

RETIREMENT PLAN FOR EMPLOYEES OF GREATER ORLANDO AVIATION AUTHORITY

ACTUARIAL VALUATION
AS OF OCTOBER 1, 2021

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING SEPTEMBER 30, 2023

GASB 67/68 DISCLOSURE INFORMATION
AS OF SEPTEMBER 30, 2021



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

January 4, 2022

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.

Additionally, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models that apply the funding and accounting rules to generate the results. All internally developed models are reviewed as part of the valuation process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

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, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending September 30, 2021 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.

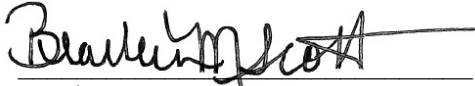
To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Greater Orlando Aviation Authority, nor does anyone at Foster & Foster, Inc. act as a member of the Retirement Plan Committee of the Retirement 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: 
Drew D. Ballard, EA, MAAA
Enrolled Actuary #20-8193

By: 
Braeleen M. Scott, ASA, MAAA

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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, 2021, 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, 2023.

The contribution requirements, compared with those set forth in the October 1, 2020 actuarial valuation report, are as follows:

Valuation Date	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2022</u>
Minimum Required Contribution	\$640,878	\$1,298,174

As you can see, the Minimum Required Contribution shows a decrease when compared to the results determined in the October 1, 2020 actuarial valuation report. The decrease is attributable to favorable plan experience, as described below. The decrease was offset in part by assumption changes made as a result of the June 1, 2021 experience study.

Plan experience was favorable overall on the basis of the plan's actuarial assumptions. The primary source of actuarial gain was an investment return of 11.01% (Actuarial Asset Basis) which exceeded the 7.00% assumption. This gain was offset in part by a loss associated with inactive mortality experience.

CHANGES SINCE PRIOR VALUATION

Plan Changes

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

Actuarial Assumption/Method Changes

The following assumption changes were made as a result of the June 1, 2021 experience study:

- The investment return assumption was lowered from 7.00% to 6.75% per year, net of investment-related expenses.
- The salary increase assumption was changed from a flat 4.25% per year to a flat 4.00% per year.
- The assumed rates of retirement were changed based on years eligible for normal or early retirement, generally resulting in later assumed retirements.
- The assumed rates of withdrawal were eliminated; no future withdrawals are assumed.

COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
A. Participant Data			
Actives	35	35	56
Service Retirees	343	343	325
Beneficiaries	26	26	25
Terminated Vested	<u>76</u>	<u>76</u>	<u>81</u>
Total	480	480	487
Total Annual Payroll	\$3,340,126	\$3,340,126	\$5,023,990
Payroll Under Assumed Ret. Age	2,859,050	2,340,790	3,597,776
Annual Rate of Payments to:			
Service Retirees	10,634,510	10,634,510	9,684,523
Beneficiaries	416,934	416,934	381,994
Terminated Vested	1,015,216	1,015,216	847,796
B. Assets			
Actuarial Value (AVA)	149,767,973	149,767,973	143,147,292
Market Value (MVA)	165,171,710	165,171,710	145,368,898
C. Liabilities			
Present Value of Benefits			
Actives			
Retirement Benefits	22,866,065	23,584,578	35,521,926
Death Benefits	224,554	116,915	186,272
Vested Benefits	0	11,166	19,483
Refund of Contributions	0	0	0
Service Retirees	113,411,535	111,105,046	102,499,525
Beneficiaries	4,084,093	4,008,353	3,683,186
Terminated Vested	<u>7,781,613</u>	<u>7,548,344</u>	<u>5,379,699</u>
Total	148,367,860	146,374,402	147,290,091

C. Liabilities - (Continued)	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Present Value of Future Salaries	11,826,350	7,923,873	12,324,147
Normal Cost (Retirement)	554,658	356,469	521,312
Normal Cost (Death)	9,524	4,357	7,703
Normal Cost (Vesting)	0	3,433	6,666
Normal Cost (Refunds)	<u>0</u>	<u>0</u>	<u>0</u>
Total Normal Cost	564,182	364,259	535,681
Present Value of Future Normal Costs	2,198,471	1,169,017	1,777,638
Accrued Liability (Retirement)	20,703,537	22,437,309	33,782,499
Accrued Liability (Death)	188,611	102,616	161,649
Accrued Liability (Vesting)	0	3,717	5,895
Accrued Liability (Refunds)	0	0	0
Accrued Liability (Inactives)	<u>125,277,241</u>	<u>122,661,743</u>	<u>111,562,410</u>
Total Actuarial Accrued Liability (EAN AL)	146,169,389	145,205,385	145,512,453
Unfunded Actuarial Accrued Liability (UAAL)	(3,598,584)	(4,562,588)	2,365,161
Funded Ratio (AVA / EAN AL)	102.5%	103.1%	98.4%

D. Actuarial Present Value of Accrued Benefits	New Assump <u>10/1/2021</u>	Old Assump <u>10/1/2021</u>	<u>10/1/2020</u>
Vested Accrued Benefits			
Inactives	125,277,241	122,661,743	111,562,410
Actives	20,203,960	21,374,937	32,115,924
Member Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total	145,481,201	144,036,680	143,678,334
Non-vested Accrued Benefits	<u>0</u>	<u>0</u>	<u>0</u>
Total Present Value Accrued Benefits (PVAB)	145,481,201	144,036,680	143,678,334
Funded Ratio (MVA / PVAB)	113.5%	114.7%	101.2%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:			
Plan Amendments	0	0	
Assumption Changes	1,444,521	0	
Plan Experience	0	1,306,325	
Benefits Paid	0	(10,633,297)	
Interest	0	9,685,318	
Other	<u>0</u>	<u>0</u>	
Total	1,444,521	358,346	

	New Assump	Old Assump	
Valuation Date	10/1/2021	10/1/2021	10/1/2020
Applicable to Fiscal Year Ending	<u>9/30/2023</u>	<u>9/30/2023</u>	<u>9/30/2022</u>

E. Pension Cost

Normal Cost ¹	\$606,552	\$393,031	\$577,993
Administrative Expenses ¹	34,326	34,450	28,700
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 10 years (as of 10/1/2021) ¹	(267,204)	(411,908)	691,481
Minimum Required Contribution ²	640,878	427,481	1,298,174

F. Past Contributions

Plan Years Ending:	<u>9/30/2021</u>	
Requirement	2,009,381	
Actual Contributions Made:		
Employer	2,009,431	

G. Net Actuarial (Gain)/Loss	(5,614,258)
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¹ Contributions developed as of 10/1/2021 displayed above have been adjusted to account for assumed salary increase and interest components.

² Reflects normal cost minimum funding requirements of Chapter 112, Florida Statutes.

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

<u>Year</u>	<u>Projected Unfunded Actuarial Accrued Liability</u>
2021	(3,598,584) ¹

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

	<u>Actual</u>	<u>Assumed</u>
Year Ended 9/30/2021	3.63%	4.25%
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%

(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 9/30/2021	20.22%	11.01%	7.00%
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%

(iii) Average Annual Payroll Growth

(a) Payroll as of:	10/1/2021	\$2,859,050
	10/1/2011	12,150,360
(b) Total Increase		-76.47%
(c) Number of Years		10.00
(d) Average Annual Rate		-13.47%

¹ Based on current State law and the existing UAAL bases, the UAAL is projected to never be positive.

ESTIMATED PROJECTION OF BENEFIT PAYMENTS
(Next 30 Years)

<u>Valuation Date</u>	<u>Estimated Annual Benefits</u>
2021	11,780,000
2022	11,980,000
2023	12,090,000
2024	12,430,000
2025	12,630,000
2026	12,650,000
2027	12,620,000
2028	12,470,000
2029	12,350,000
2030	12,150,000
2031	11,960,000
2032	11,750,000
2033	11,460,000
2034	11,230,000
2035	10,900,000
2036	10,530,000
2037	10,150,000
2038	9,750,000
2039	9,380,000
2040	8,950,000
2041	8,510,000
2042	8,060,000
2043	7,610,000
2044	7,140,000
2045	6,680,000
2046	6,220,000
2047	5,770,000
2048	5,320,000
2049	4,880,000
2050	4,450,000

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.



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

Please let us know when the report is approved by the Board and unless otherwise directed we will provide a copy of the report to the following office 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

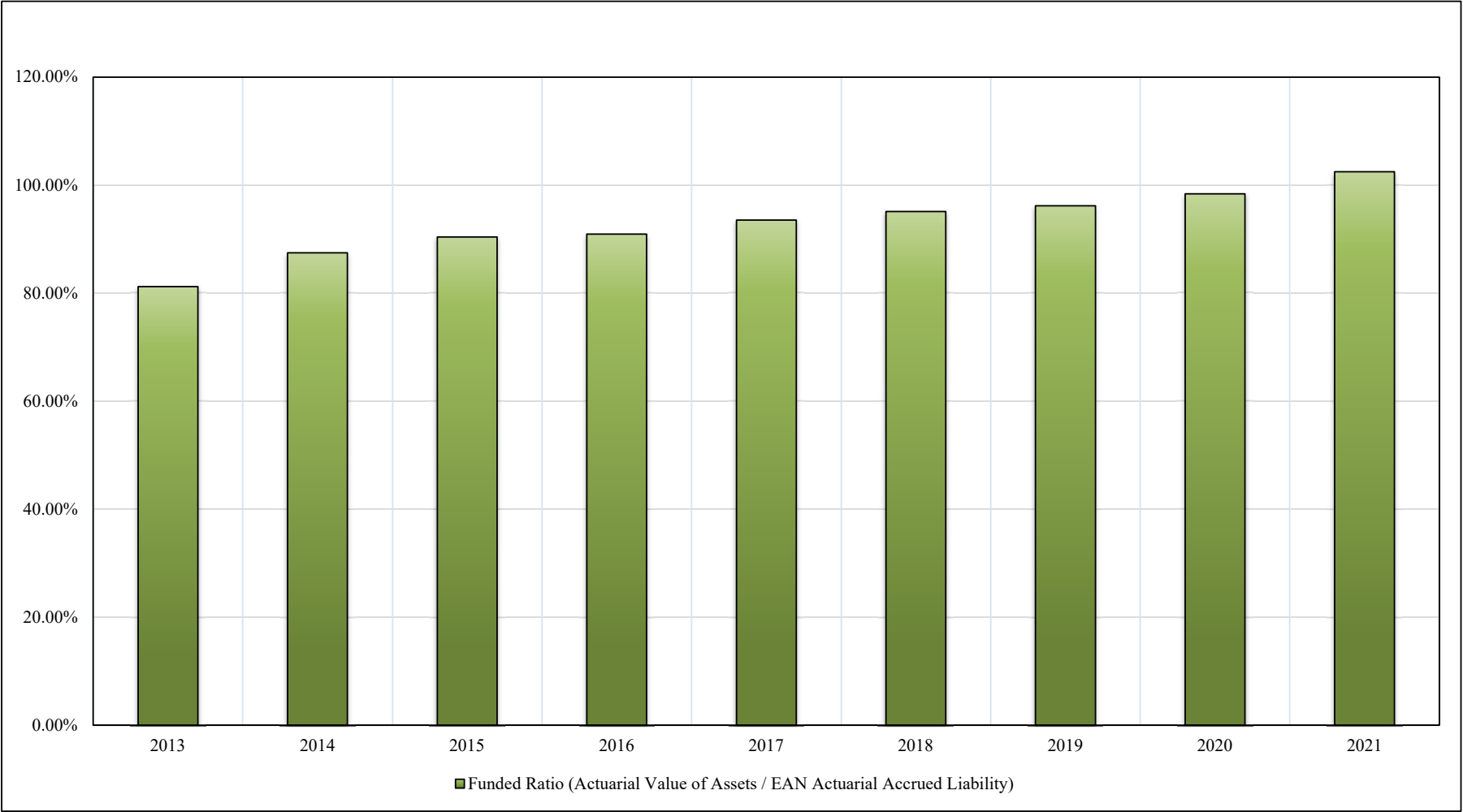
(1)	Unfunded Actuarial Accrued Liability as of October 1, 2020	\$2,365,161
(2)	Sponsor Normal Cost developed as of October 1, 2020	535,681
(3)	Expected administrative expenses for the year ended September 30, 2021	26,599
(4)	Expected interest on (1), (2) and (3)	203,990
(5)	Sponsor contributions to the System during the year ended September 30, 2021	2,009,431
(6)	Expected interest on (5)	70,330
(7)	Expected Unfunded Actuarial Accrued Liability as of September 30, 2021 (1)+(2)+(3)+(4)-(5)-(6)	1,051,670
(8)	Change to UAAL due to Assumption Change	964,004
(9)	Change to UAAL due to Actuarial (Gain)/Loss	(5,614,258)
(10)	Unfunded Actuarial Accrued Liability as of October 1, 2021	(3,598,584)

Type of <u>Base</u>	Date <u>Established</u>	Years <u>Remaining</u>	10/1/2021 <u>Amount</u>	Amortization <u>Amount</u>
Method Change	10/1/2016	5	2,649,987	601,393
Actuarial Loss	10/1/2017	6	27,880	5,437
Actuarial Gain	10/1/2018	7	(289,893)	(49,951)
Actuarial Gain	10/1/2019	8	(171,141)	(26,589)
Actuarial Gain	10/1/2020	9	(1,141,465)	(162,380)
Assump Change	10/1/2020	9	(23,698)	(3,371)
Actuarial Gain	10/1/2021	10	(5,614,258)	(740,170)
Assump Change	10/1/2021	10	964,004	127,092
			(3,598,584)	(248,539)

DETAILED ACTUARIAL (GAIN)/LOSS ANALYSIS

(1) Unfunded Actuarial Accrued Liability (UAAL) as of October 1, 2020	\$2,365,161
(2) Expected UAAL as of October 1, 2021	1,051,670
(3) Summary of Actuarial (Gain)/Loss, by component:	
Investment Return (Actuarial Asset Basis)	(5,565,309)
Salary Increases	(432)
Active Decrements	(408,003)
Inactive Mortality	535,467
Other	<u>(175,981)</u>
Increase in UAAL due to (Gain)/Loss	(5,614,258)
Assumption Changes	<u>964,004</u>
(4) Actual UAAL as of October 1, 2021	(\$3,598,584)

HISTORY OF FUNDING PROGRESS



ACTUARIAL ASSUMPTIONS AND METHODS

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.

Healthy Retiree Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Beneficiary Lives:

Female: PubG.H-2010 for Healthy Retirees.

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

Disabled Lives:

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

All rates are projected generationally with Mortality Improvement Scale MP-2018. We feel this assumption sufficiently accommodates future mortality improvements.

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 adjustments made based on plan demographics.

Interest Rate

6.75% (prior year 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.

Salary Increases

4.00% (prior year 4.25%) per year until the assumed retirement age. This was approved in conjunction with an actuarial experience study dated June 1, 2021.

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

\$31,928 annually, based on the average of actual expenses incurred in the prior two fiscal years.

Amortization Method

New UAAL amortization bases are amortized over 10 years.

Normal Retirement Age

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

Age 65 and 7 Years of Service:

Age	Rate
65-69	20.0%
70-74	10.0%
75+	100.0%

25+ Years of Service:

Service	Rate
25	60.0%
26	30.0%
27-29	15.0%
30-34	10.0%
35+	100.0%

The assumed rates of normal retirement were approved in conjunction with an actuarial experience study dated June 1, 2021.

Early Retirement Age

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

Years Following	
ER Age	Rate
0-2	2.5%
3-6	5.0%
7-9	10.0%

The assumed rates of early retirement were approved in conjunction with an actuarial experience study dated June 1, 2021.

Termination Rate

No future terminations are assumed, as approved in conjunction with an actuarial experience study dated June 1, 2021.

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 6.75% assumption.
- Salary – A full-year, based on the current 4.00% 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 17.7% on October 1, 2018 to 7.9% on October 1, 2021, 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 85.7%. 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 95.1% on October 1, 2018 to 102.5% on October 1, 2021, 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 -4.2% on October 1, 2018 to -5.2% on October 1, 2021. 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>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Support Ratio</u>				
Total Actives	75	68	56	35
Total Inactives	424	423	431	445
Actives / Inactives	17.7%	16.1%	13.0%	7.9%

Asset Volatility Ratio

Market Value of Assets (MVA)	142,871,166	139,594,665	145,368,898	165,171,710
Total Annual Payroll	6,425,266	6,179,222	5,023,990	3,340,126
MVA / Total Annual Payroll	2,223.6%	2,259.1%	2,893.5%	4,945.1%

Accrued Liability (AL) Ratio

Inactive Accrued Liability	104,769,681	105,312,991	111,562,410	125,277,241
Total Accrued Liability (EAN)	144,560,999	144,898,145	145,512,453	146,169,389
Inactive AL / Total AL	72.5%	72.7%	76.7%	85.7%

Funded Ratio

Actuarial Value of Assets (AVA)	137,500,444	139,349,945	143,147,292	149,767,973
Total Accrued Liability (EAN)	144,560,999	144,898,145	145,512,453	146,169,389
AVA / Total Accrued Liability (EAN)	95.1%	96.2%	98.4%	102.5%

Net Cash Flow Ratio

Net Cash Flow ¹	(5,958,741)	(6,848,870)	(7,546,855)	(8,661,776)
Market Value of Assets (MVA)	142,871,166	139,594,665	145,368,898	165,171,710
Ratio	-4.2%	-4.9%	-5.2%	-5.2%

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

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

<u>ASSETS</u>	COST VALUE	MARKET VALUE
Cash and Cash Equivalents:		
Short Term Investments	5,886,970.03	5,886,970.03
Prepaid Benefits	920,308.25	920,308.25
Cash	18,047.14	18,047.14
Total Cash and Equivalents	6,825,325.42	6,825,325.42
Receivables:		
From Broker for Investments Sold	521,081.04	521,081.04
Investment Income	201,980.16	201,980.16
Total Receivable	723,061.20	723,061.20
Investments:		
U. S. Bonds and Bills	18,910,296.09	18,412,498.95
Federal Agency Guaranteed Securities	9,812,065.01	9,776,134.73
Corporate Bonds	9,103,689.29	9,210,295.70
Stocks	47,668,121.29	58,629,718.28
Mutual Funds:		
Fixed Income	15,755,475.56	15,140,752.55
Equity	19,175,946.88	36,350,773.48
Pooled/Common/Commingled Funds:		
Equity	6,401,250.82	11,973,768.31
Total Investments	126,826,844.94	159,493,942.00
Total Assets	134,375,231.56	167,042,328.62
<u>LIABILITIES</u>		
Payables:		
Investment Expenses	61,093.04	61,093.04
Administrative Expenses	400.00	400.00
To Broker for Investments Purchased	1,809,125.67	1,809,125.67
Total Liabilities	1,870,618.71	1,870,618.71
NET POSITION RESTRICTED FOR PENSIONS	132,504,612.85	165,171,709.91

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:			
Employer		2,009,431.00	
Total Contributions			2,009,431.00
Investment Income:			
Net Realized Gain (Loss)	19,542,664.80		
Unrealized Gain (Loss)	6,747,593.10		
Net Increase in Fair Value of Investments		26,290,257.90	
Interest & Dividends		2,759,586.37	
Less Investment Expense ¹		(585,256.10)	
Net Investment Income			28,464,588.17
Total Additions			30,474,019.17
<u>DEDUCTIONS</u>			
Distributions to Members:			
Benefit Payments		10,633,297.30	
Total Distributions			10,633,297.30
Administrative Expense			37,910.00
Total Deductions			10,671,207.30
Net Increase in Net Position			19,802,811.87
NET POSITION RESTRICTED FOR PENSIONS			
Beginning of the Year			145,368,898.04
End of the Year			165,171,709.91

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

ACTUARIAL ASSET VALUATION
September 30, 2021

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				
		2021	2022	2023	2024	2025
09/30/2017	7,244,367	0	0	0	0	0
09/30/2018	3,587,980	717,596	0	0	0	0
09/30/2019	(6,188,902)	(2,475,562)	(1,237,782)	0	0	0
09/30/2020	3,813,601	2,288,161	1,525,441	762,721	0	0
09/30/2021	18,591,927	14,873,542	11,155,157	7,436,772	3,718,387	0
Total		15,403,737	11,442,816	8,199,493	3,718,387	0

<u>Development of Investment Gain/(Loss)</u>	
Market Value of Assets, 09/30/2020	145,368,898
Contributions Less Benefit Payments & Admin Expenses	(8,661,776)
Expected Investment Earnings*	9,872,661
Actual Net Investment Earnings	28,464,588
2021 Actuarial Investment Gain/(Loss)	<u>18,591,927</u>

*Expected Investment Earnings = $0.07 * [145,368,898 + 0.5 * (8,661,776)]$

<u>Development of Actuarial Value of Assets</u>	
(1) Market Value of Assets, 09/30/2021	165,171,710
(2) Gain/(Loss) Not Yet Recognized	15,403,737
(3) Actuarial Value of Assets, 09/30/2021, (1) - (2)	<u>149,767,973</u>

(A) 09/30/2020 Actuarial Assets: 143,147,292

(I) Net Investment Income:	
1. Interest and Dividends	2,759,586
2. Realized Gain (Loss)	19,542,665
3. Unrealized Gain (Loss)	6,747,593
4. Change in Actuarial Value	(13,182,131)
5. Investment Expenses	(585,256)
Total	<u>15,282,457</u>

(B) 09/30/2021 Actuarial Assets: 149,767,973

Actuarial Assets Rate of Return = $2I/(A+B-I)$: 11.01%
Market Value of Assets Rate of Return: 20.22%

Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis) 5,565,309

10/01/2021 Limited Actuarial Assets: 149,767,973

CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
SEPTEMBER 30, 2021
Actuarial Asset Basis

REVENUES

Contributions:		
Employer	2,009,431.00	
Total Contributions		2,009,431.00
Earnings from Investments:		
Interest & Dividends	2,759,586.37	
Net Realized Gain (Loss)	19,542,664.80	
Unrealized Gain (Loss)	6,747,593.10	
Change in Actuarial Value	(13,182,131.00)	
Total Earnings and Investment Gains		15,867,713.27
	EXPENDITURES	
Distributions to Members:		
Benefit Payments	10,633,297.30	
Total Distributions		10,633,297.30
Expenses:		
Investment related ¹	585,256.10	
Administrative	37,910.00	
Total Expenses		623,166.10
Change in Net Assets for the Year		6,620,680.87
Net Assets Beginning of the Year		143,147,292.04
Net Assets End of the Year ²		149,767,972.91

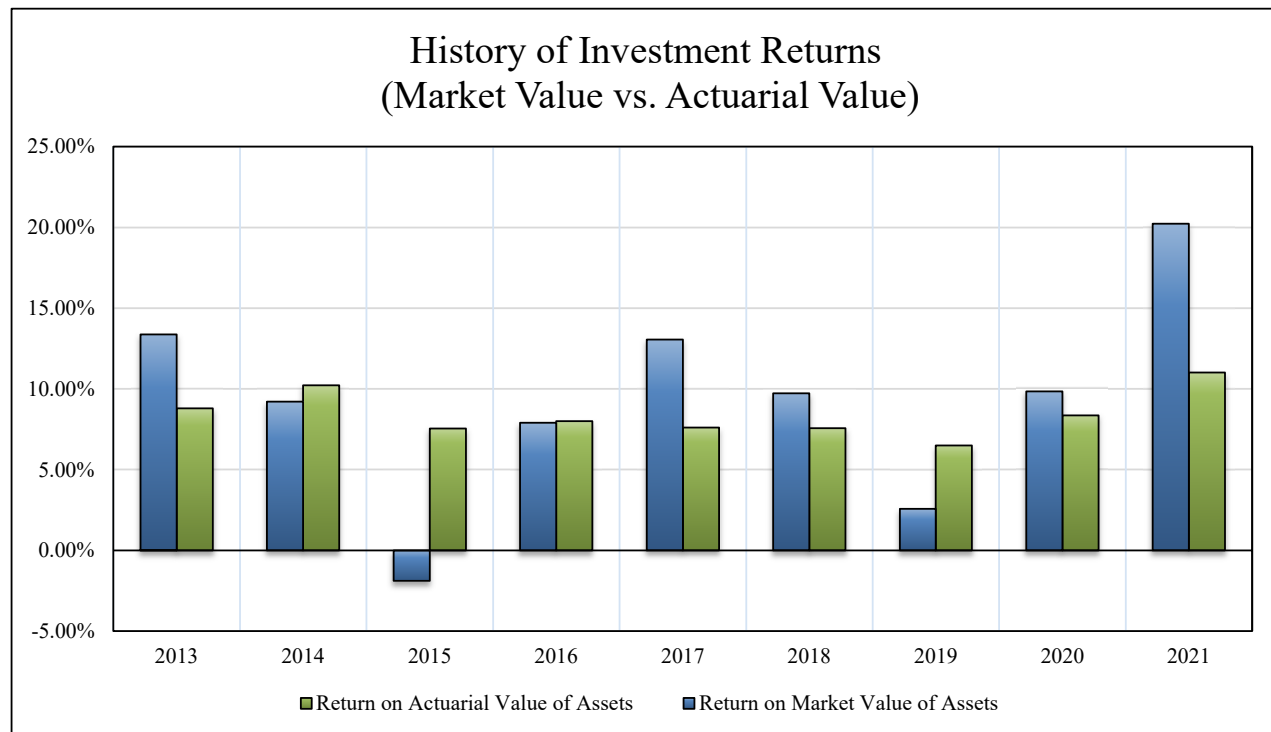
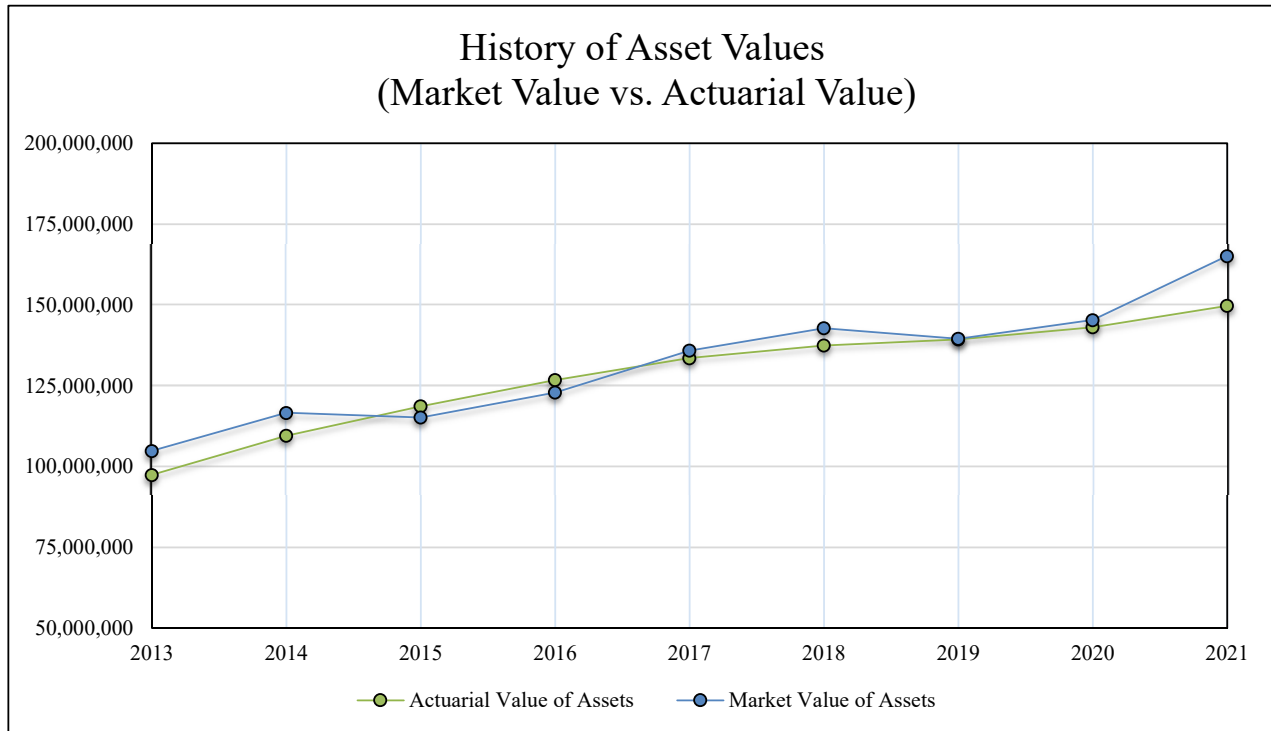
¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

²Net Assets may be limited for actuarial consideration.

CONTRIBUTIONS IN EXCESS OF MINIMUM REQUIREMENT
FOR THE FISCAL YEAR ENDED (FYE) SEPTEMBER 30, 2021

(1) Required Contributions	\$2,009,381.00
(2) Less 2020 Prepaid Contribution	0.00
(3) Less Actual Contributions	<u>(2,009,431.00)</u>
(4) Contributions in Excess of Minimum Requirement Applied to Reduce Unfunded Actuarial Accrued Liability as of September 30, 2021	(\$50.00)

HISTORY OF ASSET VALUES AND INVESTMENT RETURNS



STATISTICAL DATA

	<u>10/1/2018</u>	<u>10/1/2019</u>	<u>10/1/2020</u>	<u>10/1/2021</u>
<u>Actives</u>				
Number	75	68	56	35
Average Current Age	58.7	59.5	60.3	59.9
Average Age at Employment	35.5	35.4	35.1	34.7
Average Past Service	23.2	24.1	25.2	25.2
Average Annual Salary	\$85,670	\$90,871	\$89,714	\$95,432
<u>Service Retirees</u>				
Number	304	312	325	343
Average Current Age	67.0	67.7	68.3	69.0
Average Annual Benefit	\$28,908	\$28,706	\$29,799	\$31,004
<u>Beneficiaries</u>				
Number	30	26	25	26
Average Current Age	67.6	69.3	68.4	68.7
Average Annual Benefit	\$15,043	\$14,818	\$15,280	\$16,036
<u>Terminated Vested</u>				
Number	90	85	81	76
Average Current Age	57.0	57.7	58.5	59.1
Average Annual Benefit	\$10,176	\$10,236	\$10,467	\$13,358

AGE AND SERVICE DISTRIBUTION

PAST SERVICE

AGE	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+	Total
15 - 19												0
20 - 24												0
25 - 29												0
30 - 34												0
35 - 39												0
40 - 44									1			1
45 - 49									1			1
50 - 54									3	1		4
55 - 59									8	1	2	11
60 - 64									8	3	1	12
65+								1	3		2	6
Total	0	0	0	0	0	0	0	1	24	5	5	35

VALUATION PARTICIPANT RECONCILIATION

1. Active lives

a. Number in prior valuation 10/1/2020	56
b. Terminations	
i. Vested (partial or full) with deferred annuity	(3)
ii. Vested in refund of member contributions only	0
iii. Refund of member contributions or full lump sum distributio	0
c. Deaths	
i. Beneficiary receiving benefits	0
ii. No future benefits payable	(1)
d. Disabled	0
e. Retired	(17)
f. Continuing participants	35
g. New entrants	<u>0</u>
h. Total active life participants in valuation	35

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>Refund</u>	Vested (Due Refund) <u>Refund</u>	<u>Total</u>
a. Number prior valuation	325	25	0	81	0	431
Retired	21	0	0	(4)	0	17
Vested (Deferred Annuity)	0	0	0	3	0	3
Vested (Due Refund)	0	0	0	0	0	0
Hired/Terminated in Same Year	0	0	0	0	0	0
Death, With Survivor	(1)	2	0	(1)	0	0
Death, No Survivor	(2)	(1)	0	0	0	(3)
Disabled	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0
Rehires	0	0	0	0	0	0
Lump-Sum Payout Received	0	0	0	(3)	0	(3)
Data Corrections	0	0	0	0	0	0
b. Number current valuation	343	26	0	76	0	445

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, 2021

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Short Term Investments	5,886,970
Prepaid Benefits	920,309
Cash	18,047
Total Cash and Equivalents	6,825,326
Receivables:	
From Broker for Investments Sold	521,081
Investment Income	201,980
Total Receivable	723,061
Investments:	
U. S. Bonds and Bills	18,412,499
Federal Agency Guaranteed Securities	9,776,135
Corporate Bonds	9,210,296
Stocks	58,629,718
Mutual Funds:	
Fixed Income	15,140,753
Equity	36,350,773
Pooled/Common/Commingled Funds:	
Equity	11,973,768
Total Investments	159,493,942
Total Assets	167,042,329
<u>LIABILITIES</u>	
Payables:	
Investment Expenses	61,093
Administrative Expenses	400
To Broker for Investments Purchased	1,809,126
Total Liabilities	1,870,619
NET POSITION RESTRICTED FOR PENSIONS	165,171,710

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2021
Market Value Basis

ADDITIONS

Contributions:

Employer	2,009,431	
Total Contributions		2,009,431

Investment Income:

Net Increase in Fair Value of Investments	26,290,258	
Interest & Dividends	2,759,586	
Less Investment Expense ¹	(585,256)	
Net Investment Income		28,464,588

Total Additions		30,474,019
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DEDUCTIONS

Distributions to Members:

Benefit Payments	10,633,297	
Refunds of Member Contributions	0	

Total Distributions		10,633,297
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Administrative Expense		37,910
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Total Deductions		10,671,207
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Net Increase in Net Position		19,802,812
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		145,368,898
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End of the Year		165,171,710
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¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2021)

Plan Administration

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

- Senior Director, Human Resources and Risk Management, Chair
- Director of Internal Audit, Vice Chair
- Chief Financial Officer
- Chief of Operations
- Director of Information Technology
- Assistant Director of Airport Affairs
- Manager, Cost Control & Contracts

Serving in an advisory capacity:

- Manager, Human Resources

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, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	350
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	81
Active Plan Members	56
	487

Benefits Provided

The Plan provides retirement, termination, and death benefits.

A summary of the benefit provisions can be found in the October 1, 2020 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, 2021:

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, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 20.22 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, 2021 were as follows:

Total Pension Liability	\$ 144,656,309
Plan Fiduciary Net Position	\$ (165,171,710)
Sponsor's Net Pension Liability	<u>\$ (20,515,401)</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	<u>114.18%</u>

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.00%
Discount Rate	6.75%
Investment Rate of Return	6.75%

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 June 1, 2021.

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 2021 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.

GASB 67

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, 2021 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
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 6.75 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.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Sponsor's Net Pension Liability	\$ (6,940,149)	\$ (20,515,401)	\$ (32,156,702)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	628,949	946,773
Interest	9,854,112	9,906,060
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(340,781)	(1,122,993)
Changes of assumptions	(313,399)	30,913
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	(9,736,788)
Net Change in Total Pension Liability	(804,416)	23,965
Total Pension Liability - Beginning	145,460,725	145,436,760
Total Pension Liability - Ending (a)	<u>\$ 144,656,309</u>	<u>\$ 145,460,725</u>
Plan Fiduciary Net Position		
Contributions - Employer	2,009,431	2,215,878
Net Investment Income	28,464,588	13,321,088
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	(9,736,788)
Administrative Expense	(37,910)	(25,945)
Net Change in Plan Fiduciary Net Position	19,802,812	5,774,233
Plan Fiduciary Net Position - Beginning	145,368,898	139,594,665
Plan Fiduciary Net Position - Ending (b)	<u>\$ 165,171,710</u>	<u>\$ 145,368,898</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (20,515,401)</u>	<u>\$ 91,827</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	114.18%	99.94%
Covered Payroll	\$ 3,340,126	\$ 5,023,990
Net Pension Liability as a percentage of Covered Payroll	-614.21%	1.83%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from an Actuarial Experience study, dated June 1, 2021, the following changes were made:

- The investment return assumption was lowered from 7.00% to 6.75% per year, net of investment-related expenses.
- The salary increase assumption was changed from a flat 4.25% per year to a flat 4.00% per year.
- The assumed rates of retirement were changed based on years eligible for normal or early retirement, generally resulting in later assumed retirements.
- The assumed rates of withdrawal were eliminated; no future withdrawals are assumed.

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
09/30/2021	\$ 2,009,381	\$ 2,009,431	\$ (50)	\$ 3,340,126	60.16%
09/30/2020	\$ 2,215,878	\$ 2,215,878	\$ -	\$ 5,023,990	44.11%

Notes to Schedule

Valuation Date: 10/01/2019

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, 2019 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
09/30/2021	20.22%
09/30/2020	9.84%

NOTES TO THE FINANCIAL STATEMENTS

(For the Year Ended September 30, 2022)

Plan Description

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

- Senior Director, Human Resources and Risk Management, Chair
- Director of Internal Audit, Vice Chair
- Chief Financial Officer
- Chief of Operations
- Director of Information Technology
- Assistant Director of Airport Affairs
- Manager, Cost Control & Contracts

Serving in an advisory capacity:

- Manager, Human Resources

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, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	350
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	81
Active Plan Members	56
	487

Benefits Provided

The Plan provides retirement, termination, and death benefits.

A summary of the benefit provisions can be found in the October 1, 2020 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, 2021.

The measurement period for the pension expense was October 1, 2020 to September 30, 2021.

The reporting period is October 1, 2021 through September 30, 2022.

The Sponsor's Net Pension Liability was measured as of September 30, 2021.

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, 2020 updated to September 30, 2021 using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	4.00%
Discount Rate	6.75%
Investment Rate of Return	6.75%

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 June 1, 2021.

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 2021 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, 2021 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 6.75 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, 2021	\$ 145,460,725	\$ 145,368,898	\$ 91,827
Changes for a Year:			
Service Cost	628,949	-	628,949
Interest	9,854,112	-	9,854,112
Differences between Expected and Actual Experience	(340,781)	-	(340,781)
Changes of assumptions	(313,399)	-	(313,399)
Changes of benefit terms	-	-	-
Contributions - Employer	-	2,009,431	(2,009,431)
Net Investment Income	-	28,464,588	(28,464,588)
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	(10,633,297)	-
Administrative Expense	-	(37,910)	37,910
Net Changes	(804,416)	19,802,812	(20,607,228)
Reporting Period Ending September 30, 2022	\$ 144,656,309	\$ 165,171,710	\$ (20,515,401)

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

	Current Discount		
	1% Decrease	Rate	1% Increase
	5.75%	6.75%	7.75%
Sponsor's Net Pension Liability	\$ (6,940,149)	\$ (20,515,401)	\$ (32,156,702)

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, 2021

For the year ended September 30, 2021, the Sponsor has recognized 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:

	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	-	2,221,605
Employer contributions subsequent to the measurement date	2,009,431	-
Total	<u>\$ 2,009,431</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 has been 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	\$ -

**PRELIMINARY PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
FISCAL YEAR SEPTEMBER 30, 2022**

For the year ended September 30, 2022, the Sponsor will recognize a Pension Expense of -\$5,415,666.

On September 30, 2022, 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	-	15,403,736
Employer contributions subsequent to the measurement date	TBD	-
Total	<u>TBD</u>	<u>\$ 15,403,736</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, 2022.

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:

2023	\$ (3,960,921)
2024	\$ (3,243,325)
2025	\$ (4,481,105)
2026	\$ (3,718,385)
2027	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 2 Fiscal Years

Reporting Period Ending	09/30/2022	09/30/2021
Measurement Date	09/30/2021	09/30/2020
Total Pension Liability		
Service Cost	628,949	946,773
Interest	9,854,112	9,906,060
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	(340,781)	(1,122,993)
Changes of assumptions	(313,399)	30,913
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	(9,736,788)
Net Change in Total Pension Liability	(804,416)	23,965
Total Pension Liability - Beginning	145,460,725	145,436,760
Total Pension Liability - Ending (a)	<u>\$ 144,656,309</u>	<u>\$ 145,460,725</u>
Plan Fiduciary Net Position		
Contributions - Employer	2,009,431	2,215,878
Net Investment Income	28,464,588	13,321,088
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	(9,736,788)
Administrative Expense	(37,910)	(25,945)
Net Change in Plan Fiduciary Net Position	19,802,812	5,774,233
Plan Fiduciary Net Position - Beginning	145,368,898	139,594,665
Plan Fiduciary Net Position - Ending (b)	<u>\$ 165,171,710</u>	<u>\$ 145,368,898</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (20,515,401)</u>	<u>\$ 91,827</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	114.18%	99.94%
Covered Payroll	\$ 3,340,126	\$ 5,023,990
Net Pension Liability as a percentage of Covered Payroll	-614.21%	1.83%

Notes to Schedule:

Changes of assumptions:

For measurement date 09/30/2021, amounts reported as changes of assumptions resulted from an Actuarial Experience study,

- The investment return assumption was lowered from 7.00% to 6.75% per year, net of investment-related expenses.
- The salary increase assumption was changed from a flat 4.25% per year to a flat 4.00% per year.
- The assumed rates of retirement were changed based on years eligible for normal or early retirement, generally resulting in later assumed retirements.
- The assumed rates of withdrawal were eliminated; no future withdrawals are assumed.

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
09/30/2021	\$ 2,009,381	\$ 2,009,431	\$ (50)	\$ 3,340,126	60.16%
09/30/2020	\$ 2,215,878	\$ 2,215,878	\$ -	\$ 5,023,990	44.11%

Notes to Schedule

Valuation Date: 10/01/2019

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, 2019 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, 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	-	-	2,009,431	-
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	23,965	-	2,009,431	9,760,753
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	5,774,233	731,857	(3,453,658)	(11,325,506)
Ending Balance	\$ 91,827	\$ 5,934,945	\$ 5,722,771	\$ (1,564,753)

PRELIMINARY COMPONENTS OF PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2022

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Beginning balance	\$ 91,827	\$ 5,934,945	\$ 5,722,771	\$ -
Employer Contributions made after September 30, 2021	-	-	TBD*	-
Total Pension Liability Factors:				
Service Cost	628,949	-	-	628,949
Interest	9,854,112	-	-	9,854,112
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	(340,781)	340,781	-	-
Current year amortization of experience difference	-	(340,781)	-	(340,781)
Change in assumptions about future economic or demographic factors or other inputs	(313,399)	313,399	-	-
Current year amortization of change in assumptions	-	(313,399)	-	(313,399)
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	-	-	-
Net change	(804,416)	-	-	9,828,881
Plan Fiduciary Net Position:				
Contributions - Employer	2,009,431	-	(2,009,431)	-
Projected Net Investment Income	9,872,661	-	-	(9,872,661)
Difference between projected and actual earnings on Pension Plan investments	18,591,927	18,591,927	-	-
Current year amortization	-	(6,647,576)	(1,237,780)	(5,409,796)
Benefit Payments, including Refunds of Employee Contributions	(10,633,297)	-	-	-
Administrative Expenses	(37,910)	-	-	37,910
Net change	19,802,812	11,944,351	(3,247,211)	(15,244,547)
Ending Balance	\$ (20,515,401)	\$ 17,879,296	TBD	\$ (5,415,666)

* Employer Contributions subsequent to the measurement date made after September 30, 2021 but made on or before September 30, 2022 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	Differences Between	Recognition										
Ending	Projected and Actual	Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	
	Earnings											
2021	\$ (18,591,927)	5	\$ -	\$ (3,718,387)	\$ (3,718,385)	\$ (3,718,385)	\$ (3,718,385)	\$ (3,718,385)	\$ -	\$ -	\$ -	
2020	\$ (3,813,601)	5	\$ (762,721)	\$ (762,720)	\$ (762,720)	\$ (762,720)	\$ (762,720)	\$ -	\$ -	\$ -	\$ -	
2019	\$ 6,188,902	5	\$ 1,237,780	\$ 1,237,780	\$ 1,237,780	\$ 1,237,780	\$ -	\$ -	\$ -	\$ -	\$ -	
2018	\$ (3,587,979)	5	\$ (717,596)	\$ (717,596)	\$ (717,596)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2017	\$ (7,244,367)	5	\$ (1,448,873)	\$ (1,448,873)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2016	\$ (762,772)	5	\$ (152,554)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Increase (Decrease) in Pension Expense			\$ (1,843,964)	\$ (5,409,796)	\$ (3,960,921)	\$ (3,243,325)	\$ (4,481,105)	\$ (3,718,385)	\$ -	\$ -	\$ -	

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)	2021	2022	2023	2024	2025	2026	2027	2028	2029
2021	\$ (313,399)	1	\$ -	\$ (313,399)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	\$ 30,913	1	\$ 30,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 30,913	\$ (313,399)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

AMORTIZATION SCHEDULE - EXPERIENCE

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

Plan Year	Differences Between	Recognition										
Ending	Expected and Actual	Period (Years)	2021	2022	2023	2024	2025	2026	2027	2028	2029	
2021	\$ (340,781)	1	\$ -	\$ (340,781)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	\$ (1,122,993)	1	\$ (1,122,993)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Net Increase (Decrease) in Pension Expense			\$ (1,122,993)	\$ (340,781)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-