

RETIREMENT PLAN FOR EMPLOYEES OF GREATER ORLANDO AVIATION AUTHORITY
ACTUARIAL VALUATION
AS OF OCTOBER 1, 2020
CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2022
GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2020



December 29, 2020

Retirement Plan Committee
Greater Orlando Aviation Authority

Re: Retirement Plan for Employees of Greater Orlando Aviation Authority

Dear Committee Members:

We are pleased to present to the Retirement Plan Committee this report of the annual actuarial valuation of the Retirement Plan for Employees of Greater Orlando Aviation Authority. Included are the related results for GASB Statements No. 67 and No. 68. The funding valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and may produce significantly different results.

The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflect laws and regulations issued to date pursuant to the provisions of Chapter 112, Florida Statutes, as well as applicable federal laws and regulations. In our opinion, the assumptions used in the valuations, as adopted by the Retirement Plan Committee, represent reasonable expectations of anticipated plan experience.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuations, we did not perform an analysis of the potential range of such future measurements.

In conducting the valuations, we have relied on personnel, plan design, and asset information supplied by the Human Resources faculty, financial reports prepared by the custodian bank, and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of October 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2020 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No. 67 and No. 68.

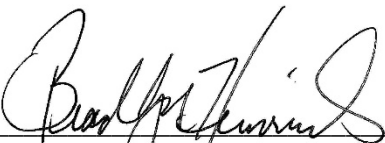
The undersigned are familiar with the immediate and long-term aspects of pension valuations, and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

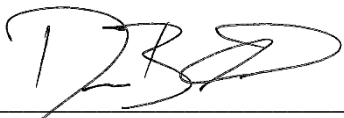
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Greater Orlando Aviation Authority, nor does anyone at Foster & Foster, Inc. act as a member of the Retirement Plan Committee of the Retirement Plan for Employees of Greater Orlando Aviation Authority. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 239-433-5500.

Respectfully submitted,

Foster & Foster, Inc.

By: 
Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #20-6901

By: 
Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

Enclosures

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SUMMARY OF REPORT

The regular annual actuarial valuation of the Retirement Plan for Employees of Greater Orlando Aviation Authority, performed as of October 1, 2020, has been completed and the results are presented in this Report. The contribution amounts set forth herein are applicable to the plan/fiscal year ending September 30, 2022.

The contribution requirements, compared with those set forth in the October 1, 2019 actuarial valuation report, are as follows:

Valuation Date	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2021</u>
Minimum Required Contribution	\$1,298,174	\$2,009,381

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. Sources of actuarial gain included an investment return of 8.37% (Actuarial Asset Basis) which exceeded the 7.00% assumption and an average salary increase of 1.14% which fell short of the 4.25% assumption. There were no significant sources of actuarial loss.

CHANGES SINCE PRIOR VALUATION

Plan Changes

There have been no changes in benefits since the prior valuation.

Actuarial Assumption/Method Changes

As mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics.

There have been no method changes since the prior valuation.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
A. Participant Data			
Actives	56	56	68
Service Retirees	325	325	312
Beneficiaries	25	25	26
Terminated Vested	<u>81</u>	<u>81</u>	<u>85</u>
 Total	 487	 487	 491
 Total Annual Payroll	 \$5,023,990	 \$5,023,990	 \$6,179,222
Payroll Under Assumed Ret. Age	3,597,776	3,597,776	5,216,734
 Annual Rate of Payments to:			
Service Retirees	9,684,523	9,684,523	8,956,124
Beneficiaries	381,994	381,994	385,279
Terminated Vested	847,796	847,796	870,098
 B. Assets			
Actuarial Value (AVA)	143,147,292	143,147,292	139,349,945
Market Value (MVA)	145,368,898	145,368,898	139,594,665
 C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	35,521,926	35,264,454	41,601,005
Death Benefits	186,272	435,504	616,939
Vested Benefits	19,483	19,611	25,984
Refund of Contributions	0	0	0
Service Retirees	102,499,525	102,502,006	96,388,857
Beneficiaries	3,683,186	3,707,290	3,718,694
Terminated Vested	<u>5,379,699</u>	<u>5,389,851</u>	<u>5,205,440</u>
 Total	 147,290,091	 147,318,716	 147,556,919

C. Liabilities - (Continued)	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Present Value of Future Salaries	12,324,147	12,259,548	18,082,087
Normal Cost (Retirement)	521,312	509,677	791,405
Normal Cost (Death)	7,703	16,877	27,350
Normal Cost (Vesting)	6,666	6,676	6,411
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	535,681	533,230	825,166
Present Value of Future Normal Costs	1,777,638	1,761,445	2,658,774
Accrued Liability (Retirement)	33,782,499	33,570,024	39,044,222
Accrued Liability (Death)	161,649	382,133	534,041
Accrued Liability (Vesting)	5,895	5,967	6,891
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives)	<u>111,562,410</u>	<u>111,599,147</u>	<u>105,312,991</u>
Total Actuarial Accrued Liability (EAN AL)	145,512,453	145,557,271	144,898,145
Unfunded Actuarial Accrued Liability (UAAL)	2,365,161	2,409,979	5,548,200
Funded Ratio (AVA / EAN AL)	98.4%	98.3%	96.2%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2020</u>	Old Assump <u>10/1/2020</u>	<u>10/1/2019</u>
Vested Accrued Benefits			
Inactives	111,562,410	111,599,147	105,312,991
Actives	32,115,924	32,127,776	35,996,285
Member Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total	143,678,334	143,726,923	141,309,276
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Accrued Benefits (PVAB)	143,678,334	143,726,923	141,309,276
Funded Ratio (MVA / PVAB)	101.2%	101.1%	98.8%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	(48,589)	0	
Plan Experience	0	2,603,573	
Benefits Paid	0	(9,736,788)	
Interest	0	9,550,862	
Other	<u>0</u>	<u>0</u>	
Total	(48,589)	2,417,647	

	New Assump	Old Assump	
Valuation Date	10/1/2020	10/1/2020	10/1/2019
Applicable to Fiscal Year Ending	<u>9/30/2022</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
E. Pension Cost			
Normal Cost ¹	\$577,993	\$575,349	\$890,344
Administrative Expenses ¹	28,700	28,700	44,507
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 10 years (as of 10/1/2020) ¹	691,481	697,916	1,074,530
Minimum Required Contribution	1,298,174	1,301,965	2,009,381
F. Past Contributions			
Plan Years Ending:	<u>9/30/2020</u>		
Requirement	2,215,878		
Actual Contributions Made:			
Members (excluding buyback)	0		
Employer	<u>2,215,878</u>		
Total	2,215,878		
G. Net Actuarial (Gain)/Loss	(2,158,781)		

¹ Contributions developed as of 10/1/2020 displayed above have been adjusted to account for assumed salary increase and interest components.

H. Schedule Illustrating the Amortization of the Total Unfunded Actuarial Accrued Liability as of:

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2020	2,365,161
2021	1,845,001
2022	1,288,428
2024	55,678
2030	0

I. (i) 5 Year Comparison of Actual and Assumed Salary Increases

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2020	1.14%	4.25%
Year Ended 9/30/2019	5.21%	4.25%
Year Ended 9/30/2018	5.82%	4.25%
Year Ended 9/30/2017	5.30%	4.25%
Year Ended 9/30/2016	4.06%	5.00%

(ii) 5 Year Comparison of Investment Return on Market Value and Actuarial Value


	<u>Market Value</u>	<u>Actuarial Value</u>	<u>Assumed</u>
Year Ended 9/30/2020	9.84%	8.37%	7.00%
Year Ended 9/30/2019	2.57%	6.49%	7.00%
Year Ended 9/30/2018	9.73%	7.57%	7.00%
Year Ended 9/30/2017	13.06%	7.60%	7.00%
Year Ended 9/30/2016	7.91%	8.00%	7.25%

ESTIMATED PROJECTION OF BENEFIT PAYMENTS
(Next 30 Years)

<u>Valuation Date</u>	<u>Estimated Annual Benefits</u>
2020	11,390,000
2021	11,740,000
2022	12,190,000
2023	12,400,000
2024	12,750,000
2025	12,760,000
2026	12,760,000
2027	12,680,000
2028	12,580,000
2029	12,480,000
2030	12,260,000
2031	12,040,000
2032	11,770,000
2033	11,450,000
2034	11,140,000
2035	10,820,000
2036	10,440,000
2037	10,050,000
2038	9,640,000
2039	9,280,000
2040	8,850,000
2041	8,410,000
2042	7,960,000
2043	7,510,000
2044	7,050,000
2045	6,590,000
2046	6,130,000
2047	5,680,000
2048	5,230,000
2049	4,800,000

STATEMENT BY ENROLLED ACTUARY

This actuarial valuation was 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, the techniques and assumptions used are reasonable and meet the requirements and intent of Part VII, Chapter 112, Florida Statutes. 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.



Bradley R. Heinrichs, FSA, EA, MAAA
Enrolled Actuary #20-6901

Please let us know when the report is approved by the Board and unless otherwise directed we will provide copies of the report to the following offices to comply with Chapter 112 Florida Statutes:

Mr. Keith Brinkman
Bureau of Local
Retirement Systems
Post Office Box 9000
Tallahassee, FL 32315-9000

RECONCILIATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES

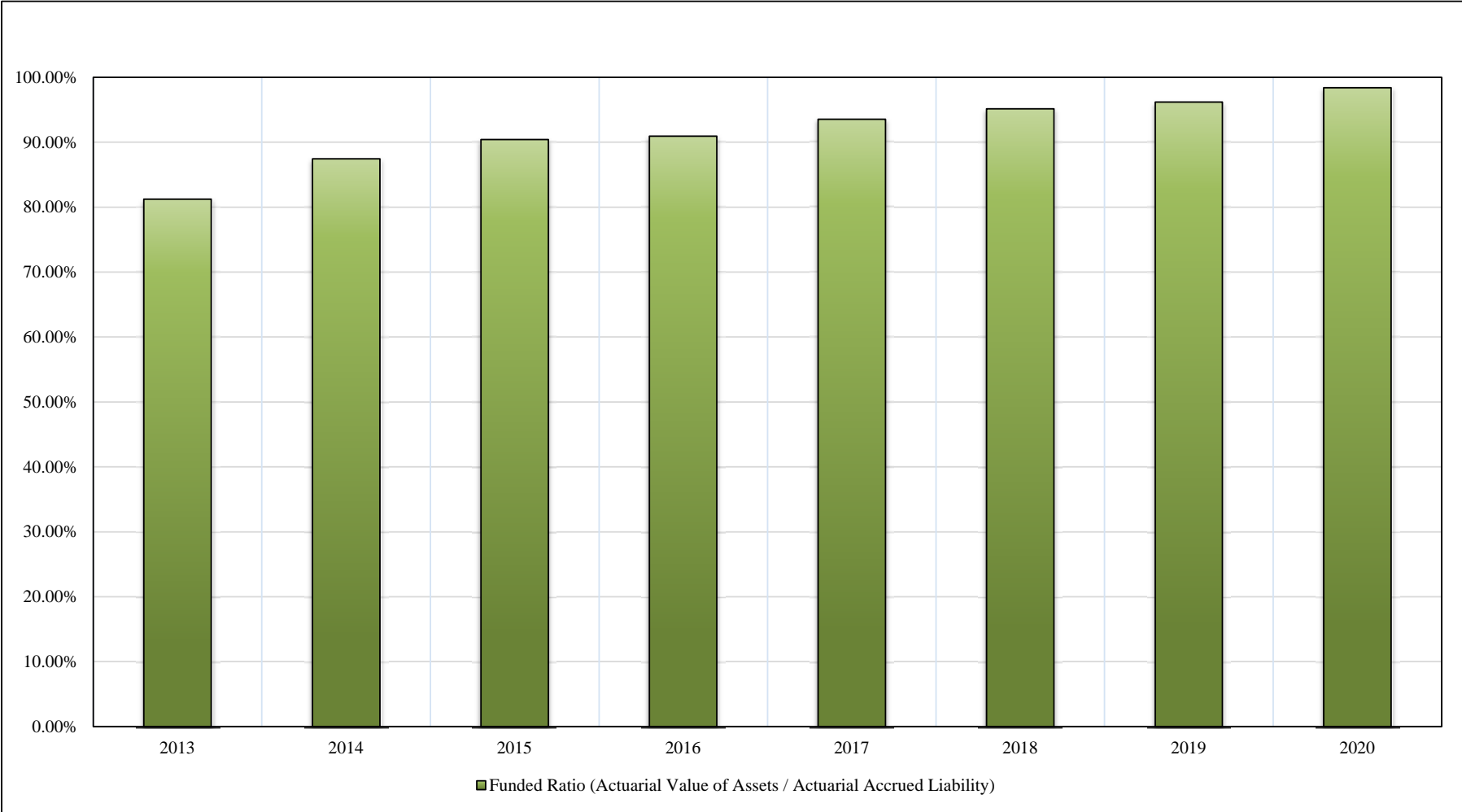
(1) Unfunded Actuarial Accrued Liability as of October 1, 2019	\$5,548,200
(2) Sponsor Normal Cost developed as of October 1, 2019	825,166
(3) Expected administrative expenses for the year ended September 30, 2020	41,249
(4) Expected interest on (1), (2) and (3)	447,579
(5) Sponsor contributions to the System during the year ended September 30, 2020	2,215,878
(6) Expected interest on (5)	77,556
(7) Expected Unfunded Actuarial Accrued Liability as of September 30, 2020 (1)+(2)+(3)+(4)-(5)-(6)	4,568,760
(8) Change to UAAL due to Assumption Change	(44,818)
(9) Change to UAAL due to Actuarial (Gain)/Loss	(2,158,781)
(10) Unfunded Actuarial Accrued Liability as of October 1, 2020	2,365,161

<u>Type of Base</u>	<u>Date Established</u>	<u>Years Remaining</u>	<u>10/1/2020 Amount</u>	<u>Amortization Amount</u>
Method Change	10/1/2016	6	5,404,548	1,059,674
Actuarial Loss	10/1/2017	7	55,301	9,590
Actuarial Gain	10/1/2018	8	(563,498)	(88,194)
Actuarial Gain	10/1/2019	9	(327,591)	(46,991)
Actuarial Gain	10/1/2020	10	(2,158,781)	(287,254)
Assump Change	10/1/2020	10	(44,818)	(5,964)
			2,365,161	640,861

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2019	\$5,548,200
(2) Expected UAAL as of October 1, 2020	4,568,760
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(1,853,846)
Salary Increases	(507,300)
Active Decrements	132,465
Inactive Mortality	224,310
Other	<u>(154,410)</u>
Increase in UAAL due to (Gain)/Loss	(2,158,781)
Assumption Changes	<u>(44,818)</u>
(4) Actual UAAL as of October 1, 2020	\$2,365,161

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rate

Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees. Prior year assumption: RP2000 Generational, 100% White Collar, Scale BB.

Male: PubG.H-2010 (Above Median) for Employees, set back one year. Prior year assumption: RP2000 Generational, 50% White Collar / 50% Blue Collar, Scale BB.

Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees. Prior year assumption: RP2000 Generational, 100% Annuitant White Collar, Scale BB.

Male: PubG.H-2010 for Healthy Retirees, set back one year. Prior year assumption: RP2000 Generational, 50% Annuitant White Collar / 50% Annuitant Blue Collar, Scale BB.

Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

Prior year assumption (Female): 100% RP2000 Disabled Female set forward two years.

Prior year assumption (Male): 100% RP2000 Disabled Male set back four years.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

Interest Rate

7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class. In our professional judgment, we believe this is within a reasonable range, does not contain a significant bias and is appropriate for the purpose of the measurement.

Salary Increases

4.25% per year until the assumed retirement age. This was approved in conjunction with an actuarial experience study dated September 29, 2016.

Payroll Growth

0.00% for purposes of amortizing the Unfunded Actuarial Accrued Liability. This assumption cannot exceed the ten-year average payroll growth, in compliance with Part VII of Chapter 112, Florida Statutes.

Administrative Expenses

\$26,599 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization amounts are amortized over the following amortization periods:

Experience: 10 Years.

Assumption/Method Changes: 10 Years.

Benefit Changes: 10 Years.

Normal Retirement Age

Below are the rates assumed once the Member has attained normal retirement eligibility:

Number of Years Following NR Age	Age 65 and 7 Years of Service	25 Years of Service
0	20.0%	60.0%
1	20.0%	30.0%
2	20.0%	10.0%
3	20.0%	10.0%
4	20.0%	10.0%
5	100.0%	100.0%

The assumed rates of normal retirement were approved in conjunction with an actuarial experience study dated September 29, 2016.

Early Retirement Age

Below are the rates assumed once the Member has attained early retirement eligibility:

Number of Years Following ER Age	Rate
0	2.0%
1	2.0%
2	5.0%
3	5.0%
4	5.0%
5	5.0%
6	5.0%
7	10.0%
8	15.0%
9	15.0%

The assumed rates of early retirement were approved in conjunction with an actuarial experience study dated September 29, 2016.

Termination Rate

<u>Service</u>	<u>Rate</u>
<15	2.5%
15-19	2.0%
20-24	0.5%

The assumed rates of termination were approved in conjunction with an actuarial experience study dated September 29, 2016.

Marital Status

100% of the active members are assumed to be married. Additionally, male spouses are assumed to be three years older than female spouses.

Funding Method

Entry Age Normal Actuarial Cost Method. The following loads are utilized for purposes of determining the Total Required Contribution:

- Interest – A half-year, based on the current 7.00% assumption.
- Salary – A full-year, based on the current 4.25% assumption.

Actuarial Asset Method

All assets are valued at market value with an adjustment made to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period.

GLOSSARY

Actuarial Value of Assets is the asset value used in the valuation to determine contribution requirements. It represents the plan's Market Value of Assets (see below), with adjustments according to the plan's Actuarial Asset Method. These adjustments produce a "smoothed" value that is likely to be less volatile from year to year than the Market Value of Assets.

Entry Age Normal Cost Method - Under this method, the normal cost is the sum of the individual normal costs for all active participants. For an active participant, the normal cost is the participant's normal cost accrual rate, multiplied by the participant's current compensation.

(a) The normal cost accrual rate equals:

(i) the present value of future benefits for the participant, determined as of the participant's entry age, divided by

(ii) the present value of the compensation expected to be paid to the participant for each year of the participant's anticipated future service, determined as of the participant's entry age.

(b) In calculating the present value of future compensation, the salary scale is applied both retrospectively and prospectively to estimate compensation in years prior to and subsequent to the valuation year based on the compensation used for the valuation.

(c) The accrued liability is the sum of the individual accrued liabilities for all participants and beneficiaries. A participant's accrued liability equals the present value, at the participant's attained age, of future benefits less the present value at the participant's attained age of the individual normal costs payable in the future. A beneficiary's accrued liability equals the present value, at the beneficiary's attained age, of future benefits. The unfunded accrued liability equals the total accrued liability less the actuarial value of assets.

(d) Under this method, the entry age used for each active participant is the participant's age at the time he or she would have commenced participation if the plan had always been in existence under current terms, or the age as of which he or she first earns service credits for purposes of benefit accrual under the current terms of the plan.

Market Value of Assets is the fair market value of plan assets as of the valuation date. This amount may be adjusted to produce an Actuarial Value of Assets for plan funding purposes.

Normal (Current Year's) Cost is the current year's cost for benefits yet to be funded. Under the Entry Age Normal cost method, it is determined for each participant as the present value of future benefits, determined as of the Member's entry age, amortized as a level percentage of compensation over the anticipated number of years of participation, determined as of the entry age.

Present Value of Benefits is the single sum value on the valuation date of all future benefits to be paid to current plan participants.

Total Annual Payroll is the projected annual rate of pay for the fiscal year beginning on the valuation date of all covered Members.

Total Required Contribution is equal to the Normal Cost plus an amount sufficient to amortize the Unfunded Accrued Liability over no more than 30 years. The required amount is adjusted for interest according to the timing of contributions during the year.

Unfunded Actuarial Accrued Liability (UAAL) is the difference between the actuarial accrued liability (described above) and the Actuarial Value of Assets. Under the Entry Age Normal Actuarial Cost Method, an actuarial gain or loss, based on actual versus expected UAAL, is determined in conjunction with each valuation of the plan.

DISCUSSION OF RISK

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition.

Throughout this report, actuarial results are determined using various actuarial assumptions. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position.

Below are examples of ways in which plan experience can deviate from assumptions and the potential impact of that deviation. Typically, this results in an actuarial gain or loss representing the current-year financial impact on the plan's unfunded liability of the experience differing from assumptions; this gain or loss is amortized over a period of time determined by the plan's amortization method. When assumptions are selected that adequately reflect plan experience, gains and losses typically offset one another in the long term, resulting in a relatively low impact on the plan's contribution requirements associated with plan experience. When assumptions are too optimistic, losses can accumulate over time and the plan's amortization payment could potentially grow to an unmanageable level.

- Investment Return: When the rate of return on the Actuarial Value of Assets falls short of the assumption, this produces a loss representing assumed investment earnings that were not realized. Further, it is unlikely that the plan will experience a scenario that matches the assumed return in each year as capital markets can be volatile from year to year. Therefore, contribution amounts can vary in the future.
- Salary Increases: When a plan participant experiences a salary increase that was greater than assumed, this produces a loss representing the cost of an increase in anticipated plan benefits for the participant as compared to the previous year. The total gain or loss associated with salary increases for the plan is the sum of salary gains and losses for all active participants.
- Demographic Assumptions: Actuarial results take into account various potential events that could happen to a plan participant, such as retirement, termination, and death. Each of these potential events is assigned a liability based on the likelihood of the event and the financial consequence of the event for the plan. Accordingly, actuarial liabilities reflect a blend of financial consequences associated with various possible outcomes (such as retirement at one of various possible ages). Once the outcome is known (e.g. the participant retires) the liability is adjusted to reflect the known outcome. This adjustment produces a gain or loss depending on whether the outcome was more or less favorable than other outcomes that could have occurred.

Impact of Plan Maturity on Risk

For newer pension plans, most of the participants and associated liabilities are related to active members who have not yet reached retirement age. As pension plans continue in operation and active members reach retirement ages, liabilities begin to shift from being primarily related to active members to being shared amongst active and retired members. Plan maturity is a measure of the extent to which this shift has occurred. It is important to understand that plan maturity can have an impact on risk tolerance and the overall risk characteristics of the plan. For example, closed plans with a large amount of retired liability do not have as long of a time horizon to recover from losses (such as losses on investments due to lower than expected investment returns) as plans where the majority of the liability is attributable to active members. For this reason, less tolerance for investment risk may be warranted for highly mature closed plans with a substantial inactive liability. Similarly, mature closed plans paying substantial retirement benefits resulting in a small positive or net negative cash flow can be more sensitive to near term investment volatility, particularly if the size of the fund is shrinking, which can result in less assets being available for investment in the market.

To assist with determining the maturity of the plan, we have provided some relevant metrics in the table following titled “Plan Maturity Measures and Other Risk Metrics”. Highlights of this information are discussed below:

- The Support Ratio, determined as the ratio of active to inactive members, has decreased from 21.9% on October 1, 2017 to 13.0% on October 1, 2020, indicating that the plan has been maturing during the period.
- The Accrued Liability Ratio, determined as the ratio of the Inactive Accrued Liability, which is the liability associated with members who are no longer employed but are due a benefit from the plan, to the Total Accrued Liability, is 76.7%. With a plan of this maturity, losses due to lower than expected investment returns or demographic factors may result in larger increases in contribution requirements than would be needed for a less mature plan. Please note Chapter 112, Florida Statutes, requires that the plan sponsor contributes the minimum required contribution; thus, there is minimal solvency risk to the plan.
- The Funded Ratio, determined as the ratio of the Actuarial Value of Assets to the Total Accrued Liability, has increased from 93.5% on October 1, 2017 to 98.4% on October 1, 2020, primarily due to the normal operation of the plan, including funding at least the minimum required contribution, and net favorable experience realized by the plan during the period.
- The Net Cash Flow Ratio, determined as the ratio of the Net Cash Flow (contributions minus benefit payments and administrative expenses) to the Market Value of Assets, decreased from -2.0% on October 1, 2017 to -5.2% on October 1, 2020. The current Net Cash Flow Ratio of -5.2% indicates that contributions are not currently covering the plan's benefit payments and administrative expenses.

It is important to note that the actuary has identified the risks in this section as the most significant risks based on the characteristics of the plan and the nature of the project, however, it is not an exhaustive list of potential risks that could be considered. Additional advanced modeling, as well as the identification of additional risks, can be provided at the request of the audience addressed on page 2 of this report.

PLAN MATURITY MEASURES AND OTHER RISK METRICS

	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Support Ratio</u>				
Total Actives	91	75	68	56
Total Inactives	415	424	423	431
Actives / Inactives	21.9%	17.7%	16.1%	13.0%
 <u>Asset Volatility Ratio</u>				
Market Value of Assets (MVA)	135,935,032	142,871,166	139,594,665	145,368,898
Total Annual Payroll	7,149,834	6,425,266	6,179,222	5,023,990
MVA / Total Annual Payroll	1,901.2%	2,223.6%	2,259.1%	2,893.5%
 <u>Accrued Liability (AL) Ratio</u>				
Inactive Accrued Liability	99,716,958	104,769,681	105,312,991	111,562,410
Total Accrued Liability (EAN)	142,827,047	144,560,999	144,898,145	145,512,453
Inactive AL / Total AL	69.8%	72.5%	72.7%	76.7%
 <u>Funded Ratio</u>				
Actuarial Value of Assets (AVA)	133,573,143	137,500,444	139,349,945	143,147,292
Total Accrued Liability (EAN)	142,827,047	144,560,999	144,898,145	145,512,453
AVA / Total Accrued Liability (EAN)	93.5%	95.1%	96.2%	98.4%
 <u>Net Cash Flow Ratio</u>				
Net Cash Flow ¹	(2,783,662)	(5,958,741)	(6,848,870)	(7,546,855)
Market Value of Assets (MVA)	135,935,032	142,871,166	139,594,665	145,368,898
Ratio	-2.0%	-4.2%	-4.9%	-5.2%

¹ Determined as total contributions minus benefit payments and administrative expenses.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	4,343,685.15	4,343,685.15
Prepaid Benefits	838,509.96	838,509.96
Cash	20,816.88	20,816.88
Total Cash and Equivalents	5,203,011.99	5,203,011.99
Receivables:		
From Broker for Investments Sold	309,293.32	309,293.32
Investment Income	207,840.22	207,840.22
Total Receivable	517,133.54	517,133.54
Investments:		
U. S. Bonds and Bills	3,674,076.56	3,662,285.00
Federal Agency Guaranteed Securities	10,868,475.44	10,874,057.90
Corporate Bonds	16,791,343.37	17,738,233.95
Stocks	43,520,614.81	53,802,399.63
Mutual Funds:		
Fixed Income	13,005,172.70	11,997,922.21
Equity	20,624,283.50	34,133,507.63
Pooled/Common/Commingled Funds:		
Equity	6,401,250.82	8,596,314.84
Total Investments	114,885,217.20	140,804,721.16
Total Assets	120,605,362.73	146,524,866.69
 <u>LIABILITIES</u>		
Payables:		
Investment Expenses	102,709.84	102,709.84
Administrative Expenses	200.00	200.00
To Broker for Investments Purchased	1,053,058.81	1,053,058.81
Total Liabilities	1,155,968.65	1,155,968.65
NET POSITION RESTRICTED FOR PENSIONS	119,449,394.08	145,368,898.04

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:			
Employer		2,215,878.00	
Total Contributions			2,215,878.00
Investment Income:			
Net Realized Gain (Loss)	9,136,965.82		
Unrealized Gain (Loss)	2,097,718.99		
Net Increase in Fair Value of Investments		11,234,684.81	
Interest & Dividends		2,592,639.40	
Less Investment Expense ¹		(506,235.85)	
Net Investment Income			13,321,088.36
Total Additions			15,536,966.36
<u>DEDUCTIONS</u>			
Distributions to Members:			
Benefit Payments		9,705,211.19	
Lump Sum Distributions		31,577.20	
Total Distributions			9,736,788.39
Administrative Expense			25,945.00
Total Deductions			9,762,733.39
Net Increase in Net Position			5,774,232.97
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			139,594,665.07
End of the Year			145,368,898.04

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

ACTUARIAL ASSET VALUATION
September 30, 2020

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.

Plan Year Ending	Gain/(Loss)	<u>Gains/(Losses) Not Yet Recognized</u>				
		Amounts Not Yet Recognized by Valuation Year				
		2020	2021	2022	2023	2024
09/30/2016	726,522	0	0	0	0	0
09/30/2017	7,244,367	1,448,875	0	0	0	0
09/30/2018	3,587,980	1,435,192	717,596	0	0	0
09/30/2019	(6,188,902)	(3,713,342)	(2,475,562)	(1,237,782)	0	0
09/30/2020	3,813,601	3,050,881	2,288,161	1,525,441	762,721	0
Total		2,221,606	530,195	287,659	762,721	0

<u>Development of Investment Gain/(Loss)</u>	
Market Value of Assets, 09/30/2019	139,594,665
Contributions Less Benefit Payments & Admin Expenses	(7,546,855)
Expected Investment Earnings*	9,507,487
Actual Net Investment Earnings	13,321,088
2020 Actuarial Investment Gain/(Loss)	3,813,601

*Expected Investment Earnings = 0.07 * [139,594,665 + 0.5 * (7,546,855)]

<u>Development of Actuarial Value of Asset</u>	
(1) Market Value of Assets, 09/30/2020	145,368,898
(2) Gain/(Loss) Not Yet Recognized	2,221,606
(3) Actuarial Value of Assets, 09/30/2020, (1) - (2)	143,147,292
(A) 09/30/2019 Actuarial Assets:	139,349,945
(I) Net Investment Income	
1. Interest and Dividends	2,592,639
2. Realized Gain (Loss)	9,136,966
3. Unrealized Gain (Loss)	2,097,719
4. Change in Actuarial Value	(1,976,886)
5. Investment Expense:	(506,236)
Total	11,344,202
(B) 09/30/2020 Actuarial Assets:	143,147,292
Actuarial Assets Rate of Return = 2I/(A+B-I)	8.37%
Market Value of Assets Rate of Return	9.84%
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	1,853,846
10/01/2020 Limited Actuarial Assets	143,147,292

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 SEPTEMBER 30, 2020
 Actuarial Asset Basis

REVENUES

Contributions:		
Employer	2,215,878.00	
Total Contributions		2,215,878.00
Earnings from Investments:		
Interest & Dividends	2,592,639.40	
Net Realized Gain (Loss)	9,136,965.82	
Unrealized Gain (Loss)	2,097,718.99	
Change in Actuarial Value	(1,976,886.00)	
Total Earnings and Investment Gains		11,850,438.21
	EXPENDITURES	
Distributions to Members:		
Benefit Payments	9,705,211.19	
Lump Sum Distributions	31,577.20	
Total Distributions		9,736,788.39
Expenses:		
Investment related ¹	506,235.85	
Administrative	25,945.00	
Total Expenses		532,180.85
Change in Net Assets for the Year		3,797,346.97
Net Assets Beginning of the Year		139,349,945.07
Net Assets End of the Year ²		143,147,292.04

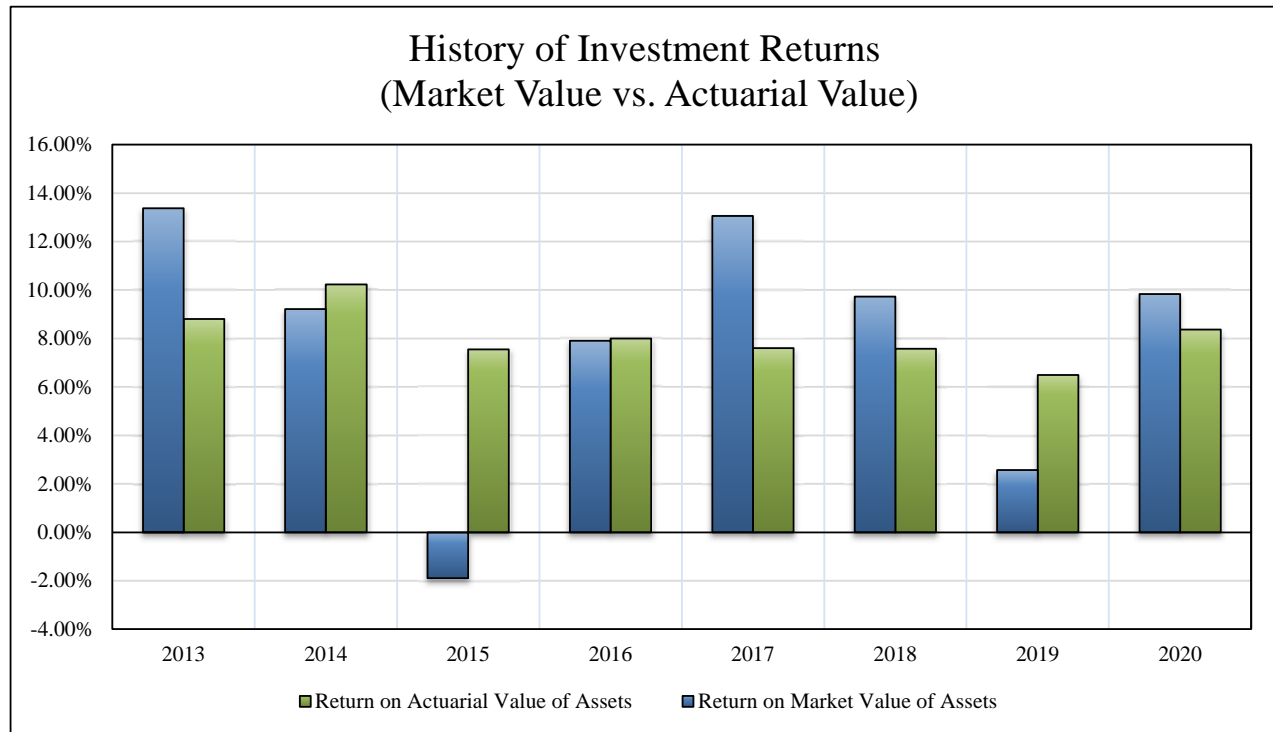
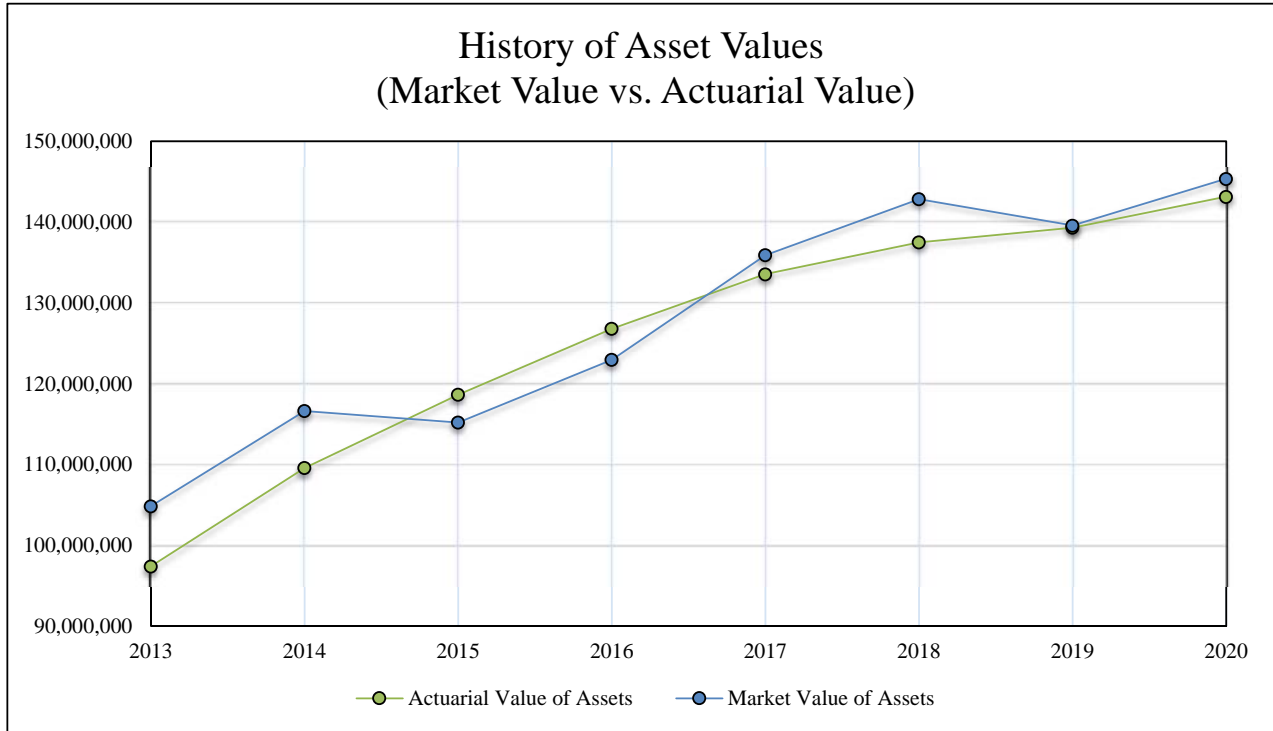
¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2020

(1) Required Contributions	\$2,215,878.00
(2) Less 2019 Prepaid Contribution	0.00
(3) Less Actual Contributions	<u>(2,215,878.00)</u>
(4) Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2020	\$0.00

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2017</u>	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>
<u>Actives</u>				
Number	91	75	68	56
Average Current Age	58.8	58.7	59.5	60.3
Average Age at Employment	36.2	35.5	35.4	35.1
Average Past Service	22.6	23.2	24.1	25.2
Average Annual Salary	\$78,570	\$85,670	\$90,871	\$89,714
<u>Service Retirees</u>				
Number	293	304	312	325
Average Current Age	66.4	67.0	67.7	68.3
Average Annual Benefit	\$28,399	\$28,908	\$28,706	\$29,799
<u>Beneficiaries</u>				
Number	25	30	26	25
Average Current Age	65.9	67.6	69.3	68.4
Average Annual Benefit	\$14,587	\$15,043	\$14,818	\$15,280
<u>Terminated Vested</u>				
Number	97	90	85	81
Average Current Age	56.3	57.0	57.7	58.5
Average Annual Benefit	\$9,655	\$10,176	\$10,236	\$10,467

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0-4	5-9	10-14	15-19	20	21	22	23	24	25+	Total
15 - 39											0
40 - 44						1					1
45 - 49								1			1
50 - 54						4	1		1	1	7
55 - 59						3	1	3	2	7	16
60							1			1	2
61						1	3	1			5
62						1	1			4	6
63								1		1	2
64						1				1	2
65+				1		4		1	1	7	14
Total	0	0	0	1	0	15	7	7	4	22	56

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2019	68
b. Terminations	
i. Vested (partial or full) with deferred annuity	0
ii. Vested in refund of member contributions only	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	0
d. Disabled	0
e. Retired	(12)
f. Continuing participants	56
g. New entrants	0
h. Total active life participants in valuation	56

2. Non-Active lives (including beneficiaries receiving benefits)

	Service Retirees, Vested Receiving <u>Benefits</u>	Receiving Death <u>Benefits</u>	Receiving Disability <u>Benefits</u>	Vested (Deferred Annuity)	<u>Total</u>
a. Number prior valuation	312	26	0	85	423
Retired	16	0	0	(4)	12
Vested (Deferred Annuity)	0	0	0	0	0
Vested (Due Refund)	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0
Death, With Survivor	(2)	2	0	0	0
Death, No Survivor	(1)	(2)	0	0	(3)
Disabled	0	0	0	0	0
Refund of Contributions	0	0	0	0	0
Rehires	0	0	0	0	0
Lump-Sum Payout Received	0	(1)	0	0	(1)
Data Corrections	0	0	0	0	0
b. Number current valuation	325	25	0	81	431

SUMMARY OF CURRENT PLAN

<u>Eligibility</u>	Full-time employees who had completed 12 months of employment. Effective October 1, 1999, the Plan was closed to all future new hires.
<u>Credited Service</u>	Total years and nearest fully completed months of employment, including vacation and other paid leaves of absence. However, unpaid leaves of absence greater than 30 days are not included.
<u>Salary</u>	Basic rate of pay, excluding bonuses, commissions, overtime and other items of additional pay.
<u>Final Average Compensation</u>	Average Salary for the 3 best years of the 10 years immediately preceding retirement or termination.
<u>Member Contributions</u>	None.
<u>Employer Contributions</u>	Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Part VII, Chapter 112, Florida Statutes.
<u>Normal Retirement</u>	
Date	Earlier of: 1) age 65 and 7 years of Credited Service, or 2) 25 years of Credited Service, regardless of age.
Benefit	3.0% of Final Average Compensation <u>times</u> Credited Service (subject to a maximum benefit of 75.0% of Final Average Compensation).
Form of Benefit	Life Annuity (options available).
<u>Early Retirement</u>	
Date	Age 55 and 7 years of Credited Service.
Benefit	Accrued benefit, reduced 3.0% per year that the benefit commencement date precedes Age 65.
<u>Vesting</u>	All members are currently 100% vested in their accrued benefit. If a member terminates employment prior to retirement eligibility, the member will receive their accrued benefit payable at Early (reduced) or Normal Retirement Age.
<u>Disability</u>	Not Applicable.

Death Benefits

Pre-Retirement

Eligible for Retirement

If Beneficiary is member's spouse: Benefit payable as if Member retired on the date of death, selected a 50% Joint and Survivor annuity, and then passed away, with the benefit then continuing to the survivor for life.

If Beneficiary is not member's spouse: Distribution shall commence within one year of the member's death, and shall occur over a 5-year period in equal amounts that in the aggregate are the actuarial equivalent of the survivor's annuity otherwise payable.

Vested (not eligible for retirement)

Same as described above if eligible for retirement, and commencing at the earliest possible date (reduced for early retirement).

Post-Retirement

Benefits payable in accordance with option selected at retirement.

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	4,343,685
Prepaid Benefits	838,510
Cash	20,817
Total Cash and Equivalents	5,203,012
Receivables:	
From Broker for Investments Sold	309,293
Investment Income	207,840
Total Receivable	517,133
Investments:	
U. S. Bonds and Bills	3,662,285
Federal Agency Guaranteed Securities	10,874,058
Corporate Bonds	17,738,234
Stocks	53,802,400
Mutual Funds:	
Fixed Income	11,997,922
Equity	34,133,508
Pooled/Common/Commingled Funds:	
Equity	8,596,315
Total Investments	140,804,722
Total Assets	146,524,867
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	102,710
Administrative Expenses	200
To Broker for Investments Purchased	1,053,059
Total Liabilities	1,155,969
NET POSITION RESTRICTED FOR PENSIONS	145,368,898

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020
Market Value Basis

ADDITIONS

Contributions:

Employer	2,215,878	
Total Contributions		2,215,878
Investment Income:		
Net Increase in Fair Value of Investments	11,234,685	
Interest & Dividends	2,592,639	
Less Investment Expense ¹	(506,236)	
Net Investment Income		13,321,088
Total Additions		15,536,966

DEDUCTIONS

Distributions to Members:

Benefit Payments	9,705,211	
Lump Sum Distributions	31,577	
Total Distributions		9,736,788
Administrative Expense		25,945
Total Deductions		9,762,733
Net Increase in Net Position		5,774,233

NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		139,594,665
End of the Year		145,368,898

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2020)

Plan Administration

The Plan is a single employer defined benefits pension plan administered by a Retirement Benefits Committee comprised of:

- Senior Director of Human Resources and Risk Management, Chair
- Chief Operating Officer
- Chief Financial Officer
- Senior Director, Airport Operations
- Director, Internal Audit, Vice Chair
- Assistant Director, Airport Affairs
- Assistant Director, Purchasing

Serving in an advisory

- Human Resources Manager

Full-time employees who had completed 12 months of employment. Effective October 1, 1999, the Plan was closed to all future new hires.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	338
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	85
Active Plan Members	68
	491

Benefits Provided

The Plan provides retirement, termination, and death benefits.

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the Retirement Plan for Employees of Greater Orlando Aviation Authority prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Employer Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Investment Policy:

The following was the Board's adopted asset allocation policy as of September 30, 2020:

Asset Class	Target Allocation
Domestic Equity	45.00%
International Equity	15.00%
Fixed Income (Core)	25.00%
Fixed Income (Non-Core)	10.00%
GTAA	5.00%
Total	100.00%

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

Rate of Return:

For the year ended September 30, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 9.84 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on September 30, 2020 were as follows:

Total Pension Liability	\$ 145,460,725
Plan Fiduciary Net Position	\$ (145,368,898)
Sponsor's Net Pension Liability	<u>\$ 91,827</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>99.94%</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.25%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.
 Male: PubG.H-2010 (Above Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

The most recent actuarial experience study used to review the other significant assumptions was dated September 29, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

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.

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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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long Term Expected Real Rate of Return¹</u>
Domestic Equity	7.50%
International Equity	8.50%
Fixed Income (Core)	2.50%
Fixed Income (Non-Core)	2.50%
GTAA	3.50%

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 13,783,763	\$ 91,827	\$ (11,635,533)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

	<u>09/30/2020</u>	<u>09/30/2019</u>
Total Pension Liability		
Service Cost	946,773	1,029,631
Interest	9,906,060	9,822,972
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(1,122,993)	(35,086)
Changes of assumptions	30,913	-
Benefit Payments, including Refunds of Employee Contributions	<u>(9,736,788)</u>	<u>(9,358,606)</u>
Net Change in Total Pension Liability	23,965	1,458,911
Total Pension Liability - Beginning	<u>145,436,760</u>	<u>143,977,849</u>
Total Pension Liability - Ending (a)	<u><u>\$145,460,725</u></u>	<u><u>\$145,436,760</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	2,215,878	2,536,989
Net Investment Income	13,321,088	3,572,369
Benefit Payments, including Refunds of Employee Contributions	(9,736,788)	(9,358,606)
Administrative Expense	<u>(25,945)</u>	<u>(27,253)</u>
Net Change in Plan Fiduciary Net Position	5,774,233	(3,276,501)
Plan Fiduciary Net Position - Beginning	<u>139,594,665</u>	<u>142,871,166</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$145,368,898</u></u>	<u><u>\$139,594,665</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 91,827</u></u>	<u><u>\$ 5,842,095</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.94%	95.98%
Covered Payroll	\$ 5,023,990	\$ 6,179,222
Net Pension Liability as a percentage of Covered Payroll	1.83%	94.54%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2020	\$ 2,215,878	\$ 2,215,878	\$ -	\$ 5,023,990	44.11%
09/30/2019	\$ 2,536,989	\$ 2,536,989	\$ -	\$ 6,179,222	41.06%

Notes to Schedule

Valuation Date: 10/01/2018
Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the Retirement Plan for Employees of Greater Orlando Aviation Authority prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Fiscal Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
09/30/2020	9.84%
09/30/2019	2.57%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended September 30, 2021)

Plan Description

The Plan is a single employer defined benefits pension plan administered by a Retirement Benefits Committee comprised of:

- Senior Director of Human Resources and Risk Management, Chair
- Chief Operating Officer
- Chief Financial Officer
- Senior Director, Airport Operations
- Director, Internal Audit, Vice Chair
- Assistant Director, Airport Affairs
- Assistant Director, Purchasing

Serving in an advisory capacity:

- Human Resources Manager

Full-time employees who had completed 12 months of employment. Effective October 1, 1999, the Plan was closed to all future new hires.

Plan Membership as of October 1, 2019:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	338
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	85
Active Plan Members	68
	491
	491

Benefits Provided

The Plan provides retirement, termination, and death benefits.

A summary of the benefit provisions can be found in the October 1, 2019 Actuarial Valuation Report for the Retirement Plan for Employees of Greater Orlando Aviation Authority prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: None.

Employer Contributions: Remaining amount required in order to pay current costs and amortize unfunded past service cost, if any, as provided in Chapter 112, Florida Statutes.

Net Pension Liability

The measurement date is September 30, 2020.

The measurement period for the pension expense was October 1, 2019 to September 30, 2020.

The reporting period is October 1, 2020 through September 30, 2021.

The Sponsor's Net Pension Liability was measured as of September 30, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.25%
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rate Healthy Active Lives:

Female: PubG.H-2010 (Above Median) for Employees.
 Male: PubG.H-2010 (Above Median) for Employees, set back one year.

Mortality Rate Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.
 Male: PubG.H-2010 for Healthy Retirees, set back one year.

Mortality Rate Disabled Lives:

PubG.H-2010 for Disabled Retirees, set forward three years.

All rates are projected generationally with Mortality Improvement Scale MP-2018.

The previously described mortality assumption rates were mandated by Chapter 2015-157, Laws of Florida. This law mandates the use of the assumptions used in either of the two most recent valuations of the Florida Retirement System (FRS). The above rates are those outlined in Milliman’s July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics. We feel this assumption sufficiently accommodates future mortality improvements.

The most recent actuarial experience study used to review the other significant assumptions was dated September 29, 2016.

The Long-Term Expected Rate of Return on Pension Plan investments can be 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.

For 2020 the inflation rate assumption of the investment advisor was 2.50%.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return ¹
Domestic Equity	45.00%	7.50%
International Equity	15.00%	8.50%
Fixed Income (Core)	25.00%	2.50%
Fixed Income (Non-Core)	10.00%	2.50%
GTAA	5.00%	3.50%
Total	100.00%	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those 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 was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Reporting Period Ending September 30, 2020	\$ 145,436,760	\$ 139,594,665	\$ 5,842,095
Changes for a Year:			
Service Cost	946,773	-	946,773
Interest	9,906,060	-	9,906,060
Differences between Expected and Actual Experience	(1,122,993)	-	(1,122,993)
Changes of assumptions	30,913	-	30,913
Changes of benefit terms	-	-	-
Contributions - Employer	-	2,215,878	(2,215,878)
Net Investment Income	-	13,321,088	(13,321,088)
Benefit Payments, including Refunds of Employee Contributions	(9,736,788)	(9,736,788)	-
Administrative Expense	-	(25,945)	25,945
Net Changes	23,965	5,774,233	(5,750,268)
Reporting Period Ending September 30, 2021	\$ 145,460,725	\$ 145,368,898	\$ 91,827

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 13,783,763	\$ 91,827	\$ (11,635,533)

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

**FINAL PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED
INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2020**

For the year ended September 30, 2020, the Sponsor has recognized a Pension Expense of \$2,131,903.

On September 30, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	251,968
Employer contributions subsequent to the measurement date	2,215,878	-
Total	\$ 2,215,878	\$ 251,968

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date has been recognized as a reduction of the Net Pension Liability in the year ended September 30, 2020.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:				
2021			\$	(1,081,243)
2022			\$	(928,689)
2023			\$	520,184
2024			\$	1,237,780
2025			\$	-
Thereafter			\$	-

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2021**

For the year ended September 30, 2021, the Sponsor will recognize a Pension Expense of -\$1,564,753.

On September 30, 2021, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	-	-
Changes of assumptions	-	-
Net difference between Projected and Actual Earnings on Pension Plan investments	-	2,221,605
Employer contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ 2,221,605</u>

The outcome of the Deferred Outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended September 30, 2021.

Other amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended September 30:	
2022	\$ (1,691,409)
2023	\$ (242,536)
2024	\$ 475,060
2025	\$ (762,720)
2026	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Fiscal Years

Reporting Period Ending	09/30/2021	09/30/2020
Measurement Date	<u>09/30/2020</u>	<u>09/30/2019</u>
Total Pension Liability		
Service Cost	946,773	1,029,631
Interest	9,906,060	9,822,972
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(1,122,993)	(35,086)
Changes of assumptions	30,913	-
Benefit Payments, including Refunds of Employee Contributions	<u>(9,736,788)</u>	<u>(9,358,606)</u>
Net Change in Total Pension Liability	23,965	1,458,911
Total Pension Liability - Beginning	<u>145,436,760</u>	<u>143,977,849</u>
Total Pension Liability - Ending (a)	<u><u>\$ 145,460,725</u></u>	<u><u>\$ 145,436,760</u></u>
Plan Fiduciary Net Position		
Contributions - Employer	2,215,878	2,536,989
Net Investment Income	13,321,088	3,572,369
Benefit Payments, including Refunds of Employee Contributions	(9,736,788)	(9,358,606)
Administrative Expense	<u>(25,945)</u>	<u>(27,253)</u>
Net Change in Plan Fiduciary Net Position	5,774,233	(3,276,501)
Plan Fiduciary Net Position - Beginning	<u>139,594,665</u>	<u>142,871,166</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 145,368,898</u></u>	<u><u>\$ 139,594,665</u></u>
Net Pension Liability - Ending (a) - (b)	<u><u>\$ 91,827</u></u>	<u><u>\$ 5,842,095</u></u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	99.94%	95.98%
Covered Payroll	\$ 5,023,990	\$ 6,179,222
Net Pension Liability as a percentage of Covered Payroll	1.83%	94.54%

Notes to Schedule:*Changes of assumptions:*

For measurement date 09/30/2020, as mandated by Chapter 2015-157, Laws of Florida, the assumed rates of mortality were changed to the rates used in Milliman's July 1, 2019 FRS valuation report for non-special-risk employees, with appropriate risk and collar adjustments made based on plan demographics.

SCHEDULE OF CONTRIBUTIONS
Last 2 Fiscal Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
09/30/2020	\$ 2,215,878	\$ 2,215,878	\$ -	\$ 5,023,990	44.11%
09/30/2019	\$ 2,536,989	\$ 2,536,989	\$ -	\$ 6,179,222	41.06%

Notes to Schedule

Valuation Date: 10/01/2018

Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the October 1, 2018 Actuarial Valuation for the Retirement Plan for Employees of Greater Orlando Aviation Authority prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

FINAL COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 1,106,683	\$ 7,522,111	\$ 4,666,634	\$ -
Employer Contributions made after September 30, 2019	-	-	2,215,878	-
Total Pension Liability Factors:				
Service Cost	1,029,631	-	-	1,029,631
Interest	9,822,972	-	-	9,822,972
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(35,086)	35,086	-	-
Current year amortization of experience difference	-	(35,086)	-	(35,086)
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	-	-	-
Benefit Payments, including Refunds of Employee Contributions	(9,358,606)	-	-	-
Net change	<u>1,458,911</u>	<u>-</u>	<u>2,215,878</u>	<u>10,817,517</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,536,989	-	(2,536,989)	-
Projected Net Investment Income	9,761,271	-	-	(9,761,271)
Difference between projected and actual earnings on Pension Plan investments	(6,188,902)	-	6,188,902	-
Current year amortization	-	(2,319,023)	(3,367,427)	1,048,404
Benefit Payments, including Refunds of Employee Contributions	(9,358,606)	-	-	-
Administrative Expenses	(27,253)	-	-	27,253
Net change	<u>(3,276,501)</u>	<u>(2,319,023)</u>	<u>284,486</u>	<u>(8,685,614)</u>
Ending Balance	<u>\$ 5,842,095</u>	<u>\$ 5,203,088</u>	<u>\$ 7,166,998</u>	<u>\$ 2,131,903</u>

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2021

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 5,842,095	\$ 5,203,088	\$ 7,166,998	\$ -
Employer Contributions made after September 30, 2020	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	946,773	-	-	946,773
Interest	9,906,060	-	-	9,906,060
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(1,122,993)	1,122,993	-	-
Current year amortization of experience difference	-	(1,122,993)	-	(1,122,993)
Change in assumptions about future economic or demographic factors or other inputs	30,913	-	30,913	-
Current year amortization of change in assumptions	-	-	(30,913)	30,913
Benefit Payments, including Refunds of Employee Contributions	(9,736,788)	-	-	-
Net change	<u>23,965</u>	<u>-</u>	<u>-</u>	<u>9,760,753</u>
Plan Fiduciary Net Position:				
Contributions - Employer	2,215,878	-	(2,215,878)	-
Projected Net Investment Income	9,507,487	-	-	(9,507,487)
Difference between projected and actual earnings on Pension Plan investments	3,813,601	3,813,601	-	-
Current year amortization	-	(3,081,744)	(1,237,780)	(1,843,964)
Benefit Payments, including Refunds of Employee Contributions	(9,736,788)	-	-	-
Administrative Expenses	(25,945)	-	-	25,945
Net change	<u>5,774,233</u>	<u>731,857</u>	<u>(3,453,658)</u>	<u>(11,325,506)</u>
Ending Balance	<u>\$ 91,827</u>	<u>\$ 5,934,945</u>	<u>TBD</u>	<u>\$ (1,564,753)</u>

* Employer Contributions subsequent to the measurement date made after September 30, 2020 but made on or before September 30, 2021 need to be added.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Projected and Actual Earnings	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (3,813,601)	5	\$ -	\$ (762,721)	\$ (762,720)	\$ (762,720)	\$ (762,720)	\$ (762,720)	\$ -	\$ -	\$ -	\$ -
2019	\$ 6,188,902	5	\$ 1,237,782	\$ 1,237,780	\$ 1,237,780	\$ 1,237,780	\$ 1,237,780	\$ -	\$ -	\$ -	\$ -	\$ -
2018	\$ (3,587,979)	5	\$ (717,596)	\$ (717,596)	\$ (717,596)	\$ (717,596)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ (7,244,367)	5	\$ (1,448,873)	\$ (1,448,873)	\$ (1,448,873)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (762,772)	5	\$ (152,554)	\$ (152,554)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	\$ 10,648,223	5	\$ 2,129,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 1,048,404	\$ (1,843,964)	\$ (1,691,409)	\$ (242,536)	\$ 475,060	\$ (762,720)	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ 30,913	1	\$ -	\$ 30,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ -	\$ 30,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
2020	\$ (1,122,993)	1	\$ -	\$ (1,122,993)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	\$ (35,086)	1	\$ (35,086)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (35,086)	\$ (1,122,993)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -