



December 21, 2023

Ms. Kyle Tintle
Resource Centers, LLC
4360 Northlake Blvd, Suite 206
Palm Beach Gardens, Florida 33410

**Re: Town of Lantana Police Relief and Pension Fund
GASB No. 68 Disclosure Information for Reporting Year Ending September 30, 2023**

Dear Kyle:

As requested, we have prepared the actuarial disclosure information required under Governmental Accounting Standards Board (GASB) Statement Number 68 for the Town of Lantana Police Relief and Pension Fund for use in the preparation of the Town's GAAP-basis employer financial statement for the reporting year ending September 30, 2023.

GASB Statement No. 68 establishes the accounting and financial reporting standards for state and local government employers who provide their employees (including former employees) pension benefits through a trust. These calculations have been made on a basis that is consistent with our understanding of this accounting standard. Enclosed are the following exhibits:

- Executive Summary
- Schedule of Changes in Net Pension Liability and Related Ratios for Measurement Year
- Notes to Net Pension Liability
- Pension Expense Under GASB No. 68
- Statement of Outflows and Inflows Arising from Current Reporting Period
- Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
- Summary of Remaining Deferred Outflows and Inflows of Resources
- Schedule of Contributions
- Notes to Schedule of Contributions
- Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

The actuarial valuation of the liabilities was determined as of the beginning of the year, October 1, 2022 (based on the October 1, 2022 actuarial valuation results as reported in the actuarial valuation report dated January 30, 2023) and rolled forward to the measurement date, September 30, 2023. These liabilities are used for GASB Statement No. 68 reporting for the reporting period ending September 30, 2023.

The enclosed exhibits were based upon draft financial information as of September 30, 2023, which was furnished by the Plan auditor. If any of this information changes during the auditing process, then these exhibits will need to be revised.

Required Disclosures

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

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the Town or Board only in its entirety and only with the permission of the Town or Board. GRS is not responsible for unauthorized use of this report

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

This report complements the actuarial valuation report that was provided to the Board and should be considered in conjunction with that report. Please see the actuarial valuation report as of October 1, 2022 dated January 30, 2023 and the GASB No. 67 report dated December 22, 2023 for additional discussion of the nature of actuarial calculations and information related to participant data, economic and demographic assumptions, and benefit provisions.

The findings in this report are based on census data as of September 30, 2022 and financial information through September 30, 2023. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

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



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.

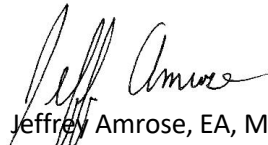
The signing actuaries are independent of the plan sponsor.


Jeffrey Amrose and Trisha Amrose are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the Plan and/or paid from the Plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contribution rates have been taken into account in the valuation.

We welcome your questions and comments.

Sincerely yours,
Gabriel, Roeder, Smith & Company


Jeffrey Amrose, EA, MAAA
Senior Consultant & Actuary


Trisha Amrose, EA, MAAA
Consultant & Actuary

Enclosures

cc: Stephen Kaplan



EXECUTIVE SUMMARY

GASB Statement No. 68

Actuarial Valuation Date	October 1, 2022
Measurement Date of the Net Pension Liability	September 30, 2023
Employer's Fiscal Year Ending Date (Reporting Date)	September 30, 2023

Membership as of Actuarial Valuation Date

Number of	
- Retirees and Beneficiaries	30
- Inactive, Nonretired Members	2
- Active Members	29
- Total	61
Covered Payroll	\$ 2,484,413

Net Pension Liability

Total Pension Liability	\$ 27,644,466
Plan Fiduciary Net Position	22,394,678
Net Pension Liability	\$ 5,249,788
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.01 %
Net Pension Liability as a Percentage of Covered Payroll	211.31 %

Development of the Single Discount Rate

Single Discount Rate	6.75 %
Long-Term Expected Rate of Investment Return	6.75 %
Long-Term Municipal Bond Rate*	4.63 %
Last year ending September 30 in the 2023 to 2122 projection period for which projected benefit payments are fully funded	2122

Total Pension Expense	\$ 1,833,502
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Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 355,102	\$ 48,021
Changes in assumptions	332,434	-
Net difference between projected and actual earnings on pension plan investments	3,268,697	1,881,324
Total	\$ 3,956,233	\$ 1,929,345

*Source: Fidelity General Obligation AA rate as of September 29, 2023. This is the rate for Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." In describing this index, Fidelity notes that the municipal curves are constructed using option adjusted analytics of a diverse population of over 10,000 tax exempt securities.



**SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
FOR REPORTING YEAR ENDED SEPTEMBER 30, 2023
GASB Statement No. 68**

Measurement Year Ended September 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Total Pension Liability									
1. Service Cost	\$ 711,489	\$ 633,973	\$ 640,452	\$ 625,849	\$ 545,724	\$ 505,944	\$ 362,009	\$ 343,544	\$ 357,506
2. Interest on the Total Pension Liability	1,745,814	1,654,350	1,585,956	1,455,520	1,414,270	1,376,374	1,024,448	989,489	928,071
3. Changes of Benefit Terms	-	-	-	-	(20,334)	-	3,021,409	-	-
4. Difference Between Expected and Actual Experience of the Total Pension Liability	445,150	(116,623)	114,444	476,957	(63,829)	(700,332)	512,020	(298,613)	(113,373)
5. Changes of Assumptions	-	744,915	122,095	-	214,552	-	5,673	(221,282)	-
6. Benefit Payments	(797,954)	(697,378)	(654,567)	(833,212)	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)
7. Refunds	(22,860)	(9,406)	(34,927)	(24,942)	(17,668)	(10,762)	(930)	(31,262)	(6,834)
8. Other (Change in State Contribution Reserve)	-	-	-	-	-	-	-	27,147	9,333
9. Net Change in Total Pension Liability	\$ 2,081,639	\$ 2,209,831	\$ 1,773,453	\$ 1,700,172	\$ 1,045,936	\$ 793,452	\$ 4,559,821	\$ 420,750	\$ 903,746
10. Total Pension Liability – Beginning	25,562,827	23,352,996	21,579,543	19,879,371	18,833,435	18,039,983	13,480,162	13,059,412	12,155,666
11. Total Pension Liability – Ending	<u>\$ 27,644,466</u>	<u>\$ 25,562,827</u>	<u>\$ 23,352,996</u>	<u>\$ 21,579,543</u>	<u>\$ 19,879,371</u>	<u>\$ 18,833,435</u>	<u>\$ 18,039,983</u>	<u>\$ 13,480,162</u>	<u>\$ 13,059,412</u>
B. Plan Fiduciary Net Position									
1. Contributions – Employer (from City)	\$ 936,825	\$ 943,987	\$ 933,367	\$ 991,819	\$ 833,774	\$ 701,427	\$ 302,908	\$ 429,970	\$ 408,040
2. Contributions – Employer (from State)	190,032	153,631	143,591	136,170	133,628	116,796	112,686	119,700	101,886
3. Contributions – Non-Employer Contributing Entity	-	-	-	-	-	-	-	-	-
4. Contributions – Employee (Including Buyback Contributions)	198,753	183,718	179,196	180,660	145,099	124,905	120,005	120,049	105,492
5. Net Investment Income	2,262,759	(3,818,394)	3,954,571	1,759,889	723,759	1,268,013	1,510,543	987,257	(63,982)
6. Benefit Payments	(797,954)	(697,378)	(654,567)	(833,212)	(1,026,779)	(377,772)	(364,808)	(388,273)	(270,957)
7. Refunds	(22,860)	(9,406)	(34,927)	(24,942)	(17,668)	(10,762)	(930)	(31,262)	(6,834)
8. Pension Plan Administrative Expense	(80,126)	(78,565)	(66,106)	(78,287)	(69,643)	(86,349)	(57,996)	(65,361)	(51,501)
9. Other	-	-	-	-	-	-	-	-	-
10. Net Change in Plan Fiduciary Net Position	\$ 2,687,429	\$ (3,322,407)	\$ 4,455,125	\$ 2,132,097	\$ 722,170	\$ 1,736,258	\$ 1,622,408	\$ 1,172,080	\$ 222,144
11. Plan Fiduciary Net Position – Beginning	19,707,249	23,029,656	18,574,531	16,442,434	15,720,264	13,984,006	12,361,598	11,189,518	10,967,374
12. Plan Fiduciary Net Position – Ending	<u>\$ 22,394,678</u>	<u>\$ 19,707,249</u>	<u>\$ 23,029,656</u>	<u>\$ 18,574,531</u>	<u>\$ 16,442,434</u>	<u>\$ 15,720,264</u>	<u>\$ 13,984,006</u>	<u>\$ 12,361,598</u>	<u>\$ 11,189,518</u>
C. Net Pension Liability	<u>\$ 5,249,788</u>	<u>\$ 5,855,578</u>	<u>\$ 323,340</u>	<u>\$ 3,005,012</u>	<u>\$ 3,436,937</u>	<u>\$ 3,113,171</u>	<u>\$ 4,055,977</u>	<u>\$ 1,118,564</u>	<u>\$ 1,869,894</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.01%	77.09%	98.62%	86.07%	82.71%	83.47%	77.52%	91.70%	85.68%
E. Covered Payroll	\$ 2,484,413	\$ 2,296,475	\$ 2,239,950	\$ 2,258,250	\$ 2,072,843	\$ 1,784,354	\$ 1,714,357	\$ 1,704,833	\$ 1,507,029
F. Net Pension Liability as a Percentage of Covered Payroll	211.31%	254.98%	14.44%	133.07%	165.81%	174.47%	236.59%	65.61%	124.08%



NOTES TO NET PENSION LIABILITY
GASB Statement No. 68

Valuation Date: October 1, 2022
Measurement Date: September 30, 2023

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Roll Forward Procedures	The Total Pension Liability was developed by using standard actuarial techniques to roll forward amounts from the October 1, 2022 actuarial valuation one year to the measurement date.
Inflation	2.50%
Salary Increases	6.00%, including inflation
Investment Rate of Return	6.75%
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, 2021 Actuarial Valuation of the Florida Retirement System (FRS).

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2022 Actuarial Valuation Report.
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PENSION EXPENSE
FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68

Pension Expense

1. Service Cost	\$ 711,489
2. Interest on the Total Pension Liability	1,745,814
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(198,753)
5. Projected Earnings on Plan Investments (made negative for addition here)	(1,344,572)
6. Pension Plan Administrative Expense	80,126
7. Other Changes in Plan Fiduciary Net Position	-
8. Other Changes in Total Pension Liability (Change in State Contribution Reserve)	-
9. Recognition of Outflow (Inflow) of Resources due to Liabilities	471,246
10. Recognition of Outflow (Inflow) of Resources due to Assets	368,152
11. Total Pension Expense	\$ 1,833,502



**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT REPORTING PERIOD
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability due to (gains) or losses	\$ 445,150
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3.9
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 114,141
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for assumption changes	<u>\$ -</u>
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 114,141
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ 331,009
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	<u>\$ -</u>
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ 331,009

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments due to (gains) or losses	\$ (918,187)
2. Recognition period for Assets {in years}	5.0
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (183,637)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (734,550)



**STATEMENT OF OUTFLOWS AND INFLOWS
ARISING FROM CURRENT AND PRIOR REPORTING PERIODS
EMPLOYER FISCAL YEAR ENDED SEPTEMBER 30, 2023
(BASED ON MEASUREMENT PERIOD ENDING SEPTEMBER 30, 2023)
GASB Statement No. 68**

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 505,547	\$ 34,301	\$ 471,246
2. Due to Assets	1,180,607	812,455	368,152
3. Total	\$ 1,686,154	\$ 846,756	\$ 839,398

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 254,324	\$ 34,301	\$ 220,023
2. Assumption Changes	251,223	-	251,223
3. Net Difference between projected and actual earnings on pension plan investments	1,180,607	812,455	368,152
4. Total	\$ 1,686,154	\$ 846,756	\$ 839,398

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 355,102	\$ 48,021	\$ 307,081
2. Assumption Changes	332,434	-	332,434
3. Net Difference between projected and actual earnings on pension plan investments	3,268,697	1,881,324	1,387,373
4. Total	\$ 3,956,233	\$ 1,929,345	\$ 2,026,888

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending September 30	Net Deferred Outflows of Resources
2024	\$ 625,842
2025	576,030
2026	1,008,655
2027	(183,639)
2028	-
Thereafter	-
Total	\$ 2,026,888



**SUMMARY OF REMAINING DEFERRED
OUTFLOWS AND INFLOWS OF RESOURCES
GASB Statement No. 68**

<u>Date Established</u>	<u>Source</u>	<u>Recognition Period (years)</u>	<u>Original Amount</u>	<u>Years Remaining</u>	<u>Remaining Amount</u>	<u>Amount Recognized in Current Expense</u>
<u>Deferred Outflows of Resources</u>						
9/30/2019	Investment Exp. Loss	5.0	\$ 455,201	1.0	\$ 91,041	\$ 91,041
9/30/2020	Liability Exp. Loss	3.9	476,957	0.9	110,066	110,066
9/30/2021	Assumption Changes	3.8	122,095	1.8	57,835	32,130
9/30/2021	Liability Exp. Loss	3.8	114,444	1.8	54,210	30,117
9/30/2022	Investment Exp. Loss	5.0	5,447,829	4.0	4,358,263	1,089,566
9/30/2022	Assumption Changes	3.4	744,915	2.4	525,822	219,093
9/30/2023	Liability Exp. Loss	3.9	<u>445,150</u>	3.9	<u>445,150</u>	<u>114,141</u>
	SUBTOTAL:		7,806,591		5,642,387	1,686,154
<u>Deferred Inflows of Resources</u>						
9/30/2020	Investment Exp. Gain	5.0	(554,320)	2.0	(221,728)	(110,864)
9/30/2021	Investment Exp. Gain	5.0	(2,589,772)	3.0	(1,553,864)	(517,954)
9/30/2022	Liability Exp. Gain	3.4	(116,623)	2.4	(82,322)	(34,301)
9/30/2023	Investment Exp. Gain	5.0	<u>(918,187)</u>	5.0	<u>(918,187)</u>	<u>(183,637)</u>
	SUBTOTAL:		(4,178,902)		(2,776,101)	(846,756)
	GRAND TOTAL:		\$ 3,627,689		\$ 2,866,286	\$ 839,398



SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 68

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
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 %
2023	1,059,275	1,126,857	(67,582)	2,484,413	45.36 %

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



NOTES TO SCHEDULE OF CONTRIBUTIONS

GASB Statement No. 68

Valuation Date: October 1, 2021

Notes: Actuarially determined contributions are calculated as of October 1, 2021 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	2.50%
Salary Increases	6.00%, including inflation
Investment Rate of Return	6.75%
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, 2020 Actuarial Valuation of the Florida Retirement System (FRS).

Other Information:

Notes: See Discussion of Valuation Results in the October 1, 2021 Actuarial Valuation Report



**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION
GASB Statement No. 68**

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

Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
5.75%	6.75%	7.75%
\$ 8,907,698	\$ 5,249,788	\$ 2,260,445

