

KISSIMMEE UTILITY AUTHORITY
EMPLOYEES' RETIREMENT PLAN

SECTION 112.664, FLORIDA STATUTES COMPLIANCE
DETERMINED AS OF THE
OCTOBER 1, 2025 VALUATION DATE



January 26, 2026

Ms. Keisha Fluelyn
Risk Management Administrator
Kissimmee Utility Authority
1701 W. Carroll Street
Kissimmee, FL 34741

Re: Kissimmee Utility Authority Employees' Retirement Plan
Section 112.664, Florida Statutes Compliance

Dear Keisha:

Please find enclosed the annual disclosures that satisfy the October 1, 2025 financial reporting requirements made under Section 112.664.

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

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

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

Respectfully submitted,

Foster & Foster, Inc.



Douglas H. Lozen, EA, MAAA
Enrolled Actuary #23-7778

Enclosures

cc via email: Sean Sendra, Board Attorney

When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2025 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2025

	<u>ACTUAL</u>	<u>HYPOTHETICAL</u>
Discount Rate:	7.45%	5.45%
<u>Total Pension Liability</u>		
Service Cost	4,065,942	6,408,920
Interest	11,556,647	10,800,971
Changes of Benefit Terms	141	120
Experience Gains/Losses	2,240,831	2,589,371
Changes of Assumptions	1,242,233	1,543,338
Contributions - Buy Back	43,146	43,146
Benefit Payments	(7,845,443)	(7,845,443)
Net Change in Total Pension Liability	11,303,497	13,540,423
Total Pension Liability - Beginning	152,924,936	192,125,897
Total Pension Liability - Ending (a)	<u>\$ 164,228,433</u>	<u>\$ 205,666,320</u>
<u>Plan Fiduciary Net Position</u>		
Contributions - Employer	6,360,463	6,360,463
Contributions - Employee	372,978	372,978
Contributions - Buy Back	43,146	43,146
Net Investment Income	13,531,362	13,531,362
Benefit Payments	(7,845,443)	(7,845,443)
Administrative Expense	(56,018)	(56,018)
Net Change in Plan Fiduciary Net Position	12,406,488	12,406,488
Plan Fiduciary Net Position - Beginning	132,633,501	132,633,501
Plan Fiduciary Net Position - Ending (b)	<u>\$ 145,039,989</u>	<u>\$ 145,039,989</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 19,188,444</u>	<u>\$ 60,626,331</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.45%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	144,649,694	-	12,608,049	-	10,306,752	142,348,397
2026	142,348,397	-	9,692,359	-	10,243,915	142,899,953
2027	142,899,953	-	10,022,521	-	10,272,708	143,150,140
2028	143,150,140	-	10,349,017	-	10,279,185	143,080,308
2029	143,080,308	-	10,644,111	-	10,262,990	142,699,187
2030	142,699,187	-	10,910,324	-	10,224,680	142,013,543
2031	142,013,543	-	11,209,560	-	10,162,453	140,966,436
2032	140,966,436	-	11,348,308	-	10,079,275	139,697,403
2033	139,697,403	-	11,469,445	-	9,980,220	138,208,178
2034	138,208,178	-	11,668,342	-	9,861,864	136,401,700
2035	136,401,700	-	11,805,275	-	9,722,180	134,318,605
2036	134,318,605	-	11,838,036	-	9,565,769	132,046,338
2037	132,046,338	-	11,882,703	-	9,394,821	129,558,456
2038	129,558,456	-	11,826,993	-	9,211,549	126,943,012
2039	126,943,012	-	11,780,692	-	9,018,424	124,180,744
2040	124,180,744	-	11,830,392	-	8,810,783	121,161,135
2041	121,161,135	-	11,861,559	-	8,584,661	117,884,237
2042	117,884,237	-	11,834,293	-	8,341,548	114,391,492
2043	114,391,492	-	11,743,420	-	8,084,724	110,732,796
2044	110,732,796	-	11,614,672	-	7,816,947	106,935,071
2045	106,935,071	-	11,413,139	-	7,541,523	103,063,455
2046	103,063,455	-	11,176,191	-	7,261,914	99,149,178
2047	99,149,178	-	10,884,276	-	6,981,174	95,246,076
2048	95,246,076	-	10,600,242	-	6,700,974	91,346,808
2049	91,346,808	-	10,298,458	-	6,421,720	87,470,070
2050	87,470,070	-	9,961,676	-	6,145,448	83,653,842
2051	83,653,842	-	9,581,359	-	5,875,306	79,947,789
2052	79,947,789	-	9,179,244	-	5,614,183	76,382,728
2053	76,382,728	-	8,766,454	-	5,363,963	72,980,237
2054	72,980,237	-	8,332,580	-	5,126,639	69,774,296
2055	69,774,296	-	7,899,865	-	4,903,915	66,778,346
2056	66,778,346	-	7,447,165	-	4,697,580	64,028,761
2057	64,028,761	-	7,003,171	-	4,509,275	61,534,865
2058	61,534,865	-	6,563,897	-	4,339,842	59,310,810
2059	59,310,810	-	6,130,644	-	4,190,289	57,370,455
2060	57,370,455	-	5,700,370	-	4,061,760	55,731,845
2061	55,731,845	-	5,283,073	-	3,955,228	54,404,000
2062	54,404,000	-	4,876,766	-	3,871,438	53,398,672
2063	53,398,672	-	4,493,655	-	3,810,812	52,715,829
2064	52,715,829	-	4,131,610	-	3,773,427	52,357,646
2065	52,357,646	-	3,785,346	-	3,759,640	52,331,940
2066	52,331,940	-	3,457,252	-	3,769,947	52,644,635
2067	52,644,635	-	3,150,880	-	3,804,655	53,298,410
2068	53,298,410	-	2,859,602	-	3,864,211	54,303,019
2069	54,303,019	-	2,589,867	-	3,949,102	55,662,254
2070	55,662,254	-	2,338,222	-	4,059,739	57,383,771
2071	57,383,771	-	2,106,368	-	4,196,629	59,474,032
2072	59,474,032	-	1,890,968	-	4,360,377	61,943,441
2073	61,943,441	-	1,691,249	-	4,551,787	64,803,979
2074	64,803,979	-	1,506,538	-	4,771,778	68,069,219
2075	68,069,219	-	1,336,235	-	5,021,382	71,754,366
2076	71,754,366	-	1,179,759	-	5,301,754	75,876,361
2077	75,876,361	-	1,036,559	-	5,614,177	80,453,979
2078	80,453,979	-	906,078	-	5,960,070	85,507,971

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: Investment Rate of Return = 7.45%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2079	85,507,971	-	787,742	-	6,341,000	91,061,229
2080	91,061,229	-	680,985	-	6,758,695	97,138,939
2081	97,138,939	-	585,255	-	7,215,050	103,768,734
2082	103,768,734	-	499,973	-	7,712,147	110,980,908
2083	110,980,908	-	424,571	-	8,252,262	118,808,599
2084	118,808,599	-	358,406	-	8,837,890	127,288,083
2085	127,288,083	-	300,786	-	9,471,758	136,459,055
2086	136,459,055	-	250,975	-	10,156,851	146,364,931
2087	146,364,931	-	208,209	-	10,896,432	157,053,154
2088	157,053,154	-	171,739	-	11,694,063	168,575,478
2089	168,575,478	-	140,833	-	12,553,627	180,988,272
2090	180,988,272	-	114,804	-	13,479,350	194,352,818
2091	194,352,818	-	93,016	-	14,475,820	208,735,622
2092	208,735,622	-	74,895	-	15,548,014	224,208,741
2093	224,208,741	-	59,919	-	16,701,319	240,850,141
2094	240,850,141	-	47,622	-	17,941,562	258,744,081
2095	258,744,081	-	37,581	-	19,275,034	277,981,534
2096	277,981,534	-	29,425	-	20,708,528	298,660,637
2097	298,660,637	-	22,841	-	22,249,367	320,887,163
2098	320,887,163	-	17,563	-	23,905,439	344,775,039
2099	344,775,039	-	13,364	-	25,685,243	370,446,918
2100	370,446,918	-	10,058	-	27,597,921	398,034,781
2101	398,034,781	-	7,480	-	29,653,313	427,680,614
2102	427,680,614	-	5,493	-	31,862,001	459,537,122
2103	459,537,122	-	3,979	-	34,235,367	493,768,510
2104	493,768,510	-	2,840	-	36,785,648	530,551,318
2105	530,551,318	-	1,996	-	39,525,999	570,075,321
2106	570,075,321	-	1,379	-	42,470,560	612,544,502
2107	612,544,502	-	935	-	45,634,531	658,178,098
2108	658,178,098	-	622	-	49,034,245	707,211,721
2109	707,211,721	-	406	-	52,687,258	759,898,573
2110	759,898,573	-	259	-	56,612,434	816,510,748
2111	816,510,748	-	161	-	60,830,045	877,340,632
2112	877,340,632	-	98	-	65,361,873	942,702,407
2113	942,702,407	-	58	-	70,231,327	1,012,933,676
2114	1,012,933,676	-	34	-	75,463,558	1,088,397,200
2115	1,088,397,200	-	19	-	81,085,591	1,169,482,772
2116	1,169,482,772	-	10	-	87,126,466	1,256,609,228
2117	1,256,609,228	-	6	-	93,617,387	1,350,226,609
2118	1,350,226,609	-	3	-	100,591,882	1,450,818,488
2119	1,450,818,488	-	2	-	108,085,977	1,558,904,463
2120	1,558,904,463	-	1	-	116,138,382	1,675,042,844
2121	1,675,042,844	-	-	-	124,790,692	1,799,833,536

*All DROP Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.45% interest.

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

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: Investment Rate of Return = 5.45%

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments*	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2025	144,649,694	-	12,608,049	-	7,539,839	139,581,484
2026	139,581,484	-	9,692,359	-	7,343,074	137,232,199
2027	137,232,199	-	10,022,521	-	7,206,041	134,415,719
2028	134,415,719	-	10,349,017	-	7,043,646	131,110,348
2029	131,110,348	-	10,644,111	-	6,855,462	127,321,699
2030	127,321,699	-	10,910,324	-	6,641,726	123,053,101
2031	123,053,101	-	11,209,560	-	6,400,933	118,244,474
2032	118,244,474	-	11,348,308	-	6,135,082	113,031,248
2033	113,031,248	-	11,469,445	-	5,847,661	107,409,464
2034	107,409,464	-	11,668,342	-	5,535,853	101,276,975
2035	101,276,975	-	11,805,275	-	5,197,901	94,669,601
2036	94,669,601	-	11,838,036	-	4,836,907	87,668,472
2037	87,668,472	-	11,882,703	-	4,454,128	80,239,897
2038	80,239,897	-	11,826,993	-	4,050,789	72,463,693
2039	72,463,693	-	11,780,692	-	3,628,247	64,311,248
2040	64,311,248	-	11,830,392	-	3,182,585	55,663,441
2041	55,663,441	-	11,861,559	-	2,710,430	46,512,312
2042	46,512,312	-	11,834,293	-	2,212,437	36,890,456
2043	36,890,456	-	11,743,420	-	1,690,522	26,837,558
2044	26,837,558	-	11,614,672	-	1,146,147	16,369,033
2045	16,369,033	-	11,413,139	-	581,104	5,536,998
2046	5,536,998	-	11,176,191	-	-	-

*All DROP Balances paid in 2025.

Number of Years Expected Benefit Payments Sustained: 21.50

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.45% interest.

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

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

Valuation Date: 10/1/2025

	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.45%	5.45%
Minimum Required Contribution (Fixed \$)	\$8,343,864	\$13,341,204
Minimum Required Contribution (% of Payroll)	30.25%	48.37%
Expected Member Contribution	388,855	388,855
Expected Sponsor Contribution (Fixed \$)	\$7,955,009	\$12,952,349
Expected Sponsor Contribution (% of Payroll)	28.84%	46.96%

ASSETS

Actuarial Value ¹	130,476,059	130,476,059
Market Value ¹	144,649,694	144,649,694

LIABILITIES

Present Value of Benefits		
Actives		
Retirement Benefits	102,270,246	157,541,370
Disability Benefits	3,812,966	5,484,989
Death Benefits	1,212,402	1,794,267
Vested Benefits	6,185,374	9,951,949
Refund of Contributions	42,973	44,194
Service Retirees	72,777,275	86,645,986
DROP Retirees ¹	16,155,860	19,037,401
Beneficiaries	6,240,161	7,302,898
Disability Retirees	627,443	747,417
Terminated Vested	3,252,215	4,707,857
Total:	212,576,915	293,258,328
Present Value of Future Salaries	275,782,234	318,421,157
Present Value of Future Member Contributions	3,888,529	4,489,738
Total Normal Cost	4,503,576	7,121,687
Present Value of Future Normal Costs (Entry Age Normal)	43,402,195	80,489,383
Total Actuarial Accrued Liability (EAN) ¹	169,174,720	212,768,945
Unfunded Actuarial Accrued Liability (UAAL)	38,698,661	82,292,886

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2026

	Valuation Date: 10/1/2025	
	ACTUAL	HYPOTHETICAL
Investment Rate of Return:	7.45%	5.45%
<u>PENSION COST</u>		
Normal Cost (with interest)	4,503,576	7,121,687
Administrative Expenses (with interest)	55,706	55,706
Payment Required To Amortize UAAL (with interest)	3,784,582	6,163,811
Minimum Required Contribution	\$8,343,864	\$13,341,204

¹ The asset values and liabilities include accumulated DROP Plan Balances as of 9/30/2025.