5312 Rent Expense	0.00	
5315 Professional Services Expense	-7,250.00	12/31/2022
5589 Administrative Expenses	-671.72	12/31/2022
5599 Furniture and Equipment	0.00	
5719 Travel	0.00	
Investments Purchased But Not Paid For (list individually)	0.00	
	0.00	
	0.00	
	0.00	
TOTAL PAYABLES	-1,342,990.47	

Accounting Close Interest - 2022



Beginning Balance 3294: 18,364,804.74 Beginning Bal 3294 x.0025: 45,912.01

3294 Jan Adj:	194,973.60	5750 Jan Cash Disb:	-388,785.17	5759 Jan Cash Disb:	0.00	Jan Monthly Total:	18,170,993.17
3294 Feb Adj:	1,258,263.51	5750 Feb Cash Disb:	-400,818.65	5759 Feb Cash Disb:	0.00	Feb Monthly Total:	19,028,438.03
3294 Mar Adj:	444,903.28	5750 Mar Cash Disb:	-397,123.40	5759 Mar Cash Disb:	0.00	Mar Monthly Total:	19,076,217.91
3294 Apr Adj:	455,623.29	5750 Apr Cash Disb:	-399,855.61	5759 Apr Cash Disb:	0.00	Apr Monthly Total:	19,131,985.59
3294 May Adj:	48,517.97	5750 May Cash Disb:	-399,521.63	5759 May Cash Disb:	-87,368.47	May Monthly Total:	18,693,613.46
3294 Jun Adj:	67,521.16	5750 Jun Cash Disb:	-399,439.98	5759 Jun Cash Disb:	0.00	Jun Monthly Total:	18,361,694.64
3294 Jul Adj:	423,314.66	5750 Jul Cash Disb:	-403,276.12	5759 Jul Cash Disb:	-28,320.96	Jul Monthly Total:	18,353,412.22
3294 Aug Adj:	497,070.73	5750 Aug Cash Disb:	-407,292.90	5759 Aug Cash Disb:	0.00	Aug Monthly Total:	18,443,190.05
3294 Sep Adj:	924,768.42	5750 Sep Cash Disb:	-412,797.52	5759 Sep Cash Disb:	-2,495.52	Sep Monthly Total:	18,952,665.43
3294 Oct Adj:	304,412.16	5750 Oct Cash Disb:	-411,303.30	5759 Oct Cash Disb:	0.00	Oct Monthly Total:	18,845,774.29
3294 Nov Adj:	262,859.78	5750 Nov Cash Disb:	-413,461.90	5759 Nov Cash Disb:	-104,709.76	Nov Monthly Total:	18,590,462.41
3294 Dec Adj:	-4,935,189.74	5750 Dec Cash Disb:	-412,768.86	5759 Dec Cash Disb:	-42,074.85	Dec Monthly Total:	13,200,428.96

Jan Mthly Total x .0025:	45,427.48
Feb Mthly Total x .0025:	47,571.10
Mar Mthly Total x .0025:	47,690.54
Apr Mthly Total x .0025:	47,829.96
May Mthly Total x .0025:	46,734.03
Jun Mthly Total x .0025:	45,904.24
Jul Mthly Total x .0025:	45,883.53
Aug Mthly Total x .0025:	46,107.98
Sep Mthly Total x .0025:	47,381.66
Oct Mthly Total x .0025:	47,114.44
Nov Mthly Total x .0025:	46,476.16

Total x .0025 No Dec:	560,033.13
Mth Total + x .0025:	13,760,462.09
ASF 3293 Interest:	139,825.12
MSF 3295 Interest:	5.30
EXPF 3298 Interest:	2,140,938.83
PRF Interest:	-40,236,431.09

PLAN DESCRIPTION

The plan is a contributory defined benefit plan covering all Lawrence Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The pensions of such school employees are administered by the Teachers' Retirement Board.

Instituted in 1937, the System is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the plan is mandatory immediately upon the commencement of employment for all permanent, full-time employees.

The system provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service, or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement benefit and the annuity is the pension. The average retirement benefit is approximately 80 - 85% pension and 15 - 20% annuity.

Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Members joining the retirement system after January 1, 1979 must contribute an additional 2% on regular compensation earned at a rate in excess of \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. These deductions are deposited in the Annuity Savings Fund and earn interest at a rate determined by the Executive Director of PERAC according to statute. When a member's retirement becomes effective, his/her deductions and related interest are transferred to the Annuity Reserve Fund. Cost-of-living adjustments, and any other increase in benefits imposed by state law granted between 1981 and 1996, are borne by the state.

The pension portion of any retirement benefit is paid from the Pension Fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by PERAC's Actuary. In the past, retirement systems were paying only the actual retirement benefits that were due each year. Systems had no statutory authorization to put aside any money for the future benefits of employees who are now working. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1977, legislation authorized local governments to appropriate funds to meet future pension obligations.

In 1983, additional legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. These initiatives have significantly reduced the rate of growth of the retirement systems' unfunded liabilities and, in some systems, have actually reduced such liability.

Administrative expenses are funded through excess investment income.

Members who become permanently disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including: whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

Employees who resign from service and who are not eligible to receive a retirement allowance, or are under the age of 55, are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive either zero (0%) percent, fifty (50%) percent, or one hundred (100%) percent of the regular interest that has accrued upon those deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Executive Director of Public Employee Retirement Administration Commission. All investments are stated at market value at the end of the year.

The Annuity Savings Fund is the fund in which members' contributions are deposited. Active members contribute either 5, 7, 8, or 9% of their gross regular compensation. Voluntary contributions, redeposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, a members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income or appropriated by the governmental units for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment, or on the unrealized gain of a market valued investment as of the valuation date, is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund, is credited to this Reserve account.

The Investment Income Account is credited all income derived from invested funds. At the end of the year, the income credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund, is distributed from this account, and the remaining balance is transferred to the Pension Reserve Fund.

SECTION 1 - EXECUTIVE SUMMARY

A summary of principal valuation results from the current valuation and the prior valuation follows.

Valuation Date	January 1, 2022	January 1, 2020	% Change
Census Data			
Active Members	1,554	1,633	(4.8%)
Valuation Salary	\$83,668,626	\$75,849,815	10.3%
Average Salary	\$53,841	\$46,448	15.9%
Retired Members and Beneficiaries			
Retired Members and Beneficiaries	790	800	(1.3%)
Total Annual Retirement Allowance	\$23,007,870	\$21,592,427	6.6%
Average Annual Retirement Allowance	\$29,124	\$26,991	7.9%
Disabled Members			
Disabled Members	122	124	(1.6%)
Total Annual Retirement Allowance	\$4,891,044	\$4,795,260	2.0%
Average Annual Retirement Allowance	\$40,091	\$38,671	3.7%
Inactive Members			
Inactive Members	795	612	29.9%
Annuity Savings Fund	\$8,154,403	\$6,542,672	24.6%
Funded Status			
Actuarial Accrued Liability (AAL)	\$501,159,239	\$461,255,970	8.7%
Market Value of Assets (MVA)	\$342,659,255	\$255,358,705	34.2%
Unfunded Accrued Liability on MVA	\$158,499,984	\$205,897,265	(23.0%)
Funded Status on MVA	68.4%	55.4%	23.5%
Actuarial Value of Assets (AVA)	\$306,931,298	\$255,358,705	20.2%
Unfunded Accrued Liability on AVA	\$194,227,941	\$205,897,265	(5.7%)
Funded Status on AVA	61.2%	55.4%	10.5%
Appropriations			
Fiscal Year 2022	N/A	\$22,801,808	N/A
Fiscal Year 2023	\$23,639,335	\$23,639,335	0.0%
Fiscal Year 2024	\$24,789,033	\$24,507,626	1.1%
Fiscal Year 2025	\$25,728,538	\$25,407,809	1.3%

SECTION 3 - CHAPTER 32 OF M.G.L. APPROPRIATIONS

Exhibit 3.1 - 30-Year Forecast of Annual Appropriations

Fiscal Year Ending	Employer Normal Cost	Amortization Payment of UAL	Amortization Payment of ERI 2002 (Housing Authority)	Amortization Payment of ERI 2002 (VOC and City)	Amortization Payment of ERI 2003 (VOC and City)	Net 3(8)(c) Transfers	Total Employer Cost	Increase over Prior Year	Unfunded Actuarial Accrued Liability
2023	\$5,744,075	\$15,727,574	\$6,197	\$874,957	\$276,587	\$1,009,945	\$23,639,335		\$194,227,941
2024	5,925,572	16,659,381	6,475	909,955	287,650	1,000,000	24,789,033	4.86%	190,357,592
2025	6,147,781	17,328,481	6,767	946,353	299,156	1,000,000	25,728,538	3.79%	185,204,516
2026	6,378,322	18,025,498	7,072	984,207	311,122	1,000,000	26,706,221	3.80%	178,948,748
2027	6,617,510	18,749,016	7,390	1,023,576	323,567	1,000,000	27,721,059	3.80%	171,482,226
2028	6,865,667	19,500,039	7,723	1,064,520	336,509	1,000,000	28,774,458	3.80%	162,690,709
2029	7,123,129	21,744,758	-	-	-	1,000,000	29,867,887	3.80%	152,450,837
2030	7,390,247	22,612,620	-	-	-	1,000,000	31,002,867	3.80%	140,629,443
2031	7,667,380	23,513,596	-	-	-	1,000,000	32,180,976	3.80%	127,082,828
2032	7,954,907	24,448,946	-	-	-	1,000,000	33,403,853	3.80%	111,655,973
2033	8,253,216	25,419,983	-	-	-	1,000,000	34,673,199	3.80%	94,181,705
2034	8,562,712	26,428,069	-	-	-	1,000,000	35,990,781	3.80%	74,479,790
2035	8,883,814	27,474,617	-	-	-	1,000,000	37,358,431	3.80%	52,355,968
2036	9,216,957	28,550,615	-	-	-	1,000,000	38,767,572	3.77%	27,600,921
2037	9,562,593	-	-	-	-	1,000,000	10,562,593	-72.75%	-
2038	9,921,191	-	-	-	-	1,000,000	10,921,191	3.39%	-
2039	10,293,236	-	-	-	-	1,000,000	11,293,236	3.41%	-
2040	10,679,233	-	-	-	-	1,000,000	11,679,233	3.42%	-
2041	11,079,705	-	-	-	-	1,000,000	12,079,705	3.43%	-
2042	11,495,193	-	-	-	-	1,000,000	12,495,193	3.44%	-
2043	11,926,262	-	-	-	-	1,000,000	12,926,262	3.45%	-
2044	12,373,497	-	-	-	-	1,000,000	13,373,497	3.46%	-
2045	12,837,503	-	-	-	-	1,000,000	13,837,503	3.47%	-
2046	13,318,910	-	-	-	-	1,000,000	14,318,910	3.48%	-
2047	13,818,368	-	-	-	-	1,000,000	14,818,368	3.49%	-
2048	14,336,557	-	-	-	-	1,000,000	15,336,557	3.50%	-
2049	14,874,178	-	-	-	-	1,000,000	15,874,178	3.51%	-
2050	15,431,960	-	-	-	-	1,000,000	16,431,960	3.51%	-
2051	16,010,659	-	-	-	-	1,000,000	17,010,659	3.52%	-
2052	16,611,058	-	-	-	-	1,000,000	17,611,058	3.53%	-

SECTION 4 - DISCLOSURES

4.2 - PERAC Disclosure Information

The most recent actuarial valuation of the System was prepared by KMS Actuaries, LLC as of January 1, 2022.

Normal Cost - Employees	\$7,463,476	8.9% of payroll
Normal Cost - Employers	\$5,521,414	6.6% of payroll
Actuarial Liability - Active Members	\$209,596,942	42% of total AAL
Actuarial Liability - Retired and Inactive Members	291,562,297	58% of total AAL
Total Actuarial Liability (AAL)	<u>\$501,159,239</u>	
System Assets	\$306,931,298	
Unfunded Actuarial Accrued Liability	\$194,227,941	
Funded Status	61.2%	

Investment Return

Rate of Salary Increase

Principal actuarial assumptions used in the valuation:

7.00%

Based on service, 7.75% for 0-4 years of service, 3.75% thereafter for all groups

Lawrence Contributory Retirement System Actuarial
Valuation as of January 1, 2022

K M S A C T U A R I E S

Board: Lawrence Retirement System
Year: 2022

Lawrence Retirement System
Schedule 1

Cash Account Activity During Year Ended December 31, 2022

Description	Book Value at End of Previous Year	Total Deposits this Year	Income Reinvested/ Redeposited into Account	Total Withdrawals this Year	Total Book Value Dec 31 this Year	Cash Income Paid to System Not Reinvested or Redeposited	Interest Due and Accrued December 31st.
Enterprise Bank - General Account	956,316.76	54,107,625.18	0.00	54,112,181.98	951,759.96	151.23	
Enterprise Bank - Payroll Account	17.56	29,027,886.85	0.00	29,027,884.51	19.90	19.90	
Petty cash	126.44	0.00	0.00	0.00	126.44		
Schedule Totals	956,460.76	83,135,512.03	0.00	83,140,066.49	951,906.30	171.13	0.00

Lawrence Retirement System
Schedule 3A

Fixed Income Securities Owned at End of Year Ended December 31, 2022

Fund	CUSIP	Description	Rate	Maturity Date	Par Value	Price	Market Value at End of Year	Change in Market Value Increase/Decrease	Interest Received During Year	Interest Due and Accrued at Year End
Schedule Totals										
							0.00	0.00	0.00	0.00
							Total Increase	0.00		
							Total Decrease	0.00		

Lawrence Retirement System
 Schedule 3B
 Fixed Income Securities Purchased During Year Ended December 31, 2022

Fund	CUSIP	Description	Rate	Maturity Date	Par Value	Date Acquired (Trade Date)	Name of Broker	Commissions Paid	Paid Accrued Interest	Cost Excluding Accrued Interest, but Including Commissions
								0.00	0.00	0.00
Schedule Totals								0.00	0.00	0.00

Lawrence Retirement System

Schedule 3C

Fixed Income Securities Sold During Year Ended December 31, 2022

Fund	CUSIP	Description	Rate	Maturity Date	Par Value	Date Sold (Trade Date)	Name of Broker	Commissions Paid	Proceeds from Sale	Book Value	Profit/Loss on Sale	Interest Received During Year
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Schedule Totals

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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TOTAL PROFIT 0.00
 TOTAL LOSS 0.00

Lawrence Retirement System
Schedule 4A
Equities Owned at End of Year Ended December 31, 2022

Fund	CUSIP	Description	Shares	Price Per Share	Market Value at End of Year	Change in Market Value Increase/Decrease	Dividends Received During Year
Schedule Totals							
					0.00	0.00	0.00
						Total Increase	0.00
						Total Decrease	0.00

Lawrence Retirement System
Schedule 4B
Equities Purchased During Year Ended December 31, 2022

Fund	CUSIP	Description	Shares	Date Acquired (Trade Date)	Name of Broker	Commissions Paid	Cost to System Including Commissions and Fees
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Schedule Totals

0.00
0.00

Lawrence Retirement System
 Schedule 4C
 Equities Sold During Year Ended December 31, 2022

Fund	CUSIP	Description	Shares	Date Sold (Trade Date)	Name of Broker	Commissions Paid	Proceeds from Sale	Book Value	Profit/Loss on Sale	Interest Received During Year
Schedule Totals										
						0.00	0.00	0.00	0.00	0.00

TOTAL PROFIT 0.00
 TOTAL LOSS 0.00

Lawrence Retirement System
Schedule 5
Pooled Fund Activity During Year Ended December 31, 2022

PERAC Ledger Number	Description	Market Value at End of Previous Year	Total Purchases this Year	Reinvested Investment Income	#4884 Realized Gain	#4885 Realized Loss	#4886 Unrealized Gain	#4887 Unrealized Loss	Total Sales Redemptions this Year	Cash Dividends Distributions this Year	Fees Paid	Market Value at End of Year	Market Value Updated Through
1199-0002	PRIT GENERAL ALLOCATION FUND	341,383,859.00	0.00	7,972,717.07	2,880,602.80	926,101.08	29,646,426.54	76,986,066.11	0.00	-1,242,107.85	1,568,342.29	301,160,988.08	
1198-0000	PRIT CASH FUND	1,400,162.51	0.00	68,233.24	0.00	0.00	0.00	0.00	-20,800,000.00	20,742,107.85	0.00	1,410,503.60	
Schedule Totals			0.00	8,040,950.31	2,880,602.80	926,101.08	29,646,426.54	76,986,066.11	-20,800,000.00	19,500,000.00	1,568,342.29	302,571,491.68	

NOTE: If you have more than one manager in any ledger account number, please add a row for that account number's subtotal and adjust the schedule total formula.

Lawrence Retirement System
Schedule 6

Summary of Investments Owned for Year Ended December 31, 2022

Category of investment	Current Market Value	Interest Due and Accrued	Paid Accrued Interest on Purchases in Current Year	Commissions Paid During Current Year	#4886 Unrealized Gains	#4887 Unrealized Losses	#4884 Realized Gains	#4885 Realized Losses	Investment Income Received During Year
1040- Cash- Payroll Account	19.90	-	-	-	-	-	-	-	19.90
1041- Cash- General Account	951,759.96	-	-	-	-	-	-	-	151.23
1042- Cash- Petty Cash Account	126.44	-	-	-	-	-	-	-	-
Individually Owned Short term securities	-	-	-	-	-	-	-	-	-
Fixed Income Securities	-	-	-	-	-	-	-	-	-
Equities	-	-	-	-	-	-	-	-	-
Pooled Short Term Funds	-	-	-	-	-	-	-	-	-
Pooled Domestic Equity Funds	-	-	-	-	-	-	-	-	-
Pooled International Equity Funds	-	-	-	-	-	-	-	-	-
Pooled Global Equity Funds	-	-	-	-	-	-	-	-	-
Pooled Domestic Fixed Income Funds	-	-	-	-	-	-	-	-	-
Pooled International Fixed Income Funds	-	-	-	-	-	-	-	-	-
Pooled Global Fixed Income Funds	-	-	-	-	-	-	-	-	-
Pooled Alternative Investments/ Private Equity	-	-	-	-	-	-	-	-	-
Pooled Real Estate Funds	-	-	-	-	-	-	-	-	-
Pooled Domestic Balanced Fund	-	-	-	-	-	-	-	-	-
Pooled International Balanced Funds	-	-	-	-	-	-	-	-	-
Hedge Funds	-	-	-	-	-	-	-	-	-
1198-0000 PRIT Cash Fund	1,410,503.60	-	-	-	-	-	-	-	68,233.24
1199-0002 PRIM General Allocation	301,160,988.08	-	-	-	2,880,602.80	926,101.08	29,646,426.54	76,986,066.11	7,972,717.07
Schedule Totals	303,523,397.98	-	-	-	2,880,602.80	926,101.08	29,646,426.54	76,986,066.11	8,041,121.44

Lawrence Retirement System

Schedule 7

Summary of Investment Related Fees for Year Ended December 31, 2022

Manager/Vendor-All Managers/Vendors Must be Listed	Q1	Q2	Q3	Q4	Accrued Payable at Year End	Total Paid or Accrued Year End	Market Value as of Year End	*Payment Method (N, C, W)	#4701 Carried Interest Expense	#4702 Equalization Expense	#4703 Miscellaneous Expense
5304 Management Fees 1199-0002 PRIM General Allocation	466,933.59	382,198.19	369,954.98	349,255.53	-	1,568,342.29					
5304 Management Fees Total	466,933.59	382,198.19	369,954.98	349,255.53	-	1,568,342.29	\$ -	\$ -	\$ -	\$ -	\$ -
5305 Custodial Fees											
5305 Custodial Fees Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
5307 Investment Consultant/OCIO Fees											
5307 Investment Consultant/OCIO Fees Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					
Total Investment Related Fees and Expenses	466,933.59	382,198.19	369,954.98	349,255.53	-	1,568,342.29	\$ -	\$ -	\$ -	\$ -	\$ -

*N=Net/C=Check/W=Wire