AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN

FINANCIAL STATEMENTS AND ACCOMPANYING INFORMATION

For the Years Ended September 30, 2020 and 2019

And Report of Independent Auditor

Cherry Bekaert LLP
CPAs & Advisors

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Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor

Board of Trustees
Amalgamated Transit Union Local 1596 Pension Plan
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Amalgamated Transit Union Local 1596 Pension Plan (the "Plan"), which comprise the statements of fiduciary net position as of September 30, 2020 and 2019, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Amalgamated Transit Union Local 1596 Pension Plan as of September 30, 2020 and 2019, and the changes in fiduciary net position for the years then ended in accordance with accounting principles, generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The other supplementary information as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 13, 2021 on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Orlando, Florida
July 13, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Amalgamated Transit Union Local 1596 Pension Plan (the "Plan"), we offer readers of the Plan's financial statements this narrative overview of the financial activities of the Plan for the years ended September 30, 2020 and 2019. This narrative is intended to supplement the Plan's financial statements, and we encourage readers to consider the information presented here in conjunction with these statements, which begin on page 9.

Overview of the financial statements

The following discussion and analysis are intended to serve as an introduction to the Plan's basic financial statements. The basic financial statements section includes:

- Statements of fiduciary net position
- Statements of changes in fiduciary net position
- Notes to the financial statements

The statements of fiduciary net position are a point-in-time snapshot of account balances at fiscal year-end. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the statement date. The resulting net position value (assets – liabilities = net position) represents the value of assets, net of liabilities, restricted for pension benefits.

The statements of changes in fiduciary net position display the effect of pension plan transactions that occurred during the fiscal years, where additions – deductions = net increase in net position. This net increase in net position reflects the change in the net asset value of the statement of fiduciary net position from the prior year to the current year. Both statements are in compliance with Governmental Accounting Standards Board ("GASB") Pronouncements.

The notes to the financial statements are an integral part of the financial statements and provide additional information that is essential to the comprehensive understanding of the data provided in the financial statements. These notes describe the accounting and administrative policies under which the Plan operates and provide additional levels of detail for select financial statement items (See notes to financial statements on pages 11 to 19 of this report).

Because of the long-term nature of a defined benefit pension plan, financial statements alone cannot provide sufficient information to properly reflect the ongoing plan perspective. Therefore, in addition to the financial statements explained above, this financial report includes required supplementary information with historical trend information. The required supplementary information section includes:

- Schedule of changes in net pension liability (asset) and related ratios
- Schedule of contributions
- Schedule of money-weighted rate of return
- Notes to required supplementary information

The schedule of changes in net pension liability (asset) and related ratios (page 20) includes information about the sources of changes to the net pension liability (asset) and to the changes in fiduciary net position. The schedule also provides information regarding the fiduciary net position as a percentage of covered employee payroll and the net pension liability (asset) as a percentage of covered payroll.

The schedule of contributions (page 21) presents information regarding the value of total annual contributions to be paid by the Central Florida Regional Transportation Authority (the "Authority") and the actual performance of the Authority in meeting this contribution.

The schedule of money-weighted rate of return (page 22) provides information regarding the Plan's rate of return.

The notes to the required supplementary information (page 23) provide background information and explanatory detail to aid in understanding the required supplementary information schedules.

Financial highlights

- The assets of the Plan exceeded its liabilities at the close of the fiscal years ended September 30, 2020 and 2019, with $169,070,897 and $156,250,404 in net position restricted for pension benefits, respectively.

- Net position increased by $12,820,493 or 8.2% during 2020, primarily due to investment income offset by participant benefit payments.

- Net position increased by $2,534,053 or 1.6% during 2019, primarily due to investment income offset by participant benefit payments.

- For the year ended September 30, 2020, Plan fiduciary net position was 102.7% of the total pension liability of $164,569,167. Net pension asset was $4,501,730, which was 21.4% of covered payroll.

- For the year ended September 30, 2019, Plan fiduciary net position was 98.3% of the total pension liability of $158,976,276. Net pension liability was $2,725,872, which was 11.6% of covered payroll.

- Additions to fiduciary net position for the year ended September 30, 2020 were $22,258,352, which include employee and employer contributions of $4,699,233, and net income from investment activities totaling $17,559,119.

- Additions to fiduciary net position for the year ended September 30, 2019 were $10,603,990, which include employee and employer contributions of $4,751,676, and net income from investment activities totaling $5,852,314.

- Deductions from fiduciary net position totaled $9,437,859 in 2020, a $1,367,922 increase from 2019. Most of the increase relates to increased number of participant benefit payments made in 2020.

- Deductions from fiduciary net position totaled $8,069,937 in 2019, a $795,257 increase from 2018. Most of the increase relates to increased number of participant benefit payments made in 2019.

Analysis of financial activities

The Plan's funding objective is to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of employer and employee contributions, and the income from investments provide the reserves needed to finance future retirement benefits.

Employer and member contributions to the Plan are made at minimum determined rates of compensation, as set forth in the collective bargaining agreement between the Local Union 1596 of the Amalgamated Transit Union, AFL-CIO, CLC and the Authority, and as adjusted for considerations derived from annual actuarial valuations obtained by the Board of Trustees (the "Board"). Accordingly, contributions fluctuate with levels of compensation and actuarial recommendations. Net position restricted for pension benefits increased by $12,820,493 in 2020, compared to an increase of $2,534,053 in 2019.

Fiduciary Net Position (Table 1)

As of September 30, 2020, 2019, and 2018

				Increase (Decrease)		Increase (Decrease)	
				2019 to 2020		2018 to 2019	
	2020	2019	2018	$	%	$	%
Current and other assets	$ 1,411,440	$ 1,392,500	$ 1,042,781	$ 18,940	1.4%	$ 349,719	33.5%
Investments	167,818,669	154,934,962	152,799,210	12,883,707	8.3%	2,135,752	1.4%
Total assets	169,230,109	156,327,462	153,841,991	12,902,647	8.3%	2,485,471	1.6%
Total liabilities	159,212	77,058	125,640	82,154	106.6%	(48,582)	(38.7%)
Net position	$ 169,070,897	$ 156,250,404	$ 153,716,351	$ 12,820,493	8.2%	$ 2,534,053	1.6%

Financial analysis - summary

As previously noted, net position viewed over time may serve as a useful indication of the Plan's financial position (see Table 1 on page 5). At the close of fiscal year 2020, the assets of the Plan exceeded its liabilities by $169,070,897, in fiduciary net position restricted for pension benefits. The fiduciary net position is available to meet the Plan's ongoing obligation to plan participants and their beneficiaries.

Net position

The Plan's net position is established from employer and employee contributions, and the accumulation of investment income, net of investment, and administrative expenses and benefit payments.

Additions to plan net position

As noted on page 5, net position needed to finance retirement benefits are accumulated through the collection of employer and employee contributions and through investment earnings (net of investment expenses). The additions totaled $22,258,352 for the year ended September 30, 2020. This was $11,654,362 more than the prior year, primarily due to increased investment returns.

As the years roll forward and total assets and liabilities grow, investment income will continue to play an important role in funding future retirement benefits. Therefore, investment return over the long term is critical to the funding status of the retirement Plan.

The Plan's investment portfolio experienced a money-weighted rate of return of approximately 11.7% and 4.0%, respectively, during the years ended September 30, 2020 and 2019. It is important to remember that a retirement plan's funding is based on a long time horizon, where temporary ups and downs in the market are expected. The more critical factor is that the Plan be able to meet an expected annual return on investments of 7.4% during the years ended September 30, 2020 and 2019.

Additions to Net Position (Table 2)

As of September 30, 2020, 2019, and 2018

				Increase (Decrease)		Increase (Decrease)	
				2019 to 2020		2018 to 2019	
	2020	2019	2018	$	%	$	%
Employer contributions	$ 2,677,199	$ 2,715,480	$ 2,983,198	$ (38,281)	(1.4%)	$ (267,718)	(9.0%)
Employee contributions	2,022,034	2,036,196	2,118,761	(14,162)	(0.7%)	(82,565)	(3.9%)
Net investment income	17,559,119	5,852,314	11,698,371	11,706,805	200.0%	(5,846,057)	(50.0%)
Total additions	$ 22,258,352	$ 10,603,990	$ 16,800,330	$ 11,654,362	109.9%	$ (6,196,340)	(36.9%)

Deductions from plan net position

The Plan was created to provide retirement, survivor and disability benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, refunds of contributions to employees who terminate employment, and the cost of administering the Plan.

Deductions from Net Position (Table 3)

As of September 30, 2020, 2019, and 2018

				Increase (Decrease) 2019 to 2020		Increase (Decrease) 2018 to 2019	
	2020	2019	2018	$	%	$	%
Participant benefit payments	$ 8,998,321	$ 7,675,871	$ 6,757,303	$ 1,322,450	17.2%	$ 918,568	13.6%
Refunds of participant contributions	126,145	103,652	282,766	22,493	21.7%	(179,114)	(63.3%)
Administrative expenses	313,393	290,414	234,611	22,979	7.9%	55,803	23.8%
Total deductions	$ 9,437,859	$ 8,069,937	$ 7,274,680	$ 1,367,922	17.0%	$ 795,257	10.9%

Benefit Payments (Table 4)

As of September 30, 2020, 2019, and 2018

				Increase (Decrease) 2019 to 2020		Increase (Decrease) 2018 to 2019	
	2020	2019	2018	$	%	$	%
Normal retirement payments	$ 6,581,210	$ 5,866,747	$ 5,374,010	$ 714,463	12.2%	$ 492,737	9.2%
Disability pension payments	319,692	303,319	265,577	16,373	5.4%	37,742	14.2%
Beneficiary payments	405,778	357,844	331,270	47,934	13.4%	26,574	8.0%
Share account distributions	237,136	125,575	124,909	111,561	88.8%	666	0.5%
DROP account withdrawals	1,454,505	1,022,386	661,537	432,119	42.3%	360,849	54.5%
Total benefit payments	$ 8,998,321	$ 7,675,871	$ 6,757,303	$ 1,322,450	17.2%	$ 918,568	13.6%

The deductions of plan net position of $9,437,859 and additions to plan net position of $22,258,352 resulted in an overall increase of $12,820,493 in net position held in trust for pension benefits for the year ended September 30, 2020. The deductions of plan net position of $8,069,937 and additions to plan net position of $10,603,990 resulted in an overall increase of $2,534,053 in net position restricted for pension benefits for the year ended September 30, 2019.

Fiduciary responsibilities

The Board is the fiduciary of the Plan. Fiduciaries are charged with the responsibility of assuring that the assets of the Plan are used exclusively for the benefit of plan participants and their beneficiaries and defraying reasonable expenses of administering the Plan in accordance with the provisions of the Plan Document and applicable law.

Requests for information

This financial report is designed to provide the Board, our membership, taxpayers and investment managers with an overview of the Plan's finances and accountability for the money received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Amalgamated Transit Union Local 1596 Pension Plan
c/o Resource Centers LLC
4360 Northlake Boulevard, Suite 206
Palm Beach Gardens, FL 33410

BASIC FINANCIAL STATEMENTS

AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN

STATEMENTS OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2020 AND 2019

	2020	2019
Assets		
Cash	$ 492,426	$ 593,649
Receivables		
Employer	99,487	91,686
Employee	67,758	69,463
Pending trades	55,953	-
Interest and dividends	112,484	96,494
Total receivables	335,682	257,643
Prepaid expenses	583,332	541,208
Investments		
Money market funds	763,418	1,840,593
Fixed income		
Corporate obligations	3,587,195	-
Municipal bonds	276,028	-
US government obligations	232,789	-
Mortgage-backed securities	1,329,285	-
Equity securities		
Domestic equities	33,042,554	26,056,941
International equities	1,154,829	1,249,873
American Depository Receipts	1,015,648	835,968
Mutual funds		
Fixed income	35,914,905	40,545,990
Domestic equity	51,375,573	48,541,675
International equity	25,384,044	22,079,022
Real estate	11,508,613	11,412,536
Global infrastructure	2,233,788	2,372,364
Total investments	167,818,669	154,934,962
Total assets	169,230,109	156,327,462
Liabilities		
Accounts payable	100,363	77,058
Pending trades payable	58,849	-
Total liabilities	159,212	77,058
Net position restricted for pension benefits	$ 169,070,897	$ 156,250,404

AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Additions		
Contributions		
Employer	$ 2,677,199	$ 2,715,480
Employee	2,022,034	2,036,196
Total contributions	4,699,233	4,751,676
Investment income		
Net appreciation in fair value of investments (realized and unrealized)	14,435,417	3,152,906
Interest and dividends	3,534,227	3,080,710
Other	2,049	8,494
	17,971,693	6,242,110
Less investment expenses	412,574	389,796
Net investment income	17,559,119	5,852,314
Total additions	22,258,352	10,603,990
Deductions		
Participant benefit payments	8,998,321	7,675,871
Refunds of participant contributions	126,145	103,652
Administrative expenses	313,393	290,414
Total deductions	9,437,859	8,069,937
Net increase in net position restricted for pension benefits	12,820,493	2,534,053
Net position restricted for pension benefits		
Beginning of year	156,250,404	153,716,351
End of year	$ 169,070,897	$ 156,250,404

See accompanying notes to financial statements.

Note 1 - Summary of significant accounting policies

Basis of accounting - The financial statements of the Amalgamated Transit Union Local 1596 Pension Plan (the "Plan") are prepared using the accrual basis of accounting. Contributions from the Plan's participants are recognized as revenue in the period in which the contributions are due. Contributions from the employer are recognized as revenue when due and when the employer is legally required to provide contributions. Expenses are recognized in the accounting period incurred, if measurable. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method used to value investments – Investments, with the exception of money market funds, are reported at fair value. Money market funds are reported at amortized cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price or exchange rates. Net appreciation in fair value of investments includes the difference between cost and fair value of investments held, as well as the net realized gains and losses for securities which are sold. Interest and dividend income are recognized on the accrual basis when earned. Purchases and sales of investments are recorded on a trade date basis.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Risks and uncertainties – Investment securities, in general, are subject to various risks, such as interest rate, credit and overall market volatility. Due to the levels of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of fiduciary net position.

Note 2 - Plan description and contribution information

Plan description

The Plan is a single-employer defined benefit pension plan established by an agreement between the Orange-Seminole-Osceola Transportation Authority ("OSOTA") and Local Union 1596 of the Amalgamated Transit Union, AFL-CIO, CLC (the "Union") on April 22, 1986. In 1994, the OSOTA merged into the Central Florida Regional Transportation Authority (the "Authority" or "Employer"), which became the successor employer assuming all rights and obligations of OSOTA as employer under the Plan. The Plan covers all employees subject to the collective bargaining agreement between the Authority and the Union. However, under the current collective bargaining agreement, employees hired on or after March 1, 2014 are excluded from the Plan and participate in a separate defined contribution plan. The Board of Trustees (the "Board") adopted Amendment 4 to the plan document on November 28, 2017, reflecting the closure of the Plan to new members as of March 1, 2014. The Plan is administered by a Board comprised of six trustees, three of whom are appointed by the Authority and three of whom are appointed by the Union. The Restated Agreement and Declaration of Trust and Pension Plan assign the authority to establish and amend the benefit provisions of the Plan to the Board; provided, however, that the current collective bargaining agreement specifies that any aspect of the Plan (including benefits or costs) that impact bargaining unit member terms and conditions of employment are subject to collective bargaining.

Note 2 - Plan description and contribution information (continued)

The Plan provides retirement, death and disability benefits to its participants. In general, normal retirement benefits at age 62 are 2.13% of the participant's average compensation multiplied by the number of the participant's benefit credit.

Early retirement is allowed for participants at age 55 with 10 years of vesting service. Early retirement benefits are equal to benefits at the normal retirement date, or for participants with 10 but less than 20 years of vesting service actuarially reduced and payable immediately at a reduced amount of 5/9% per month for the first 60 months by which retirement precedes age 62, and 5/18% per month for additional months by which retirement precedes age 62, or for participants with at least 20 years of service actuarially reduced and payable immediately at a reduced amount of 5/9% per month by which retirement precedes age 58, or unreduced at age 58 with 20 years of vesting service.

Participants who become disabled with 10 or more Units of Benefit Credit are eligible to receive benefits determined in the same manner as a normal retirement benefit and payable effective as of the earlier of the day the disability pension is approved by the Board or the first day of the month following the date the participant submitted a complete application with information needed to determine the participants eligibility for the disability pension.

Effective October 1, 2001, the Plan adopted a deferred retirement option (“DROP”). Eligible participants may elect to participate in the DROP while continuing their active employment with the Authority. Upon election, the participant becomes a retiree for all Plan purposes so that further benefits cease to accrue. Benefit payments that would have been payable to the participant as a result of retirement are accumulated and invested in individual participant accounts and are payable to the participant at termination.

Effective October 1, 2001, the Plan adopted individual participant accounts (Share). These accounts accumulate additional elective participant contributions and are credited with investment income and debited for administrative expenses. The accounts are payable to the participant at retirement. The current collective bargaining agreement between the Authority and the Union excludes workers hired on or after March 1, 2014 from participation in the Plan and places them instead in a defined contribution plan. The Board adopted Amendment 4 to the plan document on November 28, 2017, reflecting closure of the Plan to new members as of March 1, 2014

Participants consisted of the following at October 1, 2019, the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits and DROP	478
Terminated employees entitled to but not yet receiving benefits	95
Active plan participants	439
Total participants	1,012

Note 2 - Plan description and contribution information (continued)

Contributions

Participants are required by the current collective bargaining agreement to make minimum contributions of 5.25% of their compensation to the Plan. Participants may elect to contribute an additional 2.5% or 5.0% of compensation in order to receive enhanced benefits at retirement. Participants may also elect to contribute an additional 3% or 6% to individual Share accounts. The Authority is required by the collective bargaining agreement to contribute a minimum of 9.75% of covered compensation. Contribution requirements were established and may be amended by the current collective bargaining agreement. The Authority maintains a Funding Standard Account which, pursuant to the current collective bargaining agreement, can be used at the Authority's election to satisfy the Authority's required contributions to the Plan.

The current collective bargaining agreement generally provides that if the total actuarially-recommended contribution for a plan year is not fully-satisfied by the employees' and the Authority's contributions described above, the remainder of the actuarially-recommended contribution is paid 65% by the Authority and 35% by the employees; provided, however, that the portion related to closure of the Plan is paid 100% by the Authority and 0% by the employees.

Note 3 - Deposits and investments

Deposits

Custodial credit risk – Florida Statutes require the Plan to maintain its deposits with financial institutions in a qualified public depository, as determined by the Treasurer of the State of Florida (the "Treasurer"). The Plan's accounts maintained in qualified public depositories are covered by federal depository insurance for an amount equal to the aggregate of each participant's ascertainable, non-contingent interest in the Plan (up to $250,000 per participant). Amounts in excess of federal depository insurance are secured by the Public Depository Trust Fund (the "Trust Fund") maintained by the Treasurer. The Trust Fund is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

Investments

Authorized investments - The Plan's investment practices are governed by Chapters 280 (Florida Security for Public Deposits Act) and 218 (Local Government Investment Policies), Florida Statutes, the Restated Agreement and Declaration of Trust and Pension Plan, and the Plan's adopted investment policy. Florida Statutes, the Restated Agreement and Declaration of Trust and Pension Plan and the Plan's investment policy authorize the Board to invest in time or savings accounts of a national bank, a state bank insured by the Bank Insurance Fund, or a savings, building, and loan association which is insured by the Saving Insurance Association Fund; obligation issued by the United States Government and its Agencies; bonds or other evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or District of Columbia; Treasury Inflation Protected Securities ("TIPS"); domestic stocks and convertible securities; foreign securities, international equities; commingled stocks, bonds, or money market funds; real estate investment trusts and private real estate; index funds, and master limited partnerships.

Note 3 - Deposits and investments (continued)

The policy prohibits investments in tax-exempt bonds; interest only and principal only collateralized mortgage obligations; commodity futures; short sales' general obligations issued by a foreign government; hedge funds; insurance annuities; repurchase agreements secured by anything but U.S. margin purchase, lending or borrowing money; letter stock or private equity placements; options other than those used within mutual or commingled funds to provide liquidity and hedging; private mortgages; securities lending; investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism; securities of the money manager, the directed trustee/custodian bank or their parent or subsidiaries; private placement or 144a securities; and any investment prohibited by local, state or federal law.

Investment Policy – The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's Board. It is reviewed annually with the assistance of the Plan's consultant. The Board recognizes that the obligations of the Plan are long-term, and that the investment policy should be made with a view toward performance and return over a number of years. The general investment objective, then, is to obtain a reasonable total rate of return – defined as interest and dividend income plus realized and unrealized capital gains and/or losses – that exceeds the actuarial interest rate assumption on an annual basis year after year.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	37%	8.47%
International equity	15%	4.07%
Bonds	29%	3.74%
Convertibles	10%	7.91%
Private real estate	4%	4.95%
Infrastructure	5%	6.39%
	100%	

The long-term expected net rate of return on investments is determined using a building-block method. Best-estimate ranges of expected future rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. The long-term expected net rate of return on investments is the best-estimate ranges weighted by asset allocation plus expected inflation.

Note 3 - Deposits and investments (continued)

At September 30, 2020 and 2019, the Plan had the following investments:

2020	Credit rating (Moody's)	Amount	Investment maturity (in years) Less than 1	1 - 5	5 - 10	More than 10
Money market funds	Aaa-mf	$ 763,418	$ 763,418	$ -	$ -	$ -
Fixed Income						
Corporate obligations	Aaa .. Baa3	3,587,195	494,110	1,298,354	1,337,927	456,804
Municipal bonds	Aa1 .. A2	276,028	-	102,759	173,269	-
US government obligations	Aaa	232,789	-	-	-	232,789
Mortgage-backed securities	Aaa	1,329,285	-	-	-	1,329,285
Fixed income subtotal		5,425,297	$ 494,110	$ 1,401,113	$ 1,511,196	$ 2,018,878
Equity securities						
Domestic equity securities	N/R*	33,042,554				
International equity securities	N/R*	1,154,829				
American Depository Receipts	N/R*	1,015,648				
Mutual funds						
Fixed income	N/R*	35,914,905				
Domestic equity	N/R*	51,375,573				
International equity	N/R*	25,384,044				
Real estate	N/R*	11,508,613				
Global infrastructure	N/R*	2,233,788				
Total investments		$ 167,818,669				

*Not Rated

2019	Credit rating (Moody's)	Amount	Investment maturity (in years) Less than 1	1 - 5	5 - 10	More than 10
Money market funds	Aaa-mf	$ 1,840,593	$ 1,840,593	$ -	$ -	$ -
Equity securities						
Domestic equity securities	N/R*	26,056,941				
International equity securities	N/R*	1,249,873				
American Depository Receipts	N/R*	835,968				
Mutual funds						
Fixed income	N/R*	40,545,990				
Domestic equity	N/R*	48,541,675				
International equity	N/R*	22,079,022				
Real estate	N/R*	11,412,536				
Global infrastructure	N/R*	2,372,364				
Total investments		$ 154,934,962				

*Not Rated

Interest rate risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Although the Plan's investment policy does not provide limitations as to maturities, the Plan minimizes risk of fair value losses in its fixed income portfolio due to rising interest rates by structuring its investment portfolio so that securities mature to meet ongoing cash requirements, thereby avoiding the need to sell securities on the open market prior to maturity; and by investing operating funds primarily in shorter-term securities or by cash flow projections.

Note 3 - Deposits and investments (continued)

Credit risk - This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization ("NSRO"). The Plan's investment policy limits investments in fixed income – bonds securities to securities with a Baa3 rating or better as measured by Moody's or a BBB- rating or better as measured by Standard & Poor's. The average credit quality of the bond portfolio must be A3 or higher by an NSRO. Investments in Collateralized Mortgage Obligations ("CMO") are limited to 10% of the market value of an investment manager's portfolio and are restricted to issues backed by the full faith if the U.S. Government, an Agency thereof, or that are rated AAA by an NSRO. Investments in CMO are further limited to PAC (planned amortization class), NAC (non-accelerated securities) or VADM (very accurately defined maturity) securities. Investments in Commercial Mortgage Backed Securities are permitted if the securities are rated AAA by an NSRO. Cash and cash equivalents other than deposits are limited to investments in obligations of any government or agency within the geographical boarders of the United States; or other cash equivalents of a quality at least equal to the highest quality commercial paper, A1 or P1 by an NRSO.

Custodial credit risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are held by the counterparty. The Plan's policy is to maintain its investments in custodial accounts that identify securities held as assets of the Plan by registering securities in the name of the Plan, or in street name or nominee name as the Plan's agent.

Concentration of credit risk – Per the Plan's investment policy, equity investments must be traded on a major stock exchange and are limited to 70% of the Plan's assets. Not more than 8% of an investment manager's equity portfolio may be invested in any single corporate issuer. Investments in securities issued by foreign governments or companies domiciled outside the United States are limited to 25% of the Plan's equity portfolio. Not more than 3% of the fixed income - bonds portfolio may be invested in any single corporate issuer.

Fair Value Hierarchy – The fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, provides three levels of inputs to measure fair value. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed, and differences could be material.

The Plan classifies its investments into a hierarchical disclosure framework as follows:

Level I – Securities traded in an active market with available quoted prices for identical assets as of the reporting date.

Level II – Securities not traded on an active market but for which observable market inputs are readily available or Level I securities where there is a contractual restriction as of the reporting date.

Level III – Securities not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

Securities classified in Level I are valued using prices quoted in the active markets for those securities. Securities in Level II and Level III are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities' relationships to benchmark quoted prices. Level 3 securities use proprietary information or single source pricing.

Note 3 - Deposits and investments (continued)

At September 30, 2020 and 2019, the Plan's measurements for investments were as follows:

		Fair Value Measurements Using		
	09/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Fixed Income				
Corporate obligations	$ 3,587,195	$ -	$ 3,587,195	$ -
Municipal bonds	276,028	-	276,028	-
US government obligations	232,789	-	232,789	-
Mortgage-backed securities	1,329,285	-	448,056	881,229
Equity Securities				
Domestic equity securities	33,042,554	33,042,554	-	-
International equity securities	1,154,829	1,154,829	-	-
American Depository Receipts	1,015,648	1,015,648	-	-
Mutual Funds				
Fixed income	35,914,905	35,914,905	-	-
Domestic equity	51,375,573	51,375,573	-	-
International equity	25,384,044	25,384,044	-	-
Real estate	11,508,613	11,508,613	-	-
Global infrastructure	2,233,788	2,233,788	-	-
Total investments measured at fair value	167,055,251	$ 161,629,954	$ 4,544,068	$ 881,229
Investments measured at amortized cost				
Money market funds	763,418			
Total investments measured at amortized cost	763,418			
Total investments	$ 167,818,669			

		Fair Value Measurements Using		
	09/30/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Equity Securities				
Domestic equity securities	$ 26,056,941	$ 26,056,941	$ -	$ -
International equity securities	1,249,873	1,249,873	-	-
American Depository Receipts	835,968	835,968	-	-
Mutual Funds				
Fixed income	40,545,990	40,545,990	-	-
Domestic equity	48,541,675	48,541,675	-	-
International equity	22,079,022	22,079,022	-	-
Real estate	11,412,536	11,412,536	-	-
Global infrastructure	2,372,364	2,372,364		
Total investments measured at fair value	153,094,369	$ 153,094,369	$ -	$ -
Investments measured at amortized cost				
Money market funds	1,840,593			
Total investments measured at amortized cost	1,840,593			
Total investments	$ 154,934,962			

Note 4 – Restricted net position

Portions of the Plan's net position are restricted for benefits that accrue in relation to the Share and DROP accounts described in Note 2. The Plan's net position at September 30, 2020 and 2019 consists of the following:

	2020	2019
Restricted for Share plan accounts	$ 3,319,900	$ 2,838,605
Restricted for DROP benefits	1,828,157	2,206,567
Restricted for pension benefits	163,922,840	151,205,232
Total restricted net position	$ 169,070,897	$ 156,250,404

Note 5 – Net pension liability (asset) of the employer

The components of the net pension liability (asset) of the employer at September 30, 2020 and 2019, were as follows:

	2020	2019
Total pension liability	$ 164,569,167	$ 158,976,276
Plan fiduciary net position	169,070,897	156,250,404
Net pension liability (asset) of the employer	$ (4,501,730)	$ 2,725,872
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.29%

Mortality rates were based on the RP-2000 Combined Healthy Participant Mortality Table for males and females using projection Scale BB to anticipate future mortality improvements, and without projection for disabled lives; structured to align with assumed mortality for non-special risk employees including a 100% blue collar adjustment under the Florida Retirement System (FRS), as mandated by Florida House Bill 1309 (codified in Chapter 2015-157). Assumptions for inflation was 2.25%, Assumptions for salary increases was 3.00% to 10.00%, depending on service. The total pension liability for 2020 and 2019 is based on an actuarial valuation as of October 1, 2019 and October 1, 2018, respectively.

A comprehensive experience study was performed in 2019, with changes made to the following assumptions effective as of October 1, 2018: the assumed investment return, average salary increases, retirement rates, termination rates, mortality tables (100% blue collar adjustment), and rates of disability.

A single discount rate of 7.40% before expenses was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (7.40%) was applied to all periods of projected benefit payments to determine the total pension liability
.

Note 5 – Net pension liability (asset) of the employer (continued)

The following presents the net pension asset of the Authority, calculated using the discount rate of 7.40% for the 2020 fiscal year, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.40%) or 1-percentage higher (8.40%) than the current rate:

Sensitivity of the Net Pension Asset to the Single Discount Rate Assumption

1% Decrease 6.40%	Current Single Discount Rate Assumption 7.40%	1% Increase 8.40%
$ 12,975,280	($ 4,501,730)	($ 19,351,457)

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.40% for the 2019 fiscal year, as well as what the Authority's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.40%) or 1-percentage higher (8.40%) than the current rate:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

1% Decrease 6.40%	Single Discount Rate Assumption 7.40%	1% Increase 8.40%
$ 19,916,232	$ 2,725,872	($ 11,864,377)

Note 6 - Income taxes

The Plan's administrator and the Plan's tax counsel believe the Plan is currently designed and is being operated in compliance with the applicable requirements of the Internal Revenue Service Code and that, therefore, the Plan continues to qualify under Section 401(a) as tax-exempt as of September 30, 2020. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Note 7 – Subsequent events

Management has evaluated subsequent events through July 13, 2021 in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

Year Ending September 30,							
Total pension liability	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Service cost	$ 2,881,747	$ 3,599,629	$ 3,504,724	$ 4,177,847	$ 4,174,172	$ 4,324,270	$ 4,900,835
Interest	11,638,557	11,137,845	10,763,561	10,041,777	9,337,562	8,827,032	8,240,224
Benefit charges	-	87,818	981,945	-	-	-	-
Difference between actual and expected experience	233,031	2,809,999	(2,944,884)	1,015,883	2,082,258	(638,418)	(5,835)
Assumption changes	-	325,780	-	1,793,830	-	-	-
Benefit payments	(9,019,587)	(7,675,871)	(6,757,303)	(5,494,839)	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	(140,857)	(103,652)	(282,766)	(929,948)	(401,384)	(311,317)	(269,399)
Net change in total pension liability	5,592,891	10,181,548	5,265,277	10,604,550	9,602,503	7,392,925	8,786,094
Total pension liability - beginning	158,976,276	148,794,728	143,529,451	132,924,901	123,322,398	115,929,473	107,143,379
Total pension liability	164,569,167	158,976,276	148,794,728	143,529,451	132,924,901	123,322,398	115,929,473
Plan fiduciary net position							
Contributions - Employer	2,677,199	2,715,480	2,983,198	3,000,228	2,233,626	3,315,335	2,337,699
Contributions - Member	2,022,034	2,036,196	2,118,761	2,044,172	2,192,180	2,264,655	2,310,106
Net investment income	17,559,119	5,852,314	11,698,371	14,943,745	11,523,579	(1,070,462)	10,052,069
Benefit payments	(8,998,321)	(7,675,871)	(6,757,303)	(5,494,839)	(5,590,105)	(4,808,642)	(4,079,731)
Refunds	(126,145)	(103,652)	(282,766)	(929,948)	(401,384)	(311,317)	(269,399)
Administrative expense	(313,393)	(290,414)	(234,611)	(300,019)	(397,607)	(237,972)	(237,291)
Other	-	-	-	2,518	-	-	-
Net changes in Plan fiduciary net position	12,820,493	2,534,053	9,525,650	13,265,857	9,560,289	(848,403)	10,113,453
Total Plan fiduciary net position - beginning	156,250,404	153,716,351	144,190,701	130,924,844	121,364,555	122,212,958	112,099,505
Total Plan fiduciary net position - ending	169,070,897	156,250,404	153,716,351	144,190,701	130,924,844	121,364,555	122,212,958
Net pension liability (asset) ending	$ (4,501,730)	$ 2,725,872	$ (4,921,623)	$ (661,250)	$ 2,000,057	$ 1,957,843	$ (6,283,485)
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.29%	103.31%	100.46%	98.50%	98.41%	105.42%
Covered payroll	$ 21,071,557	$ 23,557,100	$ 24,181,638	$ 28,338,911	$ 29,800,533	$ 34,028,032	$ 34,962,723
Net pension liability (asset) as a percentage of covered payroll	(21.36)%	11.57%	(20.35)%	(2.33)%	6.71%	5.75%	(17.97)%

Note to Schedule:

Government accounting standards require 10 year trend information. As fiscal year 2014 was the first year of implementation, additional years will be displayed as the information becomes available.

SCHEDULE OF CONTRIBUTIONS

SCHEDULE OF CONTRIBUTIONS

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2020	$ 2,329,350	$ 2,677,199	(347,849)	$ 21,071,557	12.71%
2019	2,595,795	2,715,480	(119,685)	23,557,100	11.53%
2018	2,842,481	2,983,199	(140,718)	24,181,638	12.34%
2017	3,604,720	3,000,228	604,492	28,338,911	10.59%
2016	3,427,954	2,233,626	1,194,328	29,800,533	7.50%
2015	3,283,667	3,315,335	(31,668)	34,028,032	9.74%
2014	3,521,356	2,337,699	1,183,657	34,962,723	6.69%
2013	3,422,542	3,568,777	(146,235)	32,821,564	10.87%
2012	3,543,980	3,638,572	(94,592)	34,369,299	10.59%
2011	3,416,323	3,660,066	(243,743)	35,059,922	10.44%

SCHEDULE OF MONEY-WEIGHTED RATE OF RETURN

Year Ending September 30,	Annual money-weighted rate of return, net of investment expense
2020	11.7%
2019	4.0%
2018	8.4%
2017	11.8%
2016	9.6%
2015	-0.8%
2014	8.7%

Note: Government accounting standards require 10-year trend information. As fiscal year 2014 was the first year available for disclosure, additional years will be displayed as the information becomes available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Valuation Date	10/1/2019 (for FYE 9/30/20)
Measurement Date	September 30, 2020
Note:	Actuarially determined contributions are calculated as of October 1, which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	5-year smoothed market
Inflation	2.25%
Salary Increases	3.00% to 10.00% depending on service
Investment Rate of Return	7.40%
Retirement Age	20% to 100% depending on age
Mortality	RP-2000 Combined Healthy Participant Mortality Tables for males and females, using projection scale BB to anticipate future mortality improvements, and without projection for disabled lives; structured to align with assumed mortality for non-special risk employees including a 100% blue collar adjustment under the Florida Retirement System (FRS), as mandated by Florida House Bill 1309 (codified in Chapter 2015-157).

OTHER SUPPLEMENTARY INFORMATION

AMALGAMATED TRANSIT UNION LOCAL 1596 PENSION PLAN

SCHEDULES OF ADMINISTRATIVE AND INVESTMENT EXPENSES

YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Administrative expenses		
Accounting services	$ 18,100	$ 17,500
Actuarial services	53,512	105,354
Legal services	123,911	55,567
Administrative services	80,137	76,405
Trustee expenses	5,420	9,776
Other administrative expenses	32,313	25,812
Total administrative expenses	$ 313,393	$ 290,414
Investment expenses		
Investment management fees	$ 329,922	$ 322,252
Performance monitoring fees	37,500	35,625
Custodial fees	45,152	31,919
Total investment expenses	$ 412,574	$ 389,796

OTHER REPORT

Cherry Bekaert LLP
CPAs & Advisors

Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Amalgamated Transit Union Local 1596 Pension Plan
Orlando, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Amalgamated Transit Union Local 1596 Pension Plan (the "Plan") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Plan's base financial statements, and have issued our report thereon dated July 13, 2021.

Internal Controls Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Orlando, Florida
July 13, 2021