

RETIREMENT PLAN FOR EMPLOYEES OF
GREATER ORLANDO AVIATION AUTHORITY

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2022 VALUATION DATE



September 12, 2023

VIA E-MAIL

Ms. Kandyce Moss
Greater Orlando Aviation Authority
Orlando International Airport
One Airport Boulevard
Orlando, FL 32827-4399

Re: Retirement Plan for Employees of Greater Orlando Aviation Authority
Section 112.664, Florida Statutes Compliance

Dear Kandyce:

Please find enclosed the annual disclosures that satisfy the October 1, 2022 financial reporting requirements made under Section 112.664.

Our office will submit this information electronically to the Department of Management Services. However, it is important for you to be aware that this report must also be made available on the Plan or Plan Sponsor's website, if such website exists. A deadline for this website publication is not made clear in the law.

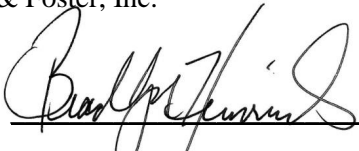
In addition to the enclosed report, the Plan or Plan Sponsor's website must provide a link to the Division of Retirement's Actuarial Summary Fact Sheet for the Plan, and also report the previous five years' assumed and actual rates of return, along with their respective asset allocations. The Committee should contact its Investment Consultant for this information.

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

If there are any questions, concerns, or comments about any of the items contained in this report, please feel free to contact me.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #23-6901

Enclosures

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2022 Actuarial Valuation Report, as adopted by the Committee, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2022

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	6.75%	4.75%
<u>Total Pension Liability</u>		
Service Cost	616,602	946,166
Interest	9,418,008	8,046,075
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	1,281,249	1,582,234
Changes of Assumptions	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,493,724)	(11,493,724)
Net Change in Total Pension Liability	(177,865)	(919,249)
Total Pension Liability - Beginning	144,656,309	174,191,745
Total Pension Liability - Ending (a)	<u>\$ 144,478,444</u>	<u>\$ 173,272,496</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	1,298,174	1,298,174
Net Investment Income	(31,426,554)	(31,426,554)
Benefit Payments, Including Refunds of Employee Contributions	(11,493,724)	(11,493,724)
Administrative Expenses	(31,484)	(31,484)
Net Change in Plan Fiduciary Net Position	(41,653,588)	(41,653,588)
Plan Fiduciary Net Position - Beginning	165,171,710	165,171,710
Plan Fiduciary Net Position - Ending (b)	<u>\$ 123,518,122</u>	<u>\$ 123,518,122</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 20,960,322</u>	<u>\$ 49,754,374</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Discount Rate = 6.75%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2022	123,518,122	-	12,165,133	-	7,926,900	119,279,889
2023	119,279,889	-	12,214,536	-	7,639,152	114,704,505
2024	114,704,505	-	12,439,659	-	7,322,716	109,587,562
2025	109,587,562	-	12,478,670	-	6,976,005	104,084,897
2026	104,084,897	-	12,493,067	-	6,604,090	98,195,920
2027	98,195,920	-	12,438,595	-	6,208,422	91,965,747
2028	91,965,747	-	12,278,954	-	5,793,273	85,480,066
2029	85,480,066	-	12,147,490	-	5,359,927	78,692,503
2030	78,692,503	-	11,949,570	-	4,908,446	71,651,379
2031	71,651,379	-	11,726,167	-	4,440,710	64,365,922
2032	64,365,922	-	11,489,408	-	3,956,932	56,833,446
2033	56,833,446	-	11,194,433	-	3,458,445	49,097,458
2034	49,097,458	-	10,945,185	-	2,944,678	41,096,951
2035	41,096,951	-	10,628,600	-	2,415,329	32,883,680
2036	32,883,680	-	10,275,619	-	1,872,846	24,480,907
2037	24,480,907	-	9,905,011	-	1,318,167	15,894,063
2038	15,894,063	-	9,528,647	-	751,257	7,116,673
2039	7,116,673	-	9,173,358	-	-	-

Number of Years Expected Benefit Payments Sustained: 17.78

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 6.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Discount Rate = 4.75%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2022	123,518,122	-	12,165,133	-	5,578,189	116,931,178
2023	116,931,178	-	12,214,536	-	5,264,136	109,980,778
2024	109,980,778	-	12,439,659	-	4,928,645	102,469,764
2025	102,469,764	-	12,478,670	-	4,570,945	94,562,039
2026	94,562,039	-	12,493,067	-	4,194,987	86,263,959
2027	86,263,959	-	12,438,595	-	3,802,121	77,627,485
2028	77,627,485	-	12,278,954	-	3,395,680	68,744,211
2029	68,744,211	-	12,147,490	-	2,976,847	59,573,568
2030	59,573,568	-	11,949,570	-	2,545,942	50,169,940
2031	50,169,940	-	11,726,167	-	2,104,576	40,548,349
2032	40,548,349	-	11,489,408	-	1,653,173	30,712,114
2033	30,712,114	-	11,194,433	-	1,192,958	20,710,639
2034	20,710,639	-	10,945,185	-	723,807	10,489,261
2035	10,489,261	-	10,628,600	-	-	-

Number of Years Expected Benefit Payments Sustained: 13.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 4.75% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
Minimum Required Contribution (Fixed \$)	\$733,198	\$2,879,934
Minimum Required Contribution (% of Payroll)	30.8%	120.5%

ASSETS

Actuarial Value	145,859,692	145,859,692
Market Value	123,518,122	123,518,122

LIABILITIES

Present Value of Benefits		
Active Members		
Retirement Benefits	19,278,176	24,297,869
Disability Benefits	0	0
Death Benefits	154,134	196,155
Vested Benefits	0	0
Refund of Contributions	0	0
Service Retirees	117,179,581	139,951,972
Beneficiaries	5,326,118	6,200,548
Disability Retirees	0	0
Terminated Vested	5,051,682	6,704,581
Total:	146,989,691	177,351,125
Present Value of Future Salaries	8,814,781	9,217,089
Total Normal Cost	414,487	658,751
Present Value of Future		
Normal Costs (Entry Age Normal)	1,514,809	2,525,475
Total Actuarial Accrued Liability (EAN)	145,474,882	174,825,650
Unfunded Actuarial Accrued Liability (UAAL)	(384,810)	28,965,958

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2024

Valuation Date: 10/1/2022

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	6.75%	4.75%
<u>PENSION COST</u>		
Normal Cost ¹	445,615	701,372
Administrative Expenses ¹	37,303	36,942
Payment Required To Amortize UAAL ¹	250,280	2,141,620
Minimum Required Contribution	\$733,198	\$2,879,934

¹ Contributions developed as of 10/1/2022 displayed above have been adjusted to account for assumed salary increase and interest components.