

RETIREMENT PLAN FOR EMPLOYEES OF
GREATER ORLANDO AVIATION AUTHORITY

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

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.

By:



Date: 4/3/2017

Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #17-6901



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

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, 2016 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.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL
	7.00%	5.00%
	RP-2000	RP-2000
	Generational	Generational
<u>Total Pension Liability</u>		
Service Cost	1,405,308	2,177,886
Interest	9,209,738	8,181,473
Changes of Benefit Terms	464,777	547,454
Differences Between Expected and Actual Experience	1,788,823	2,371,294
Changes of Assumptions	4,868,298	7,929,118
Benefit Payments, Including Refunds of Employee Contributions	(7,439,739)	(7,439,739)
Net Change in Total Pension Liability	10,297,205	13,767,486
Total Pension Liability - Beginning	128,880,653	156,832,119
Total Pension Liability - Ending (a)	\$ 139,177,858	\$ 170,599,605
 <u>Plan Fiduciary Net Position</u>		
Contributions - Employer	7,197,911	7,197,911
Net Investment Income	9,033,002	9,033,002
Benefit Payments, Including Refunds of Employee Contributions	(7,439,739)	(7,439,739)
Administrative Expenses	(39,926)	(39,926)
Net Change in Plan Fiduciary Net Position	8,751,248	8,751,248
Plan Fiduciary Net Position - Beginning	114,213,009	114,213,009
Plan Fiduciary Net Position - Ending (b)	\$ 122,964,257	\$ 122,964,257
 Net Pension Liability - Ending (a) - (b)	\$ 16,213,601	\$ 47,635,348

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL
	7.25%	5.25%
Pension Expense	\$ 3,558,766	\$ 5,013,040

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.00% and RP-2000 Generational Mortality

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
2016	122,964,257	-	9,142,239	-	8,287,520	122,109,538
2017	122,109,538	-	9,620,599	-	8,210,947	120,699,886
2018	120,699,886	-	9,924,023	-	8,101,651	118,877,514
2019	118,877,514	-	10,255,500	-	7,962,483	116,584,497
2020	116,584,497	-	10,607,240	-	7,789,661	113,766,918
2021	113,766,918	-	10,859,182	-	7,583,613	110,491,349
2022	110,491,349	-	11,103,630	-	7,345,767	106,733,486
2023	106,733,486	-	11,195,016	-	7,079,518	102,617,988
2024	102,617,988	-	11,279,352	-	6,788,482	98,127,118
2025	98,127,118	-	11,197,435	-	6,476,988	93,406,671
2026	93,406,671	-	11,208,287	-	6,146,177	88,344,561
2027	88,344,561	-	11,167,949	-	5,793,241	82,969,853
2028	82,969,853	-	11,017,649	-	5,422,272	77,374,476
2029	77,374,476	-	10,868,648	-	5,035,811	71,541,639
2030	71,541,639	-	10,668,017	-	4,634,534	65,508,156
2031	65,508,156	-	10,459,172	-	4,219,500	59,268,484
2032	59,268,484	-	10,208,741	-	3,791,488	52,851,231
2033	52,851,231	-	9,912,234	-	3,352,658	46,291,655
2034	46,291,655	-	9,619,627	-	2,903,729	39,575,757
2035	39,575,757	-	9,330,506	-	2,443,735	32,688,986
2036	32,688,986	-	8,985,201	-	1,973,747	25,677,532
2037	25,677,532	-	8,637,488	-	1,495,115	18,535,159
2038	18,535,159	-	8,279,324	-	1,007,685	11,263,520
2039	11,263,520	-	7,949,090	-	510,228	3,824,658
2040	3,824,658	-	7,574,425	-	-	-

Number of Years Expected Benefit Payments Sustained: 24.50

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.00% 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: 5.00% and RP-2000 Generational Mortality

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
2016	122,964,257	-	9,142,239	-	5,919,657	119,741,675
2017	119,741,675	-	9,620,599	-	5,746,569	115,867,645
2018	115,867,645	-	9,924,023	-	5,545,282	111,488,904
2019	111,488,904	-	10,255,500	-	5,318,058	106,551,462
2020	106,551,462	-	10,607,240	-	5,062,392	101,006,614
2021	101,006,614	-	10,859,182	-	4,778,851	94,926,283
2022	94,926,283	-	11,103,630	-	4,468,723	88,291,376
2023	88,291,376	-	11,195,016	-	4,134,693	81,231,053
2024	81,231,053	-	11,279,352	-	3,779,569	73,731,270
2025	73,731,270	-	11,197,435	-	3,406,628	65,940,463
2026	65,940,463	-	11,208,287	-	3,016,816	57,748,992
2027	57,748,992	-	11,167,949	-	2,608,251	49,189,294
2028	49,189,294	-	11,017,649	-	2,184,023	40,355,668
2029	40,355,668	-	10,868,648	-	1,746,067	31,233,087
2030	31,233,087	-	10,668,017	-	1,294,954	21,860,024
2031	21,860,024	-	10,459,172	-	831,522	12,232,374
2032	12,232,374	-	10,208,741	-	356,400	2,380,033
2033	2,380,033	-	9,912,234	-	-	-

Number of Years Expected Benefit Payments Sustained: 17.24

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.00% 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.

