Saltmarsh
Saltmarsh, Cleaveland & Gund
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

LANTANA POLICE RELIEF AND PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 AND 2021

LANTANA POLICE RELIEF AND PENSION FUND

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 AND 2021

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Lantana Police Relief and Pension Fund
Lantana, Florida

Opinion

We have audited the financial statements of the Lantana Police Relief and Pension Fund (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, information regarding the fiduciary net position of the Plan as of September 30, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date that the financial statements are issued.

Board of Trustees of
Lantana Police Relief and Pension Fund
Lantana, Florida

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Emphasis of Matter

As discussed in Note 1, these financial statements present only the Lantana Police Relief and Pension Fund, a pension trust fund of the Town of Lantana (the "Town"), and are not intended to present fairly the financial position and changes in financial position of the Town in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Board of Trustees of
Lantana Police Relief and Pension Fund
Lantana, Florida

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages 23 through 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Plan has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

The additional information on page 28 is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the above information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Saltmarsh Cleaveland & Gund

Tampa, Florida
March 17, 2023

LANTANA POLICE RELIEF AND PENSION FUND
STATEMENTS OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2022 AND 2021

	2022	2021
Assets:		
Cash	$ 9,502	$ 5,810
Receivables:		
Plan members	-	6,625
State Excise Tax	153,631	-
Due from broker-dealers	357,449	-
Interest and dividends	24,284	17,699
Total receivables	535,364	24,324
Prepaid insurance	2,665	2,665
Investments:		
U.S. Government obligations	2,382,535	3,339,668
U.S. Government agency obligations	434,544	-
Corporate bonds	983,697	1,023,960
International fixed income investment funds	887,667	668,601
Domestic equity investment funds	10,088,385	12,256,187
International equity investment fund	2,465,822	3,691,700
Real estate investment funds	2,036,129	1,716,578
Temporary investment funds	140,403	480,774
Total investments	19,419,182	23,177,468
Total Assets	19,966,713	23,210,267
Liabilities:		
Accounts payable	11,986	8,980
Accounts payable, broker-dealers	247,478	171,631
Total Liabilities	259,464	180,611
Net Position Restricted for Pensions	$ 19,707,249	$ 23,029,656

The accompanying notes are an integral part of these financial statements.

LANTANA POLICE RELIEF AND PENSION FUND
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
Additions to Net Position Attributed to:		
Contributions:		
Employer	$ 943,987	$ 933,367
Plan members	183,718	179,196
Total contributions	1,127,705	1,112,563
Intergovernmental revenue:		
State excise tax rebate	153,631	143,591
Total intergovernmental revenue	153,631	143,591
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	(4,847,535)	3,403,888
Interest	102,347	68,008
Dividends	986,155	538,992
Total investment income (loss)	(3,759,033)	4,010,888
Less investment expenses	59,362	54,435
Net investment income (loss)	(3,818,395)	3,956,453
Total additions, net	(2,537,059)	5,212,607
Deductions from Net Position Attributed to:		
Benefits:		
Age and service	649,249	609,584
Beneficiary	48,129	44,983
Refunds	9,406	34,927
Administrative expenses	78,564	67,988
Total deductions	785,348	757,482
Net Increase (Decrease) in Net Position	(3,322,407)	4,455,125
Net Position Available for Benefits:		
Beginning of year	23,029,656	18,574,531
End of year	$ 19,707,249	$ 23,029,656

The accompanying notes are an integral
part of these financial statements.

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the Town of Lantana Police Relief and Pension Fund (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Ordinances for more complete information.

The Plan is a defined benefit pension plan covering participating full-time sworn police officers of the Town of Lantana, Florida (the "Town").

Currently receiving benefits	26
DROP Retirees	4
Terminated employees entitled to but not yet receiving benefits	2
Total	32
Current employees:	
Vested	8
Nonvested	21
Total	29

At October 1, 2021, the date of the most recent actuarial valuation, there were 26 retirees and beneficiaries receiving benefits.

General Fund - The Plan is a defined benefit pension plan covering all sworn police officers of the Town. Police officers hired by the Town after June 22, 1987 become participants of the Plan effective on their employment date.

Originally established prior to 1982 and subsequently amended, the Plan provides for pension, death and disability benefits. The Plan is subject to the provisions of Chapter 185 of the State of Florida Statutes.

The Plan, in accordance with the above statute, is governed by a five-member pension board. Two police officers, two Town residents and a fifth member elected by the other four members constitute the pension board. The Town and the Plan participants are obligated to fund all Plan costs based upon actuarial valuations. The Town is authorized to establish benefit levels and the Board of Trustees approves the actuarial assumptions used in the determination of contribution levels.

NOTE 1 - DESCRIPTION OF PLAN (Continued)

Pension Benefits - The Plan provides retirement, death and disability benefits for its participants. A participant may retire with normal benefits after reaching age 50 and accumulating 10 or more years of credited service. Normal retirement benefits are based on 3.00% of the participant's final average salary times the number of his or her credited service years rendered. The final average salary for purposes of calculating benefits is the participant's average salary during the highest 5 years of a participant's last 10 years of employment. Salary does not include lump sum payments for accumulated leave.

A participant with 10 or more years of credited service is eligible for deferred retirement. These benefits begin upon application on or after reaching age 50 and are computed the same as normal retirement, based upon the participant's final average salary and credited service at the date of termination.

Any retiree or beneficiary who begins receiving pension benefits after October 2000 is entitled to a monthly supplemental pension benefit equal to $35 per year of service.

Disability Benefits - Disability benefits for service-related disabilities for participants with 10 or more years of credited service are covered from the date of employment and are paid to a participant for life. Disability payments are based on the benefit amount accrued at the date of the disability.

Disability benefits for non-service-related disabilities are paid to a participant for life. Benefits are calculated as the accrued normal retirement amount if the disability occurs after normal retirement eligibility. If the disability occurs before normal retirement eligibility and the participant has completed ten or more years of credited service, the disability benefit is computed as 2% of the sum of the participant's average final compensation with a minimum of 25% of the participant's average final salary.

Death Benefits - For any deceased employee who had been an actively employed participant eligible for normal or deferred retirement, the benefit payable shall be at least equal to the annuity of ten years calculated as of the date of death to the employee's designated beneficiary. Non-vested death benefits are based on the participant's accumulated contributions.

Refund of Participant Contributions - A participant who terminates his or her employment with the Police Department, either voluntarily or by discharge, and is not eligible for any other benefits under this fund, shall be entitled to the following:

i. If a participant has less than ten years of credited service upon termination, the participant shall be entitled to a refund of his or her contributions.

ii. If a participant has ten or more years of credited service upon termination, the participant shall be entitled to either:

    (1) A refund of his or her contributions to the Plan plus interest; or

    (2) A deferred monthly benefit computed as for normal retirement, which is payable at the otherwise normal retirement date.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

Basis of accounting is the method by which revenues and expenses are recognized in the accounts and are reported in the financial statements. The accrual basis of accounting is used for the Plan. Under the accrual basis of accounting, revenues are recognized when they are earned and collection is reasonably assured, and expenses are recognized when the liability is incurred. Plan member contributions are recognized in the period in which the contributions are due. Town contributions to the plan as calculated by the Plan's actuary, are recognized as revenue when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Basis of Presentation:

The accompanying financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 67, Financial Reporting for Defined Benefit Pension Plans and the Codification of Governmental Accounting and Financial Reporting Standards which covers the reporting requirements for defined benefit pensions established by a governmental employer. The accompanying financial statements include solely the accounts of the Plan which include all programs, activities and functions relating to the accumulation and investment of the assets and related income necessary to provide the service, disability and death benefits required under the terms of the Plan and the amendments thereto.

Valuation of Investments:

GASB statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Purchases and sales of investments are recorded on a trade date basis.

Investment income is recognized on the accrual basis as earned. Unrealized appreciation in fair value of investments includes the difference between cost and fair value of investments held. The net realized and unrealized investment appreciation or depreciation for the year is reflected in the Statements of Changes in Fiduciary Net Position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custody of Assets:

Custodial and investment services are provided to the Plan under contract with a national trust company having trust powers in the State of Florida. The Plan's investment policies are governed by Florida State Statutes and ordinances of the Town of Lantana, Florida.

Authorized Plan Investments:

The Board recognizes that the obligations of the Plan are long-term and that its investment policy should be made with a view toward performance and return over a number of years. The general investment objective is to obtain a reasonable total rate of return defined as interest and dividend income plus realized and unrealized capital gains or losses commensurate with the prudent investor rule and Chapter 185 of the Florida Statutes.

Permissible investments include obligations of the U.S. Treasury and U.S. agencies, high capitalization common or preferred stocks, pooled equity funds, high quality bonds or notes and fixed income funds. In addition, the Board requires that Plan assets be invested with no more than 60% in stocks and convertible securities measured at cost or 70% of the Plan assets at market (fair) value.

In addition, the Plan limits investment in common stock (equity investments) as follows:

a. No more than five percent of the Plan's assets may be invested in the common or capital stock of any single corporation.

b. The Plan's investment in the common stock of any single corporation shall not exceed three percent of such corporation's outstanding common or capital stock.

Actuarial Cost Method:

The Plan has elected the Individual Entry Age Actuarial Cost Method for funding purposes. This method provides for allocating the actuarial present value of future benefits between the actuarial present value of future normal costs and the actuarial accrued liability.

Reporting Entity:

The financial statements presented are only for the Plan and are not intended to present the basic financial statements of the Town of Lantana, Florida.

The Plan is included in the Town's Annual Comprehensive Financial Report (ACFR) for the years ended September 30, 2022 and 2021, which are separately issued documents. Anyone wishing further information about the Town is referred to the Town's ACFR.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued):

The Plan is a pension trust fund (fiduciary fund type) of the Town which accounts for the single employer defined benefit pension plan for all Town Police Officers. The provisions of the Plan provide for retirement, disability, and survivor benefits.

Funding Policy:

Participants are required to contribute 7% of their annual earnings to the Plan. Prior to January 1, 2001, contributions to the Plan were made on an after-tax basis. Subsequent to this date, contributions are made on a pre-tax basis pursuant to an amendment to the Plan. These contributions are designated as employee contributions under Section 414(h)(2) of the Internal Revenue Code.

The Plan also provides for the purchase of credited service for military service prior to employment by the Town.

The Town's funding policy is to make actuarially computed quarterly contributions to the Plan in amounts, such that when combined with participants' contributions and the State insurance excise tax rebate, all participants' benefits will be fully provided for by the time that they retire.

Administrative Costs:

All administrative costs of the Plan are financed through investment earnings. The Plan has no undue investment concentrations.

Temporary Investment Funds:

The Plan considers money market and demand account, bank and broker-dealer deposits as cash. Temporary investments, shown on the statements of fiduciary net position are composed of investments in short-term custodial proprietary money market funds.

Federal Income Taxes:

A favorable determination letter indicating that the Plan is qualified and exempt from Federal income taxes was not requested from the Internal Revenue Service. The Board believes that the Plan is designed and continues to operate in compliance with the applicable requirements of the Internal Revenue Code and therefore has not recorded any income tax liability or expense.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties:

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Reclassification:

Certain figures in the financial statements for the fiscal year ended September 30, 2021 have been reclassified to conform to the presentation used in the financial statements for the fiscal year ended September 30, 2022.

Subsequent Events:

Management has adopted the provisions set forth in GASB statement No. 56, *Subsequent Events,* and considered subsequent events through March 17, 2023, which is the date that the financial statements were available to be issued.

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits:

Salem Trust Company (Salem) periodically holds uninvested cash in its respective capacity as custodian for the Plan. These funds exist temporarily as cash in the process of collection from the sale of securities.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments:

Investments that are not evidenced by securities that exist in physical or book-entry form include investments in open-ended mutual funds.

The Plan's investments are segregated into domestic equity and fixed income investment funds and international equity and fixed income investment funds. The Plan's security investments are segregated into a separate account and managed under a separate investment agreement with Garcia, Hamilton & Associates, L.P. Salem has custodianship of the above investments. The investment funds have the authority to manage the investments in accordance with the specific investment guidelines of the Plan. Investment management fees are paid through the investment funds and are calculated quarterly as a percentage of the fair market value of the Plan's assets managed.

Including the ASB Allegiance Real Estate Fund, the Plan's investments are uninsured and unregistered and are held in the custodian's or the Bank's accounts in the Plan's name.

The Plan carried no investments that individually represented 5% or more of the Plan's net assets available for benefits as of September 30, 2022.

The Plan held the following fixed income investments as of September 30, 2022 and 2021:

Investment Type	9/30/2022 Fair Value	9/30/2021 Fair Value	Rating Standard & Poor's	Effective Duration (Years)
U.S. Government obligations	$ 2,382,535	$ 3,339,668	AA+	8.85
U.S. Government agency obligations	434,544	-	AA+	3.78
Corporate bonds	983,697	1,023,960	BBB-A	5.22
International fixed income investment funds	887,667	668,601	BBB+	4.95
Temporary investment funds	140,403	480,774	Not Rated	Daily
Total	$ 4,828,846	$ 5,513,003		

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Foreign Tax Withholding and Reclaims:

Withholding taxes on dividends from foreign securities are provided for based on rates established via treaty between the United States of America and the applicable foreign jurisdiction, or where no treaty exists at the prevailing rate established by the foreign country. Foreign tax withholdings are reflected as a reduction of dividend income in the statement of changes in fiduciary net position. Where treaties allow for a reclaim of taxes, the Plan will make a formal application for refund. Such reclaims are included as an addition to dividend income.

Investment Asset Allocation:

The Plan's adopted asset allocation policy as of September 30, 2022 is as follows:

In order to provide for a diversified portfolio, the Board has engaged investment professional(s) to manage and administer the fund. The investment manager(s) are responsible for the assets and allocation of their mandate only and may be provided as an addendum to this policy with their specific performance objectives and investment criteria. The Board has established the following asset allocation targets:

Asset Class	Target	Range	Benchmark Index
Domestic Equity	50%	45% - 60%	Russell 3000
International Equity	15%	10% - 25%	MSCI-ACWI ex. U.S.
Total Equities	65%	60%-70%	
Domestic Core Fixed Income	20%	15%-25%	Barclays Aggregate
Diversified Fixed Income*	5%	0%-10%	Diversified Fixed Income Index**
Total Fixed Income	25%	20%-30%	
Core Real Estate*	10%	5%-15%	NCREIF ODCE
Total Real Estate	10%	5%-15%	

*Benchmark will default to "domestic core fixed income" if these portfolios are not funded.
**Diversified Fixed Index: 33% JPM EMBI + | 33% BC Corp HY { 33% Citigroup Non-US World Gov Bond

The investment consultant will monitor the aggregate asset allocation of the portfolio and will rebalance to the target asset allocation based on market conditions. If at the end of any calendar quarter, the allocation of an asset class falls outside of its allowable range, barring extenuating circumstances such as pending cash flows or allocation levels viewed as temporary, the asset allocation will be rebalanced into the allowable range. To the extent possible, contributions and withdrawals from the portfolio will be executed proportionally based on the most current market value available. The Board does not intend to make short-term changes to the target allocation.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Rate of Return:

For the years ended September 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -16.59% and 20.49%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 4 - NET INCREASE (DECREASE) IN REALIZED AND UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

The Plan's investments appreciated (depreciated) in value during the fiscal years ended September 30, 2022 and 2021 as follows:

	2022	2021
Realized appreciation (depreciation)	$ (229,864)	$ 153,218
Unrealized appreciation (depreciation)	(4,617,671)	3,250,670
	$ (4,847,535)	$ 3,403,888

The calculation of realized gains and losses is independent of the calculation of net appreciation (depreciation) in the fair value of plan investments.

Unrealized gains and losses on investments sold in 2022 that had been held for more than one year were included in net appreciation (depreciation) reported in the prior year.

The Plan has no instrument that, in whole or in part, is accounted for as a derivative instrument under GASB statement No. 53, *Accounting and Financial Reporting/or Derivative Instruments* during the current Plan year.

NOTE 5 - INVESTMENTS

The Plan's investments at both carrying value and cost or adjusted cost as of September 30, 2022 and 2021 are summarized as follows:

	2022		2021	
Investments	Cost	Fair Value	Cost	Fair Value
U.S. Government obligations	$ 2,639,007	$ 2,382,535	$ 3,391,809	$ 3,339,668
U.S. Government agency obligations	466,397	434,544	-	-
Corporate bonds	1,174,309	983,697	1,006,684	1,023,960
International fixed income investment funds	1,125,780	887,667	679,680	668,601
Domestic equity investment funds	7,986,427	10,088,385	7,240,243	12,256,187
International equity investment funds	2,806,176	2,465,822	2,617,196	3,691,700
Real estate investment funds	1,222,011	2,036,129	1,237,002	1,716,578
Temporary investment funds	140,403	140,403	480,774	480,774
Total	$ 17,560,510	$ 19,419,182	$ 16,653,388	$ 23,177,468

NOTE 6 - PLAN AMENDMENTS

There was no Plan amendment during the fiscal year ended September 30, 2022.

On March 8, 2021, the Plan was amended by Ordinance No. 0-05-2021. The actuary issued an impact statement on February 5, 2021. This amendment includes the following changes:

- Amend Section 14-82, Benefits, to revise the required minimum distribution age from age 70 ½ to age 72.

- Amend Section 14-82, Benefits, to add a subsection indicating that it is intended that the Plan is administered at all times in accordance with the provisions of the Internal Revenue Code and the corresponding regulations.

- Amend Section 14-90, Deferred Retirement Option Plan, to revise the required minimum distribution age from age 70 ½ to age 72.

NOTE 7 - MORTGAGE-BACKED SECURITIES

The Plan invests in mortgage-backed securities representing interests in pools of mortgage loans as part of its interest rate risk management strategy. The mortgage-backed securities are not used to leverage investments in fixed income portfolios. The mortgage-backed securities held by the Plan were guaranteed by federally sponsored agencies such as: Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation.

NOTE 8 - INVESTMENT MEASUREMENT AT FAIR VALUE

Fair Value Hierarchy

The accounting standards break down the fair value hierarchy into three levels based on how observable the inputs are that make up the valuation. The most observable inputs are classified as Level 1 where the unobservable inputs are classified as Level 3.

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

As a general rule, any asset that has a daily closing price and is actively traded will be classified as a Level 1 input.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for the asset or liability, either directly or indirectly. Inputs to the valuation methodology include: (1) quoted market prices for similar assets or liabilities in active markets, (2) quoted prices for identical or similar assets or liabilities in active markets, (3) inputs other than quoted prices that are observable for the asset or liability, and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

As a general rule, if an asset or liability does not fall into the requirements of a Level 1 or Level 3 input, it would default to Level 2. With Level 2 inputs, there is usually data that can be easily obtained to support the valuation, even though it is not as easily obtained as a Level 1 input would be.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As a general rule, Level 3 inputs are those that are difficult to obtain on a regular basis and require verification from an outside party, such as an auditor or an appraisal, to validate the valuation.

NOTE 8 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued)

Net asset value (NAV) is a common measurement of fair value for Level 1, Level 2, and Level 3 investments. A fund's NAV is simply its assets less its liabilities and is often reported as a per share amount for fair value measurement purposes. The Plan would multiply the NAV per share owned to arrive at fair value. Level 1 investment in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes in to play for Level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a "practical expedient"), a Plan can use the NAV per share for investments in a nongovernmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV as a matter of convenience.

The Plan categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following total recurring fair value measurements as of September 30, 2022 and 2021:

- *Debt securities* - Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Corporation and Bloomberg, L.P. to value securities based on the securities' relationship to benchmark quoted prices.

- *Mutual funds* - The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF's or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of Level I and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.

- *Fixed income funds* - Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.

- *Equity funds* - Valued at market prices for similar assets in active markets.

- *Common stock* - Valued at quoted market prices for identical assets in active markets.

NOTE 8 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

Fair Value Hierarchy (Continued)

Investment by fair value level	Level 1	Level 2	Level 3	Total
U.S. Government obligations	$ 2,382,535			$ 2,382,535
U.S. Government agency obligations	434,544			434,544
Corporate bonds		983,697		983,697
International fixed income investment funds	887,667			887,667
Domestic equity investment funds	10,088,385			10,088,385
International equity investment funds	2,465,822			2,465,822
Temporary investment funds	140,403			140,403
Total investments by fair value level	$ 16,399,356	$ 983,697	$ -	17,383,053
Investments Measured at Net Asset Value (NAV):				
Real estate investment funds				2,036,129
Total investments measured at NAV				2,036,129
Total, September 30, 2022				$ 19,419,182

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Government obligations	$ 3,339,668	$ -	$ -	$ 3,339,668
Corporate bonds		1,023,960		1,023,960
International fixed income investment funds	668,601			668,601
Domestic equity investment funds	12,256,187			12,256,187
International equity investment funds	3,691,700			3,691,700
Temporary investment funds	480,774	-		480,774
Total investments by fair value level	$ 20,436,930	$ 1,023,960	$ -	21,460,890
Investments Measured at Net Asset Value (NAV):				
Real estate investment funds				1,716,578
Total investments measured at NAV				1,716,578
Total, September 30, 2021				$ 23,177,468

NOTE 8 - INVESTMENT MEASUREMENT AT FAIR VALUE (Continued)

The real estate investment funds are open end, commingled private real estate portfolios. These real estate investment trust (REIT) based funds are structured as limited partnerships. Their primary focus is to invest in well based income producing properties within major U.S. markets. The values of the investments in these funds have been determined using the NAV per unit of the Plan's ownership interest in partners' capital. The investments of the REIT are valued quarterly. Withdrawal requests must be made 60 days in advance and may be paid in one or more installments.

NOTE 9 - PLAN TERMINATION

Although it has not expressed an intention to do so, the Town may terminate the Plan at any time by a written ordinance of the Town Council of the Town of Lantana, Florida duly certified by an official of the Town. In the event that the Plan is terminated or contributions to the Plan are permanently discontinued, the benefits of each police officer in the Plan at such termination date would be non-forfeitable.

NOTE 10 - DEFERRED RETIREMENT OPTION PLAN

In lieu of terminating employment as a police officer, an officer who is eligible for normal retirement may elect to defer receipt of such service retirement pension and to participate in the DROP. Participation in the DROP may not exceed 60 months. Participation in the DROP shall cease at the earlier of:

- the end of the above period of permissible participation; or
- termination of employment as a police officer.

Upon termination of participation in the DROP all monthly benefits and investment earnings and losses or interest shall cease to be transferred to the participant's DROP account. Any amounts remaining in the participant's DROP account shall be paid to the participant upon termination of employment as a police officer.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

As described in Note 1, certain members of the Plan are entitled to refunds of their accumulated contributions, without interest, upon termination of employment with the Town prior to being eligible for pension benefits. The portion of these contributions which are refundable to participants who may terminate with less than ten years of service has not been determined.

NOTE 12 - RISKS AND UNCERTAINTIES

The Plan invests in a variety of investment funds. Investments in general are exposed to various risks, such as interest rate, credit, and overall volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of fiduciary net position available for benefits.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment in debt securities. Generally, the longer the time to maturity, the greater the exposure to interest rate risk. Through its investment policies the Plan manages its exposure to fair value losses arising from increasing interest rates. The Plan limits the effective duration of its investment portfolio through the adoption of the Barclays Intermediate Aggregate Bond Index benchmark.

Credit Risk:

Credit risk is the risk that a debt issuer will not fulfill its obligations. The Plan's investment policy addresses credit risk by limiting investments in bonds and preferred stocks to securities rated investment grade or above by a Nationally Recognized Statistical Rating Organization, unless specifically approved by the Board of Trustees. Securities which are unrated may be purchased, if in the judgment of the investment manager, they would carry an investment grade rating. Consistent with state law, the Plan's investment guidelines limit its fixed income investments to a quality rating of "A" or equivalent as rated by Moody's or by Standard & Poor's bond rating services at the time of purchase. Fixed income investments which are downgraded below the minimum rating must be liquidated at the earliest beneficial opportunity.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that the Plan may not recover cash and investments held by another party in the event of a financial failure. The Plan requires all securities to be held by a third-party custodian in the name of the Plan. Securities transactions between the broker-dealer and the custodian involving the purchase or sale of securities must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

Investment in Foreign Markets:

Investing in foreign markets may involve special risks and considerations not typically associated with investing in companies in the United States of America. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and future adverse political, social, and economic developments. Moreover, securities of foreign governments may be less liquid, subject to delayed settlements, taxation on realized or unrealized gains, and their prices are more volatile than those of comparable securities in U.S. companies.

NOTE 13 - NET PENSION LIABILITY OF THE TOWN

The components of net position liability of the Town of Lantana (Town) as of September 30, 2022 were as follows:

Total Pension Liability	$	25,562,827
Plan Fiduciary Net Position		(19,707,249)
Town's Net Pension Liability	$	5,855,578
Plan Fiduciary Net Position as a percentage of Total Pension Liability		77.09%

Actuarial Assumptions:

The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all measurement periods.

Inflation	2.50%
Salary increases	6.00%; including inflation
Investment rate of return	6.75%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	50%	5.20%
International Equity	15%	5.00%
Domestic Bonds	20%	2.50%
International Bonds	5%	3.50%
Real Estate	10%	4.50%

NOTE 13 - NET PENSION LIABILITY OF THE TOWN (Continued)

Discount Rate:

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.

Sensitivity of the Net Pension Disability to Changes in the Discount Rate:

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 I-percentage-point lower or I-percentage-point higher.

	1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
Town's net pension liability	$ 9,242,707	$ 5,855,578	$ 3,081,300

NOTE 14 - DESIGNATIONS

A portion of the fiduciary net position is designated for benefits that accrue in relation to the DROP account as further described in Note 1. Allocations to the DROP plan account for the years ended September 30, 2022 and 2021 are presented below as determined in the actuary's most recent valuation available for the fiscal years ended September 30, 2022 and 2021:

	2022	2021
Designated for DROP accounts (fully funded)	$ 296,479	$ 160,540
Undesignated net position	19,410,770	22,869,116
Total net position	$ 19,707,249	$ 23,029,656

REQUIRED SUPPLEMENTARY SCHEDULES

This page intentionally left blank.

LANTANA POLICE RELIEF AND PENSION FUND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
LAST NINE FISCAL YEARS*

	2022	2021	2020	2019
Total pension liability				
Service cost	$ 633,973	$ 640,452	$ 625,849	$ 545,724
Interest	1,654,350	1,585,956	1,455,520	1,414,270
Benefit changes		-	-	(20,334)
Difference between actual and expected experience	(116,623)	114,444	476,957	(63,829)
Assumption changes	744,915	122,095	-	214,552
Benefit payments	(697,378)	(654,567)	(833,212)	(1,026,779)
Refunds	(9,406)	(34,927)	(24,942)	(17,668)
Other (increase in State Contribution Reserve and DROP expenses)	-	-	-	-
Net change in total pension liability	2,209,831	1,773,453	1,700,172	1,045,936
Total pension liability, beginning	23,352,996	21,579,543	19,879,371	18,833,435
Total pension liability, ending	$ 25,562,827	$ 23,352,996	$ 21,579,543	$ 19,879,371
Plan fiduciary net position				
Contributions - employer	$ 943,987	$ 933,367	$ 991,819	$ 833,774
Contributions - non-employer contribution entity (State)	153,631	143,591	136,170	133,628
Contributions - members	183,718	179,196	180,660	145,099
Net investment income	(3,818,395)	3,956,453	1,759,889	723,759
Benefit payments	(697,378)	(654,567)	(833,212)	(1,026,779)
Refunds	(9,406)	(34,927)	(24,942)	(17,668)
Administrative expense	(78,564)	(67,988)	(78,287)	(69,643)
Net change in plan fiduciary net position	(3,322,407)	4,455,125	2,132,097	722,170
Plan fiduciary net position - beginning	23,029,656	18,574,531	16,442,434	15,720,264
Plan fiduciary net position - ending	$ 19,707,249	$ 23,029,656	$ 18,574,531	$ 16,442,434
Net pension liability (asset) - ending	$ 5,855,578	$ 323,340	$ 3,005,012	$ 3,436,937

* Information prior to fiscal year 2014 was not readily available.

2018	2017	2016	2015	2014
$ 505,944	$ 362,009	$ 343,544	$ 357,506	$ 390,463
1,376,374	1,024,448	989,489	928,071	853,826
-	3,021,409	-	-	-
(700,332)	512,020	(298,613)	(113,373)	(847)
-	5,673	(221,282)	-	-
(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
(10,762)	(930)	(31,262)	(6,834)	(716)
-	-	27,147	9,333	2,279
793,452	4,559,821	420,750	903,746	997,761
18,039,983	13,480,162	13,059,412	12,155,666	11,157,905
$ 18,833,435	$ 18,039,983	$ 13,480,162	$ 13,059,412	$ 12,155,666
$ 701,427	$ 302,908	$ 429,970	$ 408,040	$ 377,272
116,796	112,686	119,700	101,886	95,532
124,905	120,005	120,049	105,492	111,001
1,268,013	1,510,543	987,257	(63,982)	992,243
(377,772)	(364,808)	(388,273)	(270,957)	(247,244)
(10,762)	(930)	(31,262)	(6,834)	(716)
(86,349)	(57,996)	(65,361)	(51,501)	(42,022)
1,736,258	1,622,408	1,172,080	222,144	1,286,066
13,984,006	12,361,598	11,189,518	10,967,374	9,681,308
$ 15,720,264	$ 13,984,006	$ 12,361,598	$ 11,189,518	$ 10,967,374
$ 3,113,171	$ 4,055,977	$ 1,118,564	$ 1,869,894	$ 1,188,292

LANTANA POLICE RELIEF AND PENSION FUND
SCHEDULE OF RATIOS
LAST NINE FISCAL YEARS *

Fiscal Year Ended September 30,	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll
2014	90.22%	$ 1,585,729	74.94%
2015	85.68%	1,507,029	124.08%
2016	91.70%	1,704,833	65.61%
2017	77.52%	1,714,357	236.59%
2018	83.47%	1,784,354	174.47%
2019	82.71%	2,072,843	165.81%
2020	86.07%	2,258,250	133.07%
2021	98.62%	2,239,950	14.44%
2022	77.09%	2,296,475	254.98%

* Information prior to fiscal year 2014 was not readily available.

LANTANA POLICE RELIEF AND PENSION FUND
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2013	$ 375,132	$ 375,132	$ -	$ 1,662,329	22.50%
2014	465,226	469,825	(4,599)	1,585,729	29.63%
2015	500,593	500,593	-	1,507,029	33.22%
2016	466,726	522,523	(55,797)	1,704,833	30.65%
2017	415,594	415,594	-	1,714,357	24.24%
2018*	904,992	818,223	86,769	1,784,354	45.86%
2019	894,650	967,402	(72,752)	2,072,843	46.67%
2020	929,330	1,127,989	(198,659)	2,258,250	49.95%
2021	1,033,924	1,076,958	(43,034)	2,239,950	48.08%
2022	1,068,833	1,097,618	(28,785)	2,296,475	47.80%

* A portion of the prepaid Town contribution was applied to meet the remainder of the actuarially determined contribution for the fiscal year ended September 30, 2018.

LANTANA POLICE RELIEF AND PENSION FUND
NOTES TO SCHEDULE OF CONTRIBUTIONS
SEPTEMBER 30, 2022

Valuation Date:	10/1/2020
Notes	Actuarially determined contributions are calculated as of October 1, 2020 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, closed
Remaining Amortization Period	20 years
Asset Valuation Method	5-year smoothed market
Inflation	2.5%
Salary Increase	6.0% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates
Mortality	The mortality tables are the PUB-2010 Headcount Weighted Safety Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted Safety Below Median Healthy Retiree Male Table (post-retirement) and the PUB-2010 Safety Healthy Retiree Female Table (post-retirement). These tables use ages set forward one year and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Special Risk Class members in the July 1, 2019 Actuarial Valuation of the Florida Retirement System (FRS).

Other information:

Notes	See discussion of valuation results in the October 1, 2020 Actuarial Valuation Report

LANTANA POLICE RELIEF AND PENSION FUND
SCHEDULE OF INVESTMENT RETURNS
LAST NINE FISCAL YEARS*

Fiscal Year Ended September 30,	Annual Money-Weighted Rate of Return Net of Investment Expense
2014	9.68%
2015	-0.96%
2016	8.58%
2017	11.67%
2018	9.16%
2019	4.14%
2020	9.94%
2021	20.49%
2022	-16.59%

* Information prior to fiscal year 2014 was not readily available.

ADDITIONAL INFORMATION

LANTANA POLICE RELIEF AND PENSION FUND
SCHEDULE OF INVESTMENT AND ADMINISTRATIVE EXPENSES
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022 Expenses		2021 Expenses	
	Investment	Administrative	Investment	Administrative
Actuary fees	$ -	$ 31,010	$ -	$ 24,359
Administrator	-	14,885	-	12,467
Audit fees	-	16,000	-	18,500
Custodial fees	5,892	-	5,899	-
Dues	-	750	-	620
Fiduciary insurance	-	3,114	-	2,750
Investment management fees	33,470		31,036	
Legal fees	-	5,695	-	7,410
Performance monitor	20,000	-	17,500	-
Seminars and travel	-	7,110	-	1,882
Total investment and administrative expenses (A)	$ 59,362	$ 78,564	$ 54,435	$ 67,988
Percentage of Plan net position	0.30%	0.40%	0.24%	0.30%

(A) Investment expenses do not include fees withheld from investment funds.