



ARP EXECUTIVE COMMITTEE AGENDA PACKAGE

July 21, 2021

**8:15 a.m. [NOTE TIME] (or immediately
following the Board of Directors Meeting)**

There is no dial-in or WebEx for this meeting

Committee Members

Howard McKinnon, Havana - Chairman

Lynne Tejeda, Key West – Vice Chairwoman

Jody Young, Bushnell

Lynne Mila, Clewiston

Jan Bagnall, Fort Meade

Paul Jakubczak, Fort Pierce

Robert Page, Green Cove Springs

Allen Putnam, Jacksonville Beach

Larry Mattern, Kissimmee

Brad Chase, Leesburg

Bill Conrad, Newberry

Randy Hahn, Ocala

John Holman, Starke

Meeting Location

Naples Grande Beach Resort

475 Seagate Drive

Naples, FL 34103

(239) 597-3232



MEMORANDUM

TO: FMPA Executive Committee
 FROM: Jacob A. Williams, General Manager and CEO
 DATE: July 13, 2021
 RE: FMPA Executive Committee Meeting
Wednesday, July 21, 2021 at 8:15 a.m. [NOTE TIME**]**
 (or immediately following the Board of Directors meeting)
 PLACE: Naples Grand Beach Resort
 475 Seagate Drive
 Naples, FL 34103

DIAL-IN: **IN PERSON MEETINGS ONLY – NO TELEPHONIC CAPABILITY**

Chairman Howard McKinnon, Presiding

AGENDA

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***Item also on the Board of Directors Agenda.**

**** Item(s) Subject to Super Majority Vote**

NOTE: One or more participants in the above referenced public meeting may participate by telephone. At the above location there will be a speaker telephone so that any interested person can attend this public meeting and be fully informed of the discussions taking place either in person or by telephone communication. If anyone chooses to appeal any decision that may be made at this public meeting, such person will need a record of the proceedings and should accordingly ensure that a verbatim record of the proceedings is made, which includes the oral statements and evidence upon which such appeal is based. This public meeting may be continued to a date and time certain, which will be announced at the meeting. Any person requiring a special accommodation to participate in this public meeting because of a disability, should contact FMPA at (407) 355-7767 or (888) 774-7606, at least two (2) business days in advance to make appropriate arrangements.

**AGENDA ITEM 1 - CALL TO ORDER,
ROLL CALL, DECLARATION OF
QUORUM**

**Executive Committee
July 21, 2021**

**AGENDA ITEM 2 – SET AGENDA (By
Vote)**

**Executive Committee
July 21, 2021**

**AGENDA ITEM 3 – RECOGNITION OF
GUESTS**

**Executive Committee
July 21, 2021**

**AGENDA ITEM 4 – PUBLIC
COMMENTS (INDIVIDUAL
COMMENTS TO BE LIMITED TO 3
MINUTES)**

**Executive Committee
July 21, 2021**

VERBAL REPORT

AGENDA ITEM 5 – COMMENTS FROM THE CHAIRMAN

**Executive Committee
July 21, 2021**

VERBAL REPORT

**AGENDA ITEM 6 – REPORT FROM
THE GENERAL MANAGER**

**Executive Committee
July 21, 2021**

**AGENDA ITEM 7 – CONSENT
AGENDA**

- a. Approval of the Minutes –
Meetings Help June 10, 2021 and
ARP Telephonic Rate Workshop
Help June 15, 2021**

**Executive Committee
July 21, 2021**

CLERKS DULY NOTIFIED JUNE 1, 2021
AGENDA PACKAGES POSTED..... JUNE 1, 2021

**MINUTES
EXECUTIVE COMMITTEE MEETING
THURSDAY JUNE 10, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FL 32819**

**PARTICIPANTS
PRESENT:**

Jody Young, Bushnell (via telephone)
Lynne Mila, Clewiston
Jan Bagnall, Fort Meade *
Paul Jakubczak, Fort Pierce
Bob Page, Green Cove Springs
Howard McKinnon, Havana
Lynne Tejeda, Key West (via telephone)
Larry Mattern, Kissimmee
Brad Hiers, Bartow
Bill Conrad, Newberry (via telephone)
Randy Hahn, Ocala (via telephone)
John Holman, Starke (via telephone)

*joined after roll call (arrived during discussion of item 8.a.)

**OTHERS
PRESENT**

Brad Hiers, Bartow
John Tompeck, Fort Pierce
Brian King, Lake Worth Beach
Claston Sunanon, Orlando

**STAFF
PRESENT**

Jacob Williams, General Manager and CEO
Jody Finklea, General Counsel and Chief Legal Officer
Ken Rutter, Chief Operating Officer
Linda Howard, Chief Financial Officer
Carol Chinn, Sr. Advisor, Security & Regulatory Compliance
Chris Gowder, Business Development and System Operations Director
Dan O'Hagan, Assistant General Counsel and Regulatory
Compliance Counsel
Cairo Vanegas, Manager of Member Services Development
Mike McCleary, Manager of Member Services Development
Denise Fuentes, Budget and Financial Analyst II
Carter Manucy, IT/OT & Cybersecurity Director
Jason Wolfe, Financial Planning, Rates and Budget Director
Sharon Adams, Vice President of Human Resources
and Shared Services
Sue Utley, Executive Asst. /Asst. Secy. to the Board
Susan Schumann, Public Relations and External Affairs Manager

Isabel Montoya, IT Specialist
Ryan Dumas, Public Relations Specialist

ITEM 1 - CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM

Chairman Howard McKinnon, Havana, called the FMPA Executive Committee Meeting to order at 11:25 AM, Thursday, June 10, 2021 in the Frederick M. Bryant Board Room at Florida Municipal Power Agency 8553 Commodity Circle, Orlando, Florida. The roll was taken, and a quorum was declared with 11 members present out of a possible 13. Jan Bagnall, Fort Meade, joined after roll call bringing the total members present to 12 out of a possible 13.

ITEM 2 – SET AGENDA (BY VOTE)

MOTION: Paul Jakubczak, Fort Pierce, moved approval of the agenda as amended, deferring Information Item 9b – CREAC Recommendation to Sunset the Committee but Keep the Conservation Program in Place and Item 9e – Update on Florida Municipal Power Pool Strategy until the July meeting. Larry Mattern, Kissimmee, seconded the motion. Motion carried 11 – 0.

ITEM 3 – RECOGNITION OF GUESTS

Chairman McKinnon welcomed Brian King, Lake Worth Beach, to the Executive Committee meeting.

ITEM 4 – PUBLIC COMMENTS

None

ITEM 5 – COMMENTS FROM THE CHAIRMAN

Chairman McKinnon asked Jody Finklea to thank Truong Le for his service to FMPA and to wish him well in his new endeavors. Chairman McKinnon said that Carol Chinn has now joined ranks of retirement and thanked her for her service to FMPA and the municipal utilities around the country for her support for public power.

ITEM 6 – REPORT FROM GENERAL MANAGER

Nothing additional.

ITEM 7 – CONSENT AGENDA

**Item 7a – Approval of Meeting Minutes – Meeting Held May 20, 2021 and ARP
Telephonic Rate Workshop Held May 11, 2021**

Item 7b – Approval of the Treasury Reports – As of April 30, 2021

**Item 7c – Approval of the Preliminary Agency and All-Requirements Project
Financials as of April 30, 2021**

MOTION: Bob Page, Green Cove Springs, moved approval of the Consent Agenda as presented. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 11 – 0.

ITEM 8 – ACTION ITEMS:

**a. Approval of Resolution 2021-EC3 – Approval of Agency General and All-
Requirements Project Budgets for Fiscal Year 2022**

Resolution 2021-EC3 was reported as read by title:

RESOLUTION OF THE EXECUTIVE COMMITTEE OF THE FLORIDA MUNICIPAL POWER AGENCY: (I) ESTABLISHING, APPROVING, AND ADOPTING THE ANNUAL FLORIDA MUNICIPAL POWER AGENCY GENERAL BUDGET, IN THE AMOUNT OF SEVENTEEN MILLION ONE HUNDRED SIXTY-NINE THOUSAND THREE HUNDRED NINETY DOLLARS (\$17,169,390), AND THE ALL-REQUIREMENTS POWER SUPPLY PROJECT BUDGET, IN THE AMOUNT OF FIVE HUNDRED TWO MILLION THREE HUNDRED THIRTY THOUSAND DOLLARS (\$502,330,000), FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022, AND THE CORRESPONDING BUDGET DOCUMENTS; (II) DEFINING BUDGET AMENDMENTS; (III) ESTABLISHING LEVELS OF APPROVAL REQUIRED FOR BUDGET AMENDMENTS; (IV) PROVIDING FOR ACCOUNT ADJUSTMENTS; (V) PROVIDING FOR LAPSE OF UNEXPENDED FUNDS; (VI) APPROVING STAFFING LEVELS; (VII) PROVIDING FOR INTERIM FUNDING AND REIMBURSEMENT FROM DEBT FINANCING OF CAPITAL IMPROVEMENTS AND PROVIDING FOR THE RELATED DELEGATION TO AUTHORIZED OFFICERS; (VIII) MAKING A DETERMINATION OF A PUBLIC PURPOSE FOR BUDGETED EXPENDITURES; (IX) PROVIDING FOR A CAP ON FINANCIAL ADVISOR FEES; (X) PROVIDING FOR SEVERABILITY; AND (XI) PROVIDING AN EFFECTIVE DATE.

MOTION: Bob Page, Green Cove Springs, moved approval of the Resolution 2021-EC3. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 12 – 0.

b. Approval of Fixed Price Physical Natural Gas Purchases

MOTION: Larry Mattern, Kissimmee, moved approval to authorize the General Manager to sign an FGU Directive for the purchase of fixed price physical natural gas to secure pricing for the FY22 months of April through September that equate to no more than 25% of each month's total forecasted burn requirement. Pricing for the transaction must be no higher than the approved budget of \$2.60. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 12 – 0.

c. Approval of Stanton Energy Center Natural Gas Conversion Engineering Design

MOTION: Paul Jakubczak, Fort Pierce, moved approval to authorize the General Manager & CEO to approve and pay OUC invoices to the Stanton Project, Tri-City Project, Stanton II Project and the All Requirements Project related to the engineering design studies examining the potential Stanton Energy Center Units 1 & 2 fuel source conversion from coal to 100% natural gas, in an amount not to exceed \$230,000; provided, however, that granting this authority does not commit the project participants to any decision related to the conversion of the units from coal to 100% natural gas fuel or continued participation therein. Bob Page, Green Cove Springs, seconded the motion. Motion carried 12 – 0.

d. Approval of ARP Solar II Participants Charter

MOTION: Larry Mattern, Kissimmee, moved approval of the ARP Solar II Participants Advisory Committee Charter. Paul Jakubczak, Fort Pierce, seconded the motion. Motion carried 12 – 0.

e. Approval of Solar Phase II Whistling Duck Network Upgrades

MOTION: Paul Jakubczak, Fort Pierce, moved to approve staff moving forward to pursue the first option (ARP funds \$17 M security for Duke network upgrades) with agreements with Origis (subsidiary) and MOUs with Solar II Project participants, to provide ARP funding of Whistling Duck network upgrade collateral, ARP entitlement to Whistling Duck network upgrade refunds, and pro rata sharing of losses, if any, subject to review and approval of the Executive Committee Officers, General Manager, and General Counsel. Larry Mattern, Kissimmee, seconded the motion. Motion carried 12 – 0.

f. Approval of FGU Directive for Summer Only Pre-Paid Gas

MOTION: Bob Page, Green Cove Springs, moved approval of staff signing FGU Directive for summer only prepaid gas with the parameters as presented (bringing summer prepaid gas to 44% of average summer daily use, plus 5,000 MMBtu per day). Larry Mattern, Kissimmee, seconded the motion. Motion carried 12 – 0.

ITEM 9 – INFORMATION ITEMS:

a. Alachua Power Purchase Agreement

Chris Gowder presented information on the Alachua Power Purchase Agreement.

b. ARP 2021 Ten-Year Site Plan

Navid Nowakhtar presented information on the ARP 2021 Ten-Year Site Plan.

c. Update on Florida Municipal Power Pool Strategy

Jacob Williams presented the Update on Florida Municipal Power Pool Strategic Planning Session.

d. CREAC Recommendation to Sunset the Committee but Keep the Conservation Program in Place

Susan Schumann presented the CREAC Recommendation to Sunset the Committee but Keep the Conservation Program in Place.

e. Discussion of FPL Transmission Refunds

Jason Wolfe presented the Discussion of FPL Transmission Refunds.

ITEM 10 – Member Comments

None

ITEM 11 – Adjournment

There being no further business, the meeting was adjourned at 12:41 PM.

Howard McKinnon
Chairman, Executive Committee

Sue Utley
Assistant Secretary

Approved: _____

Seal

PUBLIC NOTICE SENT TO CLERKS..... JUNE 8, 2021
AGENDA PACKAGES SENT TO MEMBERS JUNE 14, 2021

**MINUTES
EXECUTIVE COMMITTEE
ALL-REQUIREMENTS POWER SUPPLY PROJECT
TELEPHONIC RATE WORKSHOP
TUESDAY, JUNE 15, 2021
FLORIDA MUNICIPAL POWER AGENCY
8553 COMMODITY CIRCLE
ORLANDO, FLORIDA 32819**

COMMITTEE MEMBERS PRESENT VIA TELEPHONE

Christina Simmons, Bushnell
John Tompeck, Fort Pierce
Bob Page, Green Cove Springs
Lynne Tejada, Key West
Larry Mattern, Kissimmee
Bill Conrad, Newberry
Marie Brooks, Ocala

*arrived after roll call.

COMMITTEE MEMBERS ABSENT

Lynne Mila, Clewiston
Jan Bagnell, Fort Meade
Howard McKinnon, Havana
Allen Putnam, Jacksonville Beach
Sabrina Hubbell, Leesburg
Bob Milner, Starke

STAFF PRESENT

Jason Wolfe, Financial Planning, Rates and Budget Director
Steve Ruppel, Financial Planning, Senior Financial Analyst
Sue Utley, Executive Assistant to General Manager and CEO / Asst.
Secy. to the Board
Bianca Scott, Human Resources, Administrative Specialist

Item 1 – Call to Order

Lynne Tejada, Key West, Vice Chair, called the Executive Committee All-Requirements Telephonic Rate Workshop to order at 2:00 p.m. on Tuesday, June 15, 2021, via telephone. A speaker telephone for public attendance and participation was located in the 1st Floor Conference Room at Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, Florida.

Item 2 – Information Items

Steve Ruppel gave a verbal update on the natural gas markets; provided an overview of the May loads and reviewed the May ARP rate calculation.

Item 3 – Member Comments

There being no further business, the meeting was adjourned at 2:07 p.m.

Approved

AP/bs

**AGENDA ITEM 7 – CONSENT
AGENDA**

**b. Approval of Treasury Reports as
of May 31, 2021**

**Executive Committee
July 21, 2021**



AGENDA PACKAGE MEMORANDUM

TO: FMPA Executive Committee
FROM: Gloria Reyes
DATE: July 13, 2021
ITEM: EC 7(b) – Approval of the All-Requirements Project Treasury Reports as of May 31, 2021

- Introduction
- This report is a quick summary update on the Treasury Department’s functions.
 - The Treasury Department reports for May are posted in the member portal section of FMPA’s website.
-

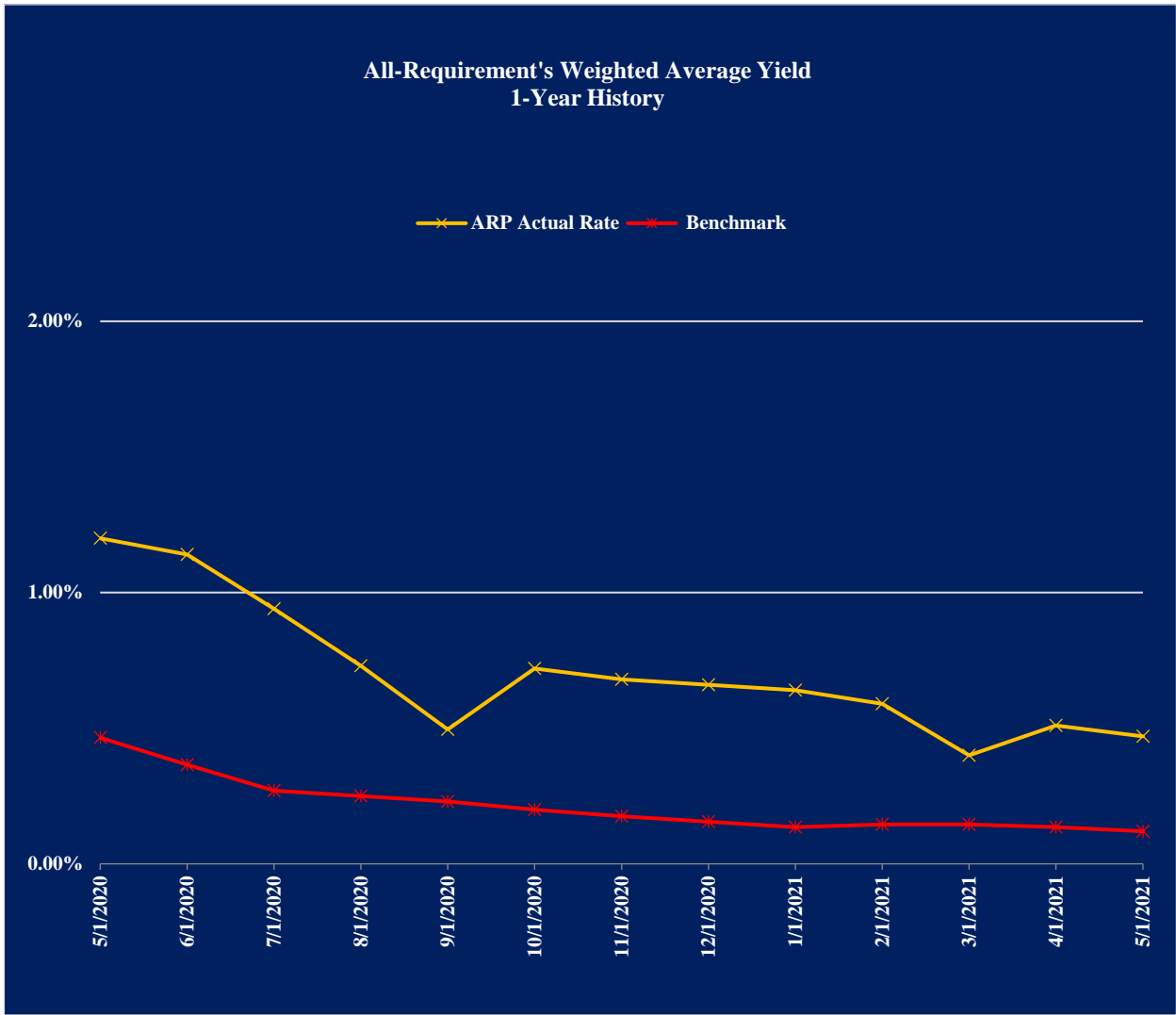
Debt Discussion

The All-Requirements Project has fixed rate debt. The fixed rate percentage of total debt is 100%. The estimated debt interest funding for fiscal year 2021 as of May 31, 2021 is \$35,118,999.01. The total amount of debt outstanding is \$873,865,000.

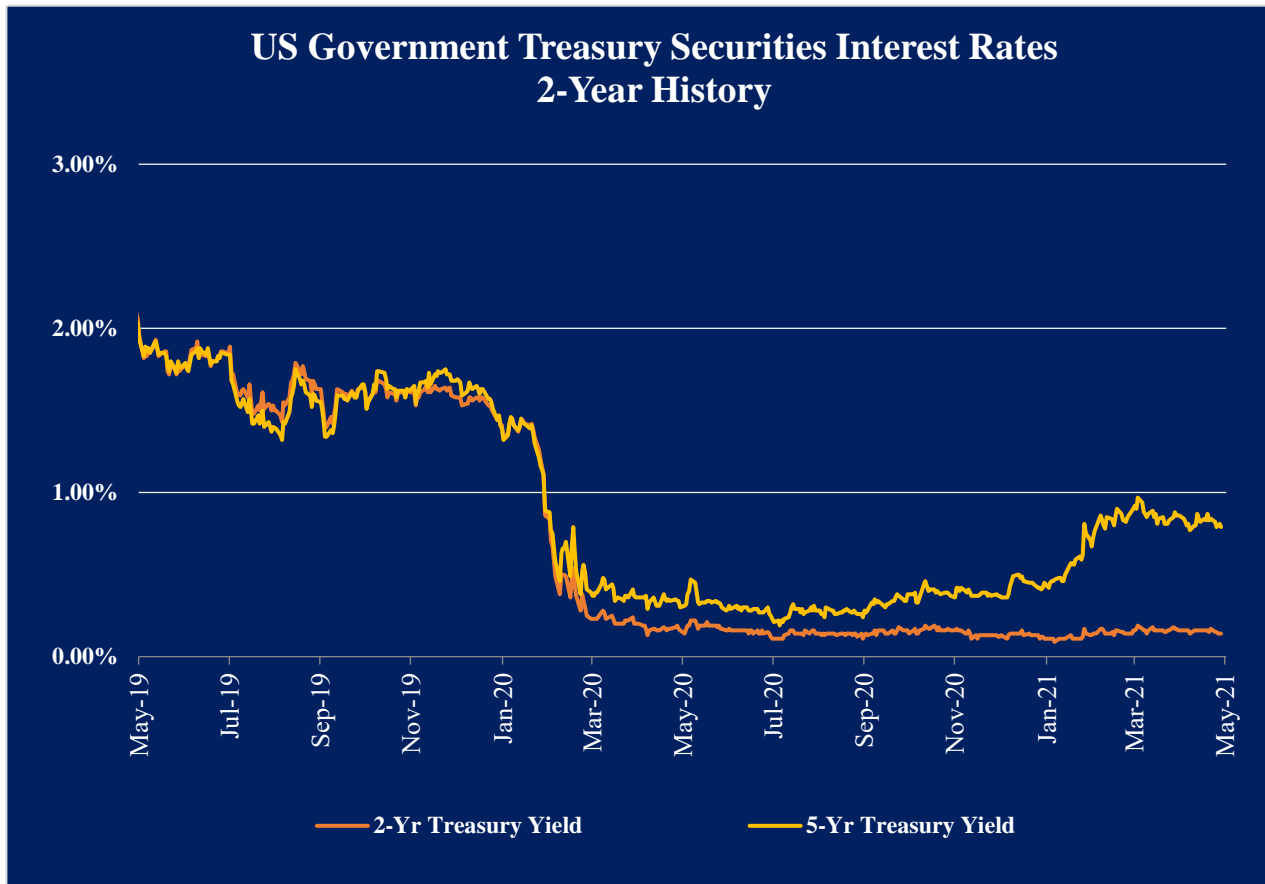
Investment Discussion

The investments in the Project are comprised of debt from the government-sponsored enterprises such as the Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae), as well as investments in U.S. Treasuries, Municipal Bonds, Certificates of Deposits, Corporate Notes, Commercial Paper, Local Government Investment Pools and Money Market Mutual Funds.

As of May 31, 2021, the All-Requirements Project investment portfolio earned a weighted average yield of .51%, reflecting the All-Requirements Project need for liquidity. The benchmarks (SBA’s Florida Prime Fund and the 2-year US Treasury Note) and the Project’s yields are graphed below:



Below is a graph of daily US Treasury yields for the past 2 years. The orange line is the 2-year Treasury which closed the month of May at .14%. The yellow line is the 5-year Treasury which was .79%.



The Investment Report for May is posted in the “Member Portal” section of FMPA’s website.

Recommended
Motion

Move for approval of the Treasury Reports for May 31, 2021

**AGENDA ITEM 7 – CONSENT
AGENDA**

- c. Approval of the Preliminary
Agency and All-Requirements
Project Financials as of May 31,
2021**

**Executive Committee
July 21, 2021**



Linda S. Howard, CPA, CFP
Chief Financial Officer

MEMORANDUM

TO: FMPA Executive Committee
FROM: Linda Howard
DATE: July 6, 2021
SUBJECT: EC 7c – Approval of the Agency and All-Requirements Project Financials for the period ended May 31, 2021

Discussion: The summary and detailed financial statements, which include GASB #62 transactions, of the Agency and All- Requirements Project for the period ended May 31, 2021 are posted on the Document Portal section of FMPA’s website.

Recommended Motion: Move approval of the Agency and All-Requirements Project Financial reports for the month of May 31, 2021.

LH/GF

AGENDA ITEM 8 – ACTION ITEMS

**a. CREAC Recommendation to
Sunset the Committee**

**Executive Committee
July 21, 2021**



8a – CREAC Recommendation to “Sunset” the Committee

Executive Committee

July 21, 2021

Background of ARP Conservation Program

CREAC formed in 2008

- Certification for Cane Island 4 required FMPA to demonstrate ARP's efforts to promote Conservation and DSM programs
- Conservation Task Force appointed to determine funding and provide direction
- In July 2008, EC approved
 - Implementation of ARP Conservation Program at \$1 million, funded from the ARP Energy Rate. Funding allocated to members based on previous year's energy ratio share
 - Creation of the Conservation and Renewable Energy Advisory Committee to oversee "green" programs for ARP

CREAC Mission

Approved in September 2008

The mission of the FMPA Conservation and Renewable Energy Committee is to engage in fact-finding, provide recommendations and guidance, and advise the Executive Committee in the development of effective conservation and renewable energy projects and programs; to facilitate increased understanding and awareness among the members of such projects and programs; and to evaluate the quality, costs, and benefits of such projects and programs.

Committee Has Been Active

Agendas Informative and Robust

- Net metering
- DSM/Load curtailment
- Solar PV projects
- RPS update
- “Green Tag” program opportunities
- Energy efficiency videos
- Biomass activities
- Renewable energy legislation
- Demand response technology
- Electric vehicles
- Wind energy
- Educational materials

Committee Decision to “Sunset”

Mission Accomplished

- Mission
 - Engage in fact-finding and provide recommendations and advise
 - Facilitate increased understanding and awareness
 - Evaluate quality, costs, and benefits of programs
- Recent Board, EC and PMLC agendas have included “Green” items
 - Solar
 - EV
 - Battery storage
 - Greenhouse gas reductions

Conservation Program Funding will Continue

Rolled into ARP Budget Process, and approved by ARP

Fiscal Year	Funding Level	Estimated Rate Impact (\$/MWh)
FY '09 ¹	\$1,000,000	\$0.15
FY '10	\$525,000	\$0.09
FY '11	\$750,000	\$0.12
FY '12	\$750,000	\$0.12
FY '13	\$750,000	\$0.12
FY '14	\$750,000	\$0.12
FY '15	\$700,000	\$0.12
FY '16 ²	\$700,000	\$0.12
FY '17	\$700,000	\$0.12
FY '18	\$750,000	\$0.13
FY '19	\$750,000	\$0.12
FY '20	\$750,000	\$0.12
FY '21	\$750,000	\$0.12

¹ FY '09 included \$100k for conservation videos and program admin

² FY '16 included \$50k for updating conservation videos

Recommended Action

- Move to approve the “sunset” of the FMPA ARP Conservation and Renewable Energy Advisory Committee, while affirming the ARP Conservation Program will continue to operate, under the direction of the Executive Committee, with annual funding approved as part of ARP annual budget process.

AGENDA ITEM 8 – ACTION ITEMS

**b. Nomination and Election of
Executive Committee Officers**

**Executive Committee
July 21, 2021**



AGENDA PACKAGE MEMORANDUM

TO: Chairperson Howard McKinnon
FMPA Executive Committee

FROM: Jody Lamar Finklea, General Counsel and Chief Legal Officer

DATE: 13 July 2021

ITEM: 8.b. Nomination and Election of Executive Committee Officers

Introduction The Executive Committee By-Laws require the election of officers at each annual meeting. The by-laws contemplate two elected Executive Committee officers: Chairperson and Vice Chairperson. The Executive Committee also has the authority to create or appoint non-elective officer positions as it deems desirable or necessary.

Election Process The Chairperson and Vice Chairperson must be members of the Executive Committee. The same individual cannot hold the two offices.

Nominations for the Chairperson and Vice Chairperson offices must come from the floor, from members of the Executive Committee. No method for making nominations is described in the by-laws, leaving the issue to the discretion of the Executive Committee. RONR (10th ed.), § 31, p. 276, l. 21-24.

As a suggestion, I offers the following suggested process:

- Election is first held for the office of Chairperson.
- Any member of the Executive Committee may make a nomination. For the nomination to be valid, the Executive Committee member who has been suggested for nomination must make it known that he or she accepts the nomination (the nominee's physical presence at the meeting not necessary). After such acceptance, no second of a nomination is required.
- Multiple nominations for the same office are acceptable.

8.b. Nomination and Election of Executive Committee Officers

13 July 2021

Page 2

- After all nominations have been validly made. A motion and second is entertained to close the nominations and (1) conduct a vote if there are multiple nominations or (2) elect the nominee if there is only one nomination.
- In the instance of multiple nominees, votes should be conducted by roll call.
- The current Chairperson will then canvass the votes and announce the results.
- After election of the Chairperson, the gavel may be passed to him or her, if appropriate, at the discretion of the new Chairperson, and election of the Vice Chairperson may be conducted in the same manner.

Term

Except for an earlier resignation, the Executive Committee By-Laws provide that the elected officers of the Executive Committee will serve a term that lasts until the Executive Committee meeting held coincident to the next annual Board of Directors meeting for the 2022 annual meeting.

JLF:

AGENDA ITEM 8 – ACTION ITEMS

**c. Approval of Use of FPL
Transmission Refunds**

**Executive Committee
July 21, 2021**



8c – Approval of Use of FPL Transmission Refunds

Executive Committee

July 21, 2021

Transmission Refunds Coming Due to FPL Settlement

Approval Sought on Distribution to Participants

- FPL filed for formula-based transmission rate, including rate increase, in 2019
- FMPA reached settlement agreement with FPL in December 2020, approved by FERC in April 2021
- Settlement included retroactive reductions to FPL's transmission rates and loss factor for April 2020 through December 2020
 - Firm transmission rate decreased from \$2.32 to \$2/kW-mo.
 - Transmission loss factor decreased from 1.85% to 1.40%
- ARP refund for this period will be ~\$1.5 million, including interest
- ARP expects to receive funds from FPL in July
- Consistent with recent Duke transmission refunds, seeking EC approval of the methodology for distributing the refund to Participants

Staff Recommending Participant Choice (Option 1)

Aligns with EC-Approved Approach for Historical Portion of Duke Refunds

- Option 1: Allow each participant to choose how it wishes to receive its portion of the refund
 - e.g., line item on invoice, physical check, ACH/wire payment
 - Participants' refund share would be calculated based on its load-ratio share of the total ARP transmission rate charges for each month over April 2020 through December 2020
- Option 2: Flow the refund through the ARP transmission rate
 - Would lower transmission rates for a period
 - All participants would have to take this approach
- Note: All participants that pay the ARP transmission rate (i.e., all but KUA) would receive a portion of the refund
 - KUA would separately receive a refund for a portion of the FPL point-to-point transmission charges for its St. Lucie Project entitlement

Estimated Refunds by Participant ¹

Participant	Amount ²
Bushnell	\$19,533
Clewiston	\$35,469
Fort Meade	\$16,293
Fort Pierce	\$187,337
Green Cove Springs	\$40,839
Havana	\$8,552

Participant	Amount ²
Jacksonville Beach	\$265,409
Key West	\$223,949
Leesburg	\$184,540
Newberry	\$15,299
Ocala	\$474,562
Starke	\$23,386

¹ Amounts reflected in the table assume EC elects to distribute the refund directly to participants. If EC elects to flow the refund through rates, amounts received by participants will depend on future loads.

² Amounts shown include accrued interest through May 2021. Additional interest will be owed by FPL until funds are paid, which is approximately \$4,000 per month at current rates.

Recommended Motion

- Move approval of the distribution of the FPL transmission refund by allowing each participant to elect how it wishes to receive its share of the refund (Option 1, as described).

**AGENDA ITEM 9 – INFORMATION
ITEMS**

- a. Notice of Annual Continuing
Disclosure Report for the Fiscal
Year Ended September 30, 2020**

**Executive Committee
July 21, 2021**



Annual Continuing Disclosure Report

BOD 9d – EC 9a

FMIPA Board of Directors and Executive Committee

July 21, 2021

Notice of Annual Continuing Disclosure Report 9/30/2020 Requirement per Bond Documents

- The Annual Continuing Disclosure Report (CDR) is due on or before June 30th
 - Obligation when issuing tax-exempt bonds through an underwriter
 - Large team effort: FMPA Staff, CFO, CLO, Bond Disclosure Counsel, Bond Attorneys, and Financial Advisor
- The report is filed on EMMA (Electronic Municipal Market Access)
- The CDR was completed and submitted for filing on June 25, 2021
- No further action is needed



CONTINUING DISCLOSURE REPORT

**FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2020**

Relating to:

All-Requirements Power Supply Project Revenue Bonds
St. Lucie Project Revenue Bonds
Stanton Project Revenue Bonds
Stanton II Project Revenue Bonds
Tri-City Project Revenue Bonds

Dated: June 25, 2021

This Continuing Disclosure Report (the "Report" or the "Continuing Disclosure Report") provides certain information and updates pertaining to the power supply projects of FMPA that have been financed with bonds and is not intended to be an all-inclusive report regarding FMPA's operations or financial position. This Report is delivered as required by FMPA pursuant to continuing disclosure undertakings entered into in connection with the issuance of its bonds and pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission. Nothing contained in the undertakings or this Report shall be deemed to be a representation by FMPA that the financial information and operating data included in this Report constitutes all of the information that may be material to a decision to invest in, hold or sell any securities of FMPA. The financial data and operating data presented in this Report speak only as of the dates shown.

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FLORIDA MUNICIPAL POWER AGENCY

Operational Offices
8553 Commodity Circle
Orlando, Florida 32819
(407) 355-7767

**OFFICERS OF THE BOARD OF DIRECTORS
OF FLORIDA MUNICIPAL POWER AGENCY**

Barbara Quiñones, Chair
Lynne Tejada, Vice Chair
Larry Mattern, Secretary
Allen Putnam, Treasurer

**OFFICERS OF THE EXECUTIVE COMMITTEE
OF THE ALL-REQUIREMENTS POWER SUPPLY PROJECT**

Howard McKinnon, Chairperson
Lynne Tejada, Vice Chairperson

MANAGEMENT

Jacob A. Williams, General Manager and Chief Executive Officer
Jody Lamar Finklea, General Counsel and Chief Legal Officer
Linda S. Howard, Chief Financial Officer
Ken Rutter, Chief Operating Officer
Mark T. McCain, Vice President of Member Services and Public Relations
Sharon Adams, Vice President of Human Resources and Shared Services
Richard Popp, Treasurer and Risk Director

**TRUSTEE FOR THE
ALL-REQUIREMENTS POWER SUPPLY PROJECT**

TD Bank, National Association
Cherry Hill, New Jersey

**TRUSTEE FOR THE STANTON PROJECT,
STANTON II PROJECT, ST. LUCIE PROJECT
AND TRI-CITY PROJECT**

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

BOND COUNSEL
Nixon Peabody LLP
New York, New York

DISCLOSURE COUNSEL
Bryant Miller Olive P.A.
Miami, Florida

SWAP ADVISOR

Swap Financial, LLC
South Orange, New Jersey

INDEPENDENT ACCOUNTANTS

Purvis Gray & Company
Ocala, Florida

**MANAGING FINANCIAL
ADVISOR**

Dunlap & Associates, Inc.
Orlando, Florida

CO-FINANCIAL ADVISOR

PFM Financial Advisors, LLC
Charlotte, North Carolina

**PARTICIPANTS IN THE
ALL-REQUIREMENTS
POWER SUPPLY PROJECT⁽¹⁾**

City of Bushnell
City of Clewiston
City of Fort Meade
Fort Pierce Utilities Authority
City of Green Cove Springs
Town of Havana
City of Jacksonville Beach
Utility Board of the City of Key West, Florida
Kissimmee Utility Authority
City of Lake Worth Beach
City of Leesburg
City of Newberry
City of Ocala
City of Starke

**PARTICIPANTS IN THE
STANTON PROJECT ⁽⁴⁾**

Fort Pierce Utilities Authority
City of Homestead⁽²⁾
Kissimmee Utility Authority
City of Lake Worth Beach⁽²⁾
City of Starke
All-Requirements Power Supply Project⁽³⁾

**PARTICIPANTS IN THE
ST. LUCIE PROJECT**

City of Alachua
City of Clewiston
City of Fort Meade
Fort Pierce Utilities Authority
City of Green Cove Springs
City of Homestead
City of Jacksonville Beach
Kissimmee Utility Authority
City of Lake Worth Beach
City of Leesburg
City of Moore Haven
Utilities Commission, City of New Smyrna Beach
City of Newberry
City of Starke
All-Requirements Power Supply Project⁽³⁾

**PARTICIPANTS IN THE
STANTON II PROJECT**

Fort Pierce Utilities Authority
City of Homestead⁽²⁾
Utility Board of the City of Key West, Florida
Kissimmee Utility Authority
City of Lake Worth Beach⁽²⁾
City of St. Cloud
City of Starke
All-Requirements Power Supply Project⁽³⁾

**PARTICIPANTS IN THE
TRI-CITY PROJECT ⁽⁴⁾**

Fort Pierce Utilities Authority
City of Homestead
Utility Board of the City of Key West, Florida

(1) Certain Participants in the All-Requirements Power Supply Project have elected to limit their All-Requirements Service, not continue the automatic extension of the term of their All-Requirements Power Supply Contract or given notice to withdraw from the All-Requirements Power Supply Project. See "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT – Participants – Elections of Certain Participants".

(2) The City of Homestead and the City of Lake Worth Beach have entered into a transfer agreement with Kissimmee Utility Authority ("KUA") to transfer and assign all or a portion of their respective power entitlement shares in each Project to KUA. See "PART III – STANTON PROJECT – Participants" and "PART IV – STANTON II PROJECT – Participants" for more information regarding such transfers.

(3) On December 17, 2018, the City of Vero Beach, Florida ("Vero Beach") completed the sale of its electric utility system to Florida Power & Light Company ("FPL") and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project and St. Lucie Project, as amended.

(4) As of October 1, 2020, there were no Bonds outstanding for the Stanton Project and the Tri-City Project.

INTRODUCTION

General

This Continuing Disclosure Report for the Fiscal Year Ended September 30, 2020 (together with the Appendices hereto, this "Report" or this "Continuing Disclosure Report") is furnished by Florida Municipal Power Agency ("FMPA" or the "Agency") to provide information concerning (a) FMPA, (b) FMPA's projects and operations, and (c) outstanding debt of FMPA relating to its projects. This Continuing Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website currently located at <http://emma.msrb.org> pursuant to certain continuing disclosure undertakings made by FMPA in accordance with the provisions of Rule 15c2-12, as amended ("Rule 15c2-12"), promulgated by the United States Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended. Nothing contained in the undertakings or this Report shall be deemed to be a representation by FMPA that the financial information and operating data included in this Report constitutes all of the information that may be material to a decision to invest in, hold or sell any securities of FMPA. The financial data and operating data presented in this Report speak only as of the dates shown.

FMPA

FMPA was created on February 24, 1978 and is a governmental legal entity, organized and existing under (i) Section 163.01 of the Florida Statutes (the "Florida Interlocal Cooperation Act"), (ii) and exercising the power and authority granted by the Florida Interlocal Cooperation Act or Part II Chapter 361, of the Florida Statutes (the "Joint Power Act"), or both provisions, and (iii) an interlocal agreement creating FMPA among the 31 members of FMPA (each individually a "Member" and collectively, the "Members") executed pursuant to the foregoing statutory authority (the "Interlocal Agreement"). The Members of FMPA are 31 Florida city commissions, city and town councils, utility commissions, utility authorities and a utility board. Under Florida law, FMPA has authority to undertake and finance specified projects and, among other things, to plan, finance, acquire, construct, reconstruct, own, lease, operate, maintain, repair, improve, extend or otherwise participate jointly in those projects. FMPA has the authority to issue bonds or bond anticipation notes for the purpose of financing or refinancing the costs of these projects.

FMPA currently has eight power supply projects and one project ("Pooled Loan Project") that provides for the financing and refinancing of eligible utility-related projects (each, a "Project") in which various Members participate (each being a "Participant"). A brief description of each Project is described below:

All-Requirements Power Supply Project – the All-Requirements Power Supply Project (the "All-Requirements Power Supply Project") is a power supply project under which FMPA provides to each of the active Participants in the All-Requirements Power Supply Project their individual "All-Requirements Service," which is all of its needed electric power and energy, transmission and associated services, unless limited to a contract rate of delivery, except for certain excluded resources. Each participating Member in the All-Requirements Power Supply Project purchases its All-Requirements Service pursuant to an All-Requirements Power Supply Project Contract with FMPA collectively, as amended (the "All-Requirements Power Supply Contracts"). See "PART I – ALL-REQUIREMENTS POWER SUPPLY PROJECT."

St. Lucie Project – the St. Lucie Project (the "St. Lucie Project") consists of an 8.806% undivided ownership interest of FMPA in St. Lucie Unit No. 2, a pressurized water nuclear generating unit which is

part of Florida Power & Light Company's ("FPL") two-unit nuclear generating station located in St. Lucie County, Florida. See "PART II – ST. LUCIE PROJECT."

Stanton Project – the Stanton Project (the "Stanton Project") consists of a 14.8193% undivided ownership interest of FMPA in Stanton Unit No. 1, one of the two-unit coal fired electric generators at the Stanton Energy Center of the Orlando Utilities Commission ("OUC"). See "PART III – STANTON PROJECT."

Stanton II Project – the Stanton II Project (the "Stanton II Project") consists of a 23.2367% undivided ownership interest of FMPA in the Stanton Energy Unit No. 2, the second of the two-unit coal fired electric generators at the Stanton Energy Center of OUC. See "PART IV – STANTON II PROJECT."

Tri-City Project – the Tri-City Project (the "Tri-City Project") consists of a 5.3012% undivided ownership interest of FMPA in Stanton Unit No. 1. See "PART V – TRI-CITY PROJECT."

Solar Project – The Solar Project (the "Solar Project") consists of a solar power purchase agreement to purchase a total of 57 MW-AC of solar energy from a larger 74.5 MW-AC facility planned for commercial operation in mid-2023. See "PART VI – SOLAR PROJECT."

Solar II Project – The Solar II Project (the "Solar II Project") consists of a solar power purchase agreement to purchase a total of 53.55 MW-AC of solar energy from two larger 74.9 MW-AC facilities planned for commercial operation in late 2023. See "PART VII – SOLAR II PROJECT."

Pooled Loan Project – The Initial Pooled Loan Project (the "Pooled Loan Project") is a vehicle for the financing and refinancing of eligible utility-related projects by FMPA's Members. Each Member of FMPA, FMPA itself and FMPA, as agent for any of its other Projects, are eligible to participate in the Pooled Loan Project. The Pooled Loan Project has a credit facility from First Horizon Bank (successor by conversion to First Tennessee Bank National Association, successor by merger to Capital Bank) which is used to fund the Participant loans. See "PART VIII – INITIAL POOLED LOAN PROJECT."

Except for the Solar Projects, each Project described herein has been financed by FMPA through senior and, in some cases, subordinated debt. All debt for a particular Project has been issued under and pursuant to the terms of a resolution of FMPA that is applicable only to that particular Project. All debt incurred for a particular Project is secured only by the revenues of that Project. Therefore, the revenues of a particular Project are not security for the FMPA debt issued for any other Project, and no obligation of one Project is an obligation of any other Project.

As of the date hereof, three of the Projects – the All-Requirements Power Supply Project, St. Lucie Project and Stanton II Project – have bonds outstanding that are subject to continuing disclosure undertakings made by FMPA. **Two of the Projects – the Stanton Project and Tri-City Project – as of October 1, 2019, no longer have any bonds or debt outstanding and are no longer subject to continuing disclosure undertakings made by FMPA. Two additional Projects – the Solar Project and Solar II Project (collectively, the "Solar Projects") – which receive solar energy based on Power Purchase Agreement (PPA) arrangements through two separate developers have no bonds or debt outstanding and therefore are not subject to continuing disclosure undertakings made by FMPA. One additional Project – the Pooled Loan Project – which finances and refinances eligible utility-related projects of the members of FMPA, FMPA itself, and the Projects, through loans made by FMPA, as agent for the Pooled Loan Project, are not subject to continuing disclosure requirements. The information on the Stanton Project, Tri-City Project, Solar Projects and the Pooled Loan Project is provided on a voluntary basis.** In the future, FMPA may choose not to provide information on such Projects, unless required by a continuing disclosure undertaking.

Power Sales Contracts, Project Support Contracts and All-Requirements Power Supply Contracts

For each of the Stanton, Stanton II, St. Lucie and Tri-City Projects in which it is a Participant, each Member has executed a Power Sales Contract and Project Support Contract between FMPA and the Participant, as amended. Each Power Sales Contract and Project Support Contract provides for payments by the Participant of amounts sufficient to pay debt service on the applicable Bonds, the applicable subordinated debt, if any, and all other payments required by the applicable Resolution, such as operation and maintenance costs of the applicable Project and deposits to reserves. Each Participant has agreed in its Power Sales Contract and its Project Support Contract to fix, charge and collect rates and charges for the services of its electric or integrated utility system in each year sufficient to pay costs and expenses of its utility system for that year, including all amounts payable to FMPA under its Power Sales Contract and Project Support Contract for that year. APPENDIX A shows each Member's participation in each FMPA Project.

In the case of the Stanton, Stanton II, St. Lucie and Tri-City Projects Power Sales Contracts and Project Support Contracts, the obligation of a Participant for its share of the costs of a Project under the Power Sales Contract for that Project is payable solely from the Participant's electric or integrated utility system revenues and are operating expenses of such system, payable on a parity with the system's operation and maintenance expenses and before debt service on the system's senior and subordinated debt. Payment by a Participant of its share of the costs of a Project under the Project Support Contract (for any month in which the Project provides no power) for a Project will be made only after payment of all of its system's current operating and maintenance expenses and debt service on the system's senior and subordinated debt.

Each Member who is a Participant in the All-Requirements Power Supply Project has executed an All-Requirements Power Supply Contract between FMPA and such Participant, as amended. Under each All-Requirements Power Supply Contract with a particular Participant, FMPA agrees to sell and deliver to that Participant, and that Participant agrees to purchase and take from FMPA, that Participant's "All-Requirements Service." For a particular Participant, its All-Requirements Service is all of its needed electric power and energy, transmission and associated services (unless limited by CROD, see "PART I-ALL-REQUIREMENTS POWER SUPPLY PROJECT- Contract Rate of Delivery" for further explanation) other than energy supplied by resources excluded by the All-Requirements Power Supply Contract, which consist of entitlement shares in the St. Lucie Project.

Payments made under the All-Requirements Power Supply Contracts are payable solely from the Participants' electric or integrated utility system revenues. Payments by a Participant under its Power Supply Contract are operating expenses of the Participant's electric or integrated utility system, payable on parity with the system's operation and maintenance expenses and before debt service on each Participant's senior and subordinated debt.

The descriptions of and references to the Stanton Resolution, the Stanton II Resolution, the Tri-City Resolution, the St. Lucie Resolution, the All-Requirements Resolution, the Power Sales Contracts, the Project Support Contracts and the All-Requirements Power Supply Contracts (as such terms are hereinafter defined), where applicable, and certain statutes and documents included in this Continuing Disclosure Report do not purport to be comprehensive or definitive; and such descriptions and references are qualified in their entirety by references to each such resolution, statute, contract, and document, as any of them may be subsequently amended at any time. Copies of the resolutions and the other documents referred to in this Report may be obtained from FMPA, provided that a reasonable charge may be imposed for the cost of reproduction.

Organization and Management

Effective May 24, 2007, the FMPA Board of Directors reorganized the governance structure of FMPA to give the Participants in an All-Requirements Power Supply Project more control over the business and affairs of such All-Requirements Power Supply Project. Each of the 31 Members appoints its director to the Board of Directors of FMPA (the "Board"). The Board is FMPA's governing body generally, except as regards the All-Requirements Power Supply Project. The Board has the responsibility for hiring a General Manager and General Counsel and establishing bylaws, which govern how FMPA operates, and policies which implement such bylaws. The Board also authorizes all debt issued by FMPA, except for debt of the All-Requirements Power Supply Project. The Board annually elects a Chair, a Vice-Chair, a Secretary and a Treasurer.

The Executive Committee consists of one representative for each All-Requirements Power Supply Participant, unless a Participant has elected CROD and the CROD is established at less than 15% of the Participant's demand. The Executive Committee is the governing body of the All-Requirements Power Supply Project. The Executive Committee elects a Chairperson and Vice Chairperson who are in those roles only with regard to the Executive Committee. The Executive Committee adopts bylaws and has policy making authority and control over all the business and affairs of the All-Requirements Power Supply Project, including the authorization of All-Requirements Power Supply Project debt. The All-Requirements Power Supply Project budget and FMPA agency general budget are developed and approved by the Executive Committee.

The General Manager, General Counsel, Secretary and Treasurer of FMPA serve in their same position for both the Board of Directors and the Executive Committee. The day-to-day operations and expenditures of FMPA for projects other than the All-Requirements Power Supply Project are controlled by the Board of Directors. Control over the same function for the All-Requirements Power Supply Project is vested in the Executive Committee. The Executive Committee makes decisions on a one-vote-one-Participant basis. A majority vote of a quorum present is necessary for the Executive Committee to take action, except that on certain matters (generally (i) rate schedule amendments, (ii) approval of power supply or other contracts with a term of seven years or more, and (iii) any approval requiring the issuance of debt) a supermajority approval of 75% of the votes present is required for action, if requested by two or more members of the Executive Committee.

The following is a brief description of the current officers of the Board of Directors and of the Executive Committee, and the principal staff members of FMPA:

Chair, Board of Directors: BARBARA QUIÑONES

Barbara Quiñones is Director of Electric Utilities for the City of Homestead. She serves as the elected Chair of FMPA's Board of Directors. Ms. Quiñones was elected as FMPA's Chair in July 2019. Prior to that she served as Vice Chair of FMPA's Board of Directors. Ms. Quiñones has been a member of FMPA's Board of Directors since 2009. She is also a member of FMPA's Finance Committee. She has served as Homestead's Director of Electric Utilities since 2009. Ms. Quiñones previously worked 26 years for Florida Power & Light Co. in a variety of positions including Senior Manager of Statewide Distribution Planning and Design and Senior Manager of Statewide Power Restoration and Power Quality. She is a graduate of Leadership Miami. Ms. Quiñones is active in the Florida Municipal Electric Association (FMEA) and is a past President of the association. She was named FMEA's 2014-2015 Member of the Year. Under her leadership, Homestead achieved the American Public Power Association's Reliable Public Power Provider (RP3) designation and was awarded a U.S. Department of Energy Resilient Electricity Delivery Infrastructure (REDI) Grant to improve the city's electrical infrastructure. Ms. Quiñones holds a bachelor's degree in mechanical engineering from Georgia Tech.

Vice Chair, Board of Directors and Executive Committee Vice Chairperson: LYNNE TEJEDA

Lynne Tejada is General Manager and CEO of Keys Energy Services. She serves as the elected Vice Chair of FMPA's Board of Directors and the Vice Chairperson of the Executive Committee. Ms. Tejada was elected as FMPA's Vice Chair in July 2019. Prior to that she served as the Secretary of the Board of Directors. She was appointed as her utility's alternate to FMPA's Board of Directors in 2005 and has been a member of the Board since 2013. She was first elected Vice Chairperson of the Executive Committee in December 2014 and has been a member of the Executive Committee since 2007. Ms. Tejada is also Chair of FMPA's Conservation and Renewable Energy Advisory Committee, of which she is a founding member. Ms. Tejada has served as Keys Energy Services' General Manager and CEO since 2005. She has been employed by the utility since 1989 in positions including Assistant General Manager and Chief Operating Officer. Ms. Tejada is active in the Florida Municipal Electric Association and is a past President of the association. Ms. Tejada currently serves on the American Public Power Association's Board of Directors and was the 2013 recipient of the association's Harold Kramer-John Preston Personal Service Award. She serves on the Board of the Key West Chamber of Commerce. Ms. Tejada holds a bachelor's degree in journalism from the University of North Carolina at Chapel Hill and a Master of Business Administration from Regis University in Denver, Colorado. She is a Certified Public Manager and a graduate of the Berkeley Executive Leadership Program.

Secretary, Board of Directors: LARRY MATTERN

Larry Mattern is the Vice President of Operations for Kissimmee Utility Authority. He serves as the elected Secretary of the FMPA Board of Directors. Mr. Mattern was elected as Secretary in July 2019. Prior to that he served as Treasurer. He was appointed as his utility's alternate to the Board of Directors in 2007 and as a member of the Board in 2014. He has served on the Executive Committee since 2011. Mr. Mattern has more than 26 years of experience in power plant construction and operation, generation planning, environmental and reliability compliance, contract negotiations, budget planning and personnel management. He has been employed by KUA since 1991 in various positions including Vice President of Power Supply and Manager of Production. Mr. Mattern is a graduate of Leadership Osceola County. He holds a bachelor's degree in business management from Nova Southeastern University, and he is certified in Basic and Advanced Power Plant Systems.

Treasurer, Board of Directors: ALLEN PUTNAM

Allen Putnam is the Managing Director for Beaches Energy Services in Jacksonville Beach. He serves as the elected Treasurer of FMPA's Board of Directors. Mr. Putnam has been a member of FMPA's Board of Directors and the Executive Committee since 2015. He is also a member of FMPA's Conservation and Renewable Energy Advisory Committee and the Member Services Advisory Committee. Mr. Putnam has served as Beaches Energy Services' Managing Director since 2015. Previously, Mr. Putnam worked 17 years for JEA in a variety of positions including Manager of Electric Customer Service Response and Manager of Customer Contacts. Mr. Putnam is active in the Florida Municipal Electric Association and currently serves as President of FMEA. Mr. Putnam holds a bachelor's degree in management and marketing and a master's degree in business from the University of North Florida.

Executive Committee Chairperson: HOWARD MCKINNON

Howard McKinnon, CPA, is the former Town Manager of the Town of Havana, Florida. He serves as the elected Chairperson of the Executive Committee. Mr. McKinnon was first elected as Chairperson in July 2011. He has been a member of FMPA's Board of Directors since 2006 and the Executive Committee since 2007. Mr. McKinnon served as Havana's Town Manager for 13 years prior to his retirement in 2019. He joined the Town of Havana as Finance Director in 2005. Mr. McKinnon

previously served eight years as County Manager of Gadsden County, Florida. Mr. McKinnon is active in the Florida Municipal Electric Association and is a past President of the association. He is also active in the American Public Power Association and received the association's Larry Hobart Seven Hats Award in 2010. The Florida Rural Water Association selected Mr. McKinnon as Manager of the Year in 2012. He is also a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. Mr. McKinnon holds a bachelor's degree in finance and a master's degree in public administration from Florida State University.

General Manager and CEO of FMPA: JACOB A. WILLIAMS

Jacob A. Williams is General Manager and Chief Executive Officer of FMPA. Mr. Williams has more than 35 years of experience in the utility industry. Prior to joining FMPA, he served as Vice President, Global Energy Analytics at Peabody Energy in St. Louis, Missouri. He also was previously with Alliant Energy (formerly Wisconsin Power & Light). Throughout his career, Mr. Williams has served in various positions including energy marketing, trading, integrated resource planning, and generation planning. Mr. Williams holds a bachelor's degree in electrical engineering from the University of Illinois at Urbana-Champaign and a Master of Business Administration from the University of Wisconsin-Madison.

General Counsel and CLO of FMPA: JODY LAMAR FINKLEA, ESQUIRE

Jody Lamar Finklea is General Counsel and Chief Legal Officer for FMPA. Mr. Finklea is a Board appointed officer, responsible for all legal affairs of FMPA, as specified in the Board's by-laws, and he manages FMPA's reliability compliance area. Mr. Finklea joined FMPA in 2001 and has held several positions during his tenure. Most recently, he served as Deputy General Counsel and Manager of Legal Affairs. Mr. Finklea has more than 20 years of experience in municipal utility law. As FMPA's General Counsel, Mr. Finklea also serves as general and regulatory counsel for FMEA. All of FMPA's members are also members of FMEA, so this partnership provides value to both organizations. He holds a bachelor's degree in philosophy from The Catholic University of America in Washington, D.C., a master's degree in public administration from the University of North Florida and a Juris Doctor Degree from Florida State University. Mr. Finklea is admitted to The Florida Bar and is board certified as an expert in city, county and local government law. Mr. Finklea is active in the American Public Power Association ("APPA") and served as the 2017 Chairman of the Legal Section. In 2011, Mr. Finklea was recognized by APPA as a Rising Star in Public Power. He holds a peer review rating as AV-Preeminent by Martindale Hubble.

Chief Financial Officer of FMPA: LINDA S. HOWARD, CPA, CTP

Linda Howard is Chief Financial Officer for FMPA, a position she was promoted to in September 2018. Ms. Howard joined FMPA as Treasurer in January 2017. Prior to joining FMPA, Ms. Howard served as Finance Bureau Chief for the Southwest Florida Water Management District where she managed the accounting, budget and procurement functions. For most of her career, Ms. Howard worked at Orlando Utilities Commission (OUC). Her 25 years at OUC included experience in accounting, auditing and supervisory roles, leading to nine years as the Director of Fiscal Services and then five years as OUC's Treasurer. Ms. Howard has a bachelor's degree in accounting from the University of Central Florida (UCF) and a Master of Business Administration from UCF. She is a Certified Public Accountant in Florida and a Certified Treasury Professional. Ms. Howard is active in the Florida Government Finance Officers Association, where she served as President for the 2017-2018 term. In addition, she serves on the Board of the National Association of Black Accountants Greater Orlando Chapter, of which she is a charter member, and she is a member of the Association for Financial Professionals.

Chief Operating Officer of FMPA: KEN RUTTER

Ken Rutter is Chief Operating Officer for FMPA. Mr. Rutter joined FMPA in March 2019 and manages the FMPA's power resources division. Prior to joining FMPA, Mr. Rutter worked with the Basin Electric Cooperative and Dakota Gasification in Bismarck, North Dakota, where he served for more than six years as senior vice president of marketing and asset management. Among other responsibilities, he led a team that restructured short-term power and natural gas management contracts, as well as created many value enhancements and commercial transactions for Basin and Dakota Gasification. He also spent more than 12 years with Ameren in St. Louis, Missouri, serving in several roles, most notably Director of Risk Management and a short period as an internal auditor. Mr. Rutter has a bachelor's degree in engineering from Purdue University and a Master of Business Administration from Washington University.

Vice President of Member Services and Public Relations of FMPA: MARK T. McCAIN

Mark McCain is Vice President of Member Services and Public Relations for FMPA. Mr. McCain has more than 30 years of experience in the municipal electric utility industry. He began his career with FMPA in 1986 as Communication Specialist. He was promoted in 1995 to Public Relations Manager. In 1998, he was given the added responsibilities of public affairs management. Mr. McCain is active in professional associations and has served in various leadership positions for those organizations. He is a long-time member of the Public Relations Society of America (PRSA), the world's largest organization for public relations professionals, and is a past President of the Orlando Regional Chapter of PRSA. He is also active in the American Public Power Association ("APPA"), the service organization for the nation's more than 2,000 publicly owned electric utilities. Mr. McCain has held several leadership positions for APPA's Energy/Customer Service & Communication Section, including Chair in 1999 and Chair of the Communications Committee in 1996. Mr. McCain holds a bachelor's degree in journalism from Ohio University.

Vice President of Human Resources and Shared Services: SHARON ADAMS

Sharon Adams is Vice President of Human Resources and Shared Services for FMPA. She joined FMPA in 2001 and has nearly 20 years of experience in the municipal electric utility industry specializing in human resources. Prior to joining FMPA, Ms. Adams worked for more than 10 years in human resources for the non-profit, retail, recruitment and placement industries. Ms. Adams is a member of the Society of Human Resource Management. She volunteers for several Central Florida organizations, including The Russell Home for Atypical Children and Heart of Florida United Way. Ms. Adams holds a bachelor's degree in marketing with a minor in business administration and management from Troy University. She is a Myers Brigs Type Indicator Certified Practitioner and is certified in Compensation Design and Administration.

Treasurer and Risk Director of FMPA: RICHARD POPP

Richard Popp is Treasurer and Risk Director for FMPA. He previously served as Contract Compliance Audit and Risk Manager. Mr. Popp has more than 25 years of experience in municipal utility accounting. He began his career with FMPA in 1994 as an accountant, until 1996. After his departure from FMPA, he was employed by Kissimmee Utility Authority for nearly six years as Senior Financial Analyst. Mr. Popp returned to FMPA in April 2002 as Accounting Supervisor. Mr. Popp holds a bachelor's degree in accounting from the University of Central Florida and a master's degree in accounting from Nova Southeastern University.

Litigation

As of the date hereof, there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of FMPA or its Projects or, to the knowledge of FMPA, threatened in any court to restrain or enjoin the collection of revenues pledged or to be pledged to pay the principal of and interest on any of FMPA's Bonds, or in any way contesting or affecting the validity of FMPA's Bonds or its Bond Resolutions or the power of FMPA to collect and pledge revenues to pay the principal of and interest on FMPA's Bonds.

Additional Information

On December 17, 2018, Vero Beach completed the sale of its electric utility system to Florida Power & Light Company ("FPL") and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project and St. Lucie Project, as amended. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach" for additional information regarding the withdrawal of Vero Beach as a participant in the All-Requirements Power Supply Project and as a member of FMPA.

On February 16, 2017, now Senator Debbie Mayfield requested the Joint Legislative Auditing Committee of the Florida Legislature to authorize a study of FMPA by the Legislature's Office of Program Policy Analysis and Government Accountability ("OPPAGA"). Details of the request for OPPAGA study and its current status are included in the Continuing Disclosure Report for the Fiscal Year Ended September 30, 2019, dated June 26, 2020. While the OPPAGA study has not been formally withdrawn, no work on the study has, to FMPA's knowledge, commenced.

Ratings

As of June 1, 2021, the ratings on the Bonds of each Project by Moody's Investors Service, Inc. ("Moody's") and Fitch Ratings ("Fitch") are as follows:

<u>Project</u> ⁽¹⁾	<u>Moody's</u>	<u>Fitch</u>
All-Requirements Power Supply Project Senior Bonds	A2	AA-
All-Requirements Power Supply Project Subordinated Bonds	A3	AA-
St. Lucie Project	A2	A
Stanton II Project	A1	A+

(1) The Stanton Project Bonds and the Tri-City Project Bonds are not listed in this table because there are no such bonds outstanding. Those bonds were paid in full as of October 1, 2019.

The respective ratings by Fitch and Moody's of the Bonds reflect only the views of such organizations and any desired explanation of the significance of such ratings and any outlooks or other statements given by the rating agencies with respect thereto should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating and outlook (if any) on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings for the Bonds of a particular Project will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely by any of the rating agencies, if, in the judgment of such rating agency or agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

Event Notices

During the period from June 20, 2020 through June 21, 2021, the following event notices were filed by or on behalf of FMPA, although certain of such notices were not necessarily required as event notices under paragraph (b)(5)(i)(C) of Rule 15c2-12:

(1) On June 26, 2020, FMPA filed a Notice of filing of unaudited financial Statements for the City of Lake Worth Beach, Florida with respect to the Stanton Project and the St. Lucie Project.

(2) On September 3, 2020, FMPA filed an Addendum to Continuing Disclosure Report incorporating information for the City of Lake Worth Beach, Florida.

(3) On December 23, 2020, FMPA filed a Notice of Material Event (Incurrence of Financial Obligation) in connection with the Fourth Amendment to Revolving Credit Agreement dated September 21, 2020 between the FMPA and Wells Fargo Bank, N.A.

(4) On April 29, 2021 FMPA filed a Notice of Event regarding the termination of FMPA's Revolving Credit Agreement dated as of July 1, 2016, as amended, between FMPA, as agent for the All-Requirements Power Supply Project, and JPMorgan Chase Bank, National Association and its Revolving Credit Agreement dated as of November 1, 2016, as amended, between FMPA, as agent for the All-Requirements Power Supply Project, and Wells Fargo Bank, N.A.

COVID-19 Disclosure

The 2019 and 2020 pandemic and outbreak of COVID-19, a respiratory virus which was first reported in China, has since spread to other countries, including the United States, and is considered a Public Health Emergency of International Concern by the World Health Organization. The spread of COVID-19 has led to quarantine and other "social distancing" measures throughout the United States. These measures have included recommendations and warnings to limit non-essential travel and promote telecommuting. On April 1, 2020, the Governor of Florida issued a mandatory "safer at home" order for the entire State which was effective from April 3, 2020 through April 30, 2020. Subsequent phased re-openings began allowing businesses to open.

As previously reported, during the first year of COVID-19, FMPA and its Members instituted certain restrictions, including limiting access to plants, restricting access to control rooms, and requesting operators limit travel, among other things. In addition, FMPA Members, suspended disconnects, provided flexible payment plans, and waived late payment fees, among other things. Since the availability of vaccines, such measures have been discontinued.

While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. Although not all impacts on FMPA are known at this time, all FMPA's Members are current with their payments to FMPA. For the fiscal year ended September 30, 2020 sales were above the fiscal year 2020 budget by 2.0%. FMPA will continue to monitor the impacts of COVID-19 and will address such impacts, as necessary.

PART I
ALL-REQUIREMENTS POWER SUPPLY PROJECT

The information in this Part I is intended to provide information with respect to the Agency's All-Requirements Power Supply Project.

All-Requirements Power Supply Project

The All-Requirements Power Supply Project is a power supply project under which FMPA provides to each of the active Participants in the All-Requirements Power Supply Project their individual "All-Requirements Service." For a particular Participant, its All-Requirements Service is all of its needed electric power and energy, transmission and associated services, unless limited by a contract rate of delivery, except for certain excluded resources ("CROD"). See "- Election of Certain Participants – Contract Rate of Delivery (CROD)". A Participant purchases its All-Requirements Service pursuant to an All-Requirements Power Supply Project Contract with FMPA, as amended.

The power supply assets of the All-Requirements Power Supply Project include (i) undivided interests in generating facilities that are owned in whole or in part by FMPA; (ii) power supply resources under long-term and short-term contracts of FMPA; (iii) generation assets owned by some of the Participants or in which some Participants have Power Entitlement Shares (the percentage of the amount of net capacity and energy to which such Participant is entitled at any given point in time whether the unit is operating or not), the capacity and energy of which are sold to the All-Requirements Power Supply Project; and (iv) transmission arrangements.

All-Requirements Power Supply Project Generating Facilities Owned by FMPA

<u>Name of Unit</u>	<u>In-Service Date</u>	<u>Primary Fuel Source</u>	<u>Net Summer Capability Rating (MWs)</u>	<u>Percentage of Ownership</u>
Stanton Unit No. 1	July 1, 1987	Coal	461	6.51%
Stanton Unit No. 2	June 1, 1996	Coal	463	5.17
Stanton Unit A	October 1, 2003	Natural Gas	639	3.50
Cane Island Unit 1	January 1, 1995	Natural Gas	35	50.00
Cane Island Unit 2	June 1, 1995	Natural Gas	109	50.00
Cane Island Unit 3	January 25, 2001	Natural Gas	240	50.00
Cane Island Unit 4	July 12, 2011	Natural Gas	300	100.00
Indian River Unit A	July 1, 1989	Natural Gas	32	39.00
Indian River Unit B	July 1, 1989	Natural Gas	32	39.00
Indian River Unit C	October 1, 1992	Natural Gas	105	21.00
Indian River Unit D	October 1, 1992	Natural Gas	105	21.00
Stock Island Unit 2	June 21, 1998	Fuel Oil	16	100.00
Stock Island Unit 3	August 1, 1998	Fuel Oil	14	100.00
Stock Island Unit 4	July 1, 2006	Fuel Oil	46	100.00
Treasure Coast Energy Center Unit 1	May 31, 2008	Natural Gas	300	100.00

Stanton Units

As part of the All-Requirements Power Supply Project, FMPA owns a 6.5060% undivided ownership in Stanton Unit No. 1, a coal-fired electric generating unit with a net summer capability rating of 461 MW ("Stanton Unit No. 1"), and a 5.1724% undivided ownership interest in Stanton Unit No. 2, a coal-fired electric generating unit with a net summer capability rating of 463 MW ("Stanton Unit No. 2" and, together with Stanton Unit No. 1, the "Stanton Units") at the Stanton Energy Center of the Orlando Utilities Commission ("OUC") located in Orange County, Florida. The Stanton Units were constructed and are operated by OUC.

KUA also owns a 4.8193% undivided ownership interest in Stanton Unit No. 1, which is contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract between KUA and FMPA. See "- Status of Certain Generation Units Owned by Participants-KUA" for more information.

Stanton Unit No. 1 began commercial operation on July 1, 1987. The availability factor has averaged 86.7% since that time. For the last five fiscal years, the availability factor has ranged from a low of 61.8% in 2016 to a high of 90.4% in 2018. The availability factor in fiscal year 2020 was 78.1%.

Stanton Unit No. 2 began commercial operation on June 1, 1996. The availability factor has averaged 87.2% since that time. For the past five fiscal years, the availability factor ranged from a low of 74.6% in 2019 to a high of 95.5% in 2020. The availability factor in fiscal year 2020 was 95.5%.

Cooling water for the Stanton Units is provided by the Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

During calendar years 2016 through 2020, the Stanton Units combined to burn an average of approximately 1.8 million tons of coal per year. Coal is supplied to the Stanton Units under contracts between OUC and Crimson Coal Corporation ("Crimson") and Foresight Coal Sales, LLC ("Foresight"). The contract with Crimson will supply approximately 1.1 million tons for 2021. FMPA believes that OUC will be able to make up any deficiencies in supply for the Stanton Units through short-term purchases at spot market prices.

OUC has \$61,000,000 of coal purchase commitments for calendar Year 2021, according to their fiscal year 2020 audited financial statements. The price for coal deliveries in January 2021 was \$57.86/ton, which would indicate approximately 1,064,638 tons of coal are under contract. However, no information was provided regarding the counterparties for the commitment.

OUC continues to monitor environmental requirements that will be applicable to the Stanton Units in the future and has stated that it currently believes it can meet known environmental laws and regulations regarding NOx emissions through, among other means, implementation of capital projects with a significantly lower total cost than the selective catalytic reduction project.

Additional ownership interests by FMPA and other entities in the Stanton Units is described below under "PART III – STANTON PROJECT," "PART IV – STANTON II PROJECT" and "PART V – TRI-CITY PROJECT."

Stanton Unit A. As part of the All-Requirements Power Supply Project, FMPA owns a 3.5% undivided ownership interest in a 639 MW (summer rating), gas-fired combined cycle unit located at OUC's Stanton Energy Center site ("Stanton Unit A"). The remaining ownership interests in Stanton Unit A are held by KUA (3.5%), OUC (28%) and Stanton Clean Energy LLC, a NextEra Energy, Inc. subsidiary

("SCE") (65%). FMPA is purchasing 20% of SCE's ownership share in Stanton Unit A until 2023. See "-- Purchased Power and Other Contracts" for additional information. KUA's 3.5% ownership interest, and KUA's purchase of 6.5% of SCE's ownership share in Stanton Unit A until 2023, are contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract. See "-- Status of Certain Generation Units Owned by Participants -- KUA" for more information. Gas transportation is supplied via the Florida Gas Transmission ("FGT") interstate gas line. Stanton Unit A also has fuel oil as a back-up capability. See "-- Member Contributed Resources" below.

Stanton Unit A began commercial operation on October 1, 2003. The availability factor has averaged 90.7% since that time. For the last five fiscal years, the availability factor has ranged from a low of 83.4% in 2018 to a high of 95.6% in 2019. The availability factor in fiscal year 2020 was 93.5%.

Cane Island Units. As part of the All-Requirements Power Supply Project, FMPA owns a 50% undivided ownership interest in each of Cane Island Unit No. 1 ("Cane Island Unit 1"), Cane Island Unit No. 2 ("Cane Island Unit 2") and Cane Island Unit No. 3 ("Cane Island Unit 3" and, together with Cane Island Unit 1 and Cane Island Unit 2, "Cane Island Units 1-3") and owns a 100% undivided ownership interest in Cane Island Unit No. 4 ("Cane Island Unit 4" and together with Cane Island Units 1-3, the "Cane Island Units"). The Cane Island Units are located at KUA's Cane Island Power Park site in Osceola County, Florida. The Cane Island Units are natural gas-fired electric generating units with No. 2 oil as a backup capability for Cane Island Unit 1 and Cane Island Unit 2. Cane Island Unit 1 is a combustion turbine, and Cane Island Unit 2, Cane Island Unit 3, and Cane Island Unit 4 are combined cycle units. Cane Island Units 1-3 were constructed, and are operated, by KUA. Cane Island Unit 4 was constructed by FMPA and is operated by KUA. KUA owns the remaining 50% of Cane Island Units 1-3. See "-- Elections of Certain Participants" and "-- Status of Certain Generation Units Owned by Participants."

Cane Island Unit 1 has a summer rating of 35 MW and was placed in service in January 1995. Cane Island Unit 1's availability factor has averaged 96.6% since that time. For the last five fiscal years, the availability factor has ranged from a low of 82.8% in 2020 to a high of 98.5% in 2017. The availability factor in fiscal year 2020 was 82.8%.

Cane Island Unit 2 has a summer rating of 109 MW and was placed in service in June 1995. Cane Island Unit 2's availability factor has averaged 87.3% since that time. For the last five fiscal years, the availability factor has ranged from a low of 50.3% in 2016 to a high of 97.8% in 2019. The lower availability factor in fiscal year 2016 was due to a catastrophic equipment failure in 2016. The availability factor in fiscal year 2020 was 97.5%.

Cane Island Unit 3 has a summer rating of 240 MW and was placed in service in June 2002. Cane Island Unit 3's availability factor has averaged 90.1% since that time. For the last five fiscal years, the availability factor has ranged from a low of 73.6% in 2017 to a high of 95.9% in 2019. The availability factor in fiscal year 2020 was 93.7%.

Cane Island Unit 4 has a summer rating of 300 MW and was placed in service in July 2011. Cane Island Unit 4's availability factor has averaged 92.1% since it was placed in service. For the last five fiscal years, the availability factor has ranged from a low of 84.5% in 2018 to a high of 95.4% in 2019. The availability factor in fiscal year 2020 was 92.2%.

Indian River Units. As part of the All-Requirements Power Supply Project, FMPA owns a 39% undivided ownership interest in each of the Indian River Combustion Turbine Units A & B ("Indian River Units A & B") and a 21% undivided ownership interest in each of the Indian River Combustion Turbine Units C & D ("Indian River Units C & D" and, together with Indian River Units A & B, the "Indian River

Units") located in Brevard County, Florida. The remaining ownership interests in Indian River Units A & B are held by (i) OUC (48.8%) and (ii) KUA, (12.2%), and the remaining ownership interests in Indian River Units C & D are held by OUC (79%). The Indian River Units were constructed and are operated by OUC on behalf of the co-owners.

KUA's 12.2% ownership interests in Indian River Units A & B are contractually committed to the All-Requirements Power Supply Project through the Revised, Amended, and Restated Capacity and Energy Sales Contract. See "-- Status of Certain Generation Units Owned by Participants -- KUA" for more information.

All four Indian River Units are used as peaking units. The Indian River Units burn either natural gas or No. 2 fuel oil, with gas transportation supplied via FGT.

Indian River Units A & B each have a summer rating of 32 MW and were placed in service on July 1, 1989. Indian River Unit A's availability factor has averaged 95.7% since that time. For the last five fiscal years, the availability factor of Indian River Unit A has ranged from a low of 91.4% in 2018 to a high of 98.5% in 2017. Indian River Unit B's availability factor has averaged 95.3% since it was placed in service. For the last five fiscal years, the availability factor of Indian River Unit B has ranged from a low of 92.7% in 2018 to a high of 97.9% in 2017. The availability factor in fiscal year 2020 was 96.0% and 95.3% for Indian River Units A & B, respectively.

Indian River Units C & D each have a summer rating of 105 MW and were placed in service in October 1, 1992. Indian River Unit C's availability factor has averaged 90.2% since that time. For the last five fiscal years, the availability factor of Indian River Unit C has ranged from a low of 95.6% in 2016 to a high of 98.1% in 2020. Indian River Unit D's availability factor has averaged 92.8% since it was placed in service. For the last five fiscal years, the availability factor of Indian River Unit D has ranged from a low of 89.7% in 2019 to a high of 98.3% in 2020. The availability factor in fiscal year 2020 was 98.1% and 98.3% for Indian River Units C & D, respectively.

Stock Island Units 2 and 3. As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in each of two combustion turbines at the Stock Island Generating Facility near Key West. Stock Island Units 2 & 3 are refurbished GE Frame 5 units that burn No. 2 oil. FMPA constructed Stock Island Units 2 & 3 to provide peaking supply and on-island reliability for the Key West System, and they are operated by Key West.

Stock Island Unit 2 has summer rating of 16 MW and was placed in service in June 1998. For the last five fiscal years, the availability factor of Stock Island Unit 2 has ranged from a low of 76.2% in 2020 to a high of 99.1% in 2018. The availability factor in fiscal year 2020 was 76.2%.

Stock Island Unit 3 has summer rating of 14 MW and was placed in service in August 1998. For the last five fiscal years, the availability factor of Stock Island Unit 3 has ranged from a low of 76.5% in 2020 to a high of 99.5% in 2019. The availability factor in fiscal year 2020 was 76.5%.

FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West All-Requirements Power Supply Project Contract, as amended, so long as Key West is purchasing its full-requirements from the All-Requirements Power Supply Project (the "60% On-Island Requirement"). During fiscal year 2013, FMPA commissioned a study of the 60% On-Island Requirement that was designed to set forth the steps and processes to be taken by FMPA and other related parties, including Key West, to (1) initially develop a long-term generation plan for meeting the 60% On-Island Requirement, and (2) monitor and update the long-term generation plan over time to address changing

circumstances. Based on the information available at the time of the study, which was completed in 2014, (i) FMPA found no evidence to refute that the life of the units at the Stock Island Plant could be extended through at least 2033 (based on 20-year study period) at reasonable cost using such a condition based and preventive maintenance strategy and (ii) there were no known operational limitations of maintaining the current capacity ratings over the 20-year study period. FMPA updated its analysis in early 2021 and found no change in circumstances that would change FMPA's conclusion from the prior study.

Stock Island Unit 4. As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in a 45 MW combustion turbine unit located at the Stock Island Generating Facility near Key West ("Stock Island Unit 4"). Stock Island Unit 4 is a GE LM6000 PC-Sprint aeroderivative unit that burns No. 2 oil. Stock Island Unit 4 is operated by Key West and provides peaking supply and on island reliability for Key West. See "– Elections of Certain Participants."

Stock Island Unit 4 was placed in service in 2006. Stock Island Unit 4's availability factor has averaged 96.2% since that time. For the last five fiscal years, the availability factor of Stock Island Unit 4 has ranged from a low of 93.3% in 2017 to a high of 98.9% in 2019. The availability factor in fiscal year 2020 was 93.5%.

Treasure Coast Energy Center Unit 1. As part of the All-Requirements Power Supply Project, FMPA owns a 100% undivided ownership interest in a 300 MW natural gas-fired combined cycle unit located in Fort Pierce (the "Treasure Coast Energy Center Unit 1"). The unit is operated under contract by Fort Pierce Utilities Authority ("FPUA"), with gas transportation supplied by FGT.

The Treasure Coast Energy Center Unit 1 was placed in service in May 2008. The Treasure Coast Energy Center Unit 1's availability factor has averaged 92.4% since that time. For the last five fiscal years, the availability factor of Treasure Coast Energy Center Unit 1 has ranged from a low of 88.4% in 2016 to a high of 96.0% in 2018. The availability factor in fiscal year 2020 was 94.1%.

Purchased Power and Other Contracts

FMPA has two long-term contracts with respect to the All-Requirements Power Supply Project to purchase power and energy from subsidiaries of NextEra Energy, Inc., the parent company of FPL ("NextEra") from assets previously owned and operated by Southern Power Company ("Southern") or its subsidiaries. FMPA and Oleander Power Project, L.P. (a NextEra subsidiary) have an agreement pursuant to which FMPA purchases the entire output (approximately 160 MW) from Oleander Unit No. 5, a natural gas-fired simple cycle generating unit at the Oleander natural gas peaking plant. Generation from the unit is dedicated to FMPA. The initial term of the agreement runs through December 15, 2027. FMPA also has a contract for approximately 81 MW summer/87 MW winter of purchased power from SCE's ownership interest in Stanton Unit A (including KUA's purchase power commitment). The initial term of the agreement runs through September 30, 2023. FMPA believes that it will be able to replace these resources when the contracts expire, on an as-needed basis, with either new resources under contracts that will be at market-based rates or with jointly-owned or self-built generation.

FMPA also has entered into a solar power purchase agreement with subsidiaries of Florida Renewables Partners, LLC ("FRP"), a subsidiary of NextEra Florida Renewables Holdings, LLC to purchase a total of 58 MW-AC of solar energy on behalf of five Participants in the All-Requirements Power Supply Project: Jacksonville Beach, FPUA, Key West, KUA and Ocala (the "ARP Solar Participants"). FMPA and OUC have entered into purchase agreements with FRP for a total of 223.5 MW-AC from three 74.5 MW-AC solar sites in Florida. Two of the solar facilities began commercial operation in 2020 and the third is planned for commercial operation in 2023. The ARP Solar Participants will take power from two (2) of those sites and will have the first obligation in the All-Requirements Power Supply

Project to pay all purchased power costs for solar energy. See “PART VI - SOLAR PROJECT” for additional information.

FMPA has also entered into solar power purchase agreements with Origis Energy (“Origis”) to purchase a total of 96.25 MW-AC of solar energy on behalf of seven Participants in the All-Requirements Power Supply Project: FPUA, Havana, Jacksonville Beach, Key West, KUA, Newberry, and Ocala (the “ARP Solar Phase II Participants”). The All-Requirements Power Supply Solar Phase II Participants will take a portion of the solar energy from two (2) 74.9 MW-AC facilities, which are estimated to achieve commercial operation by 2024. The ARP Solar Phase II Participants will have the first obligation in the All-Requirements Power Supply Project to pay all purchased power costs for solar energy. See “PART - VII SOLAR II PROJECT” for additional information.

Member Contributed Resources

Pursuant to their joining the All-Requirements Power Supply Project, KUA, Lake Worth Beach, Fort Pierce and Key West entered into a Capacity and Energy Sales Contract whereby these Participants sell the capacity and energy from their generating units to the All-Requirements Power Supply Project. These Participants also agreed to sell to the All-Requirements Power Supply Project any capacity and energy from any Power Entitlement Shares they have in the Stanton Project, Stanton II Project or Tri-City Project. In addition, Starke assigned to the All-Requirements Power Supply Project its capacity and energy in the Stanton Project and Stanton II Project. The price paid by the All-Requirements Power Supply Project to these Participants is equal to each month’s billing from FMPA to each of these Participants for their Power Entitlement Shares in the Projects. The Capacity and Energy Sales Contract with Lake Worth Beach has been terminated upon the effectiveness of its CROD. Additionally, effective October 1, 2008 and January 1, 2011, respectively, KUA and Key West entered into Revised, Amended and Restated Capacity and Energy Sales Contracts, which among other things, waived KUA’s and Key West’s rights to elect a CROD, and terminate such agreements while remaining in the All-Requirements Project. See “- Status of Certain Generation Units Owned by Participants” for more information.

FMPA, as a cost of the All-Requirements Power Supply Project, pays the monthly costs for these Participants under their Power Sales Contracts and, under certain circumstances under the Project Support Contracts, with respect to their Power Entitlement Shares, and collects these costs through the billings to the Participants in the All-Requirements Power Supply Project.

Net Metering

In order to promote the development of customer-owned renewable generation and comply with statutory requirements of Section 366.91, Florida Statutes, and other requirements, FMPA has developed a net metering policy for the All-Requirements Power Supply Project Participants, pursuant to which Participants may offer their customers net metering service whereby a customer may install and operate in parallel customer-owned renewable generation in order to offset all or part of the customer’s electricity needs with renewable energy. Pursuant to the FMPA policy, the All-Requirements Power Supply Project will purchase excess customer-owned renewable generation from its Participants’ customers that have chosen to take part in the net metering program and are interconnected to a Participant’s electric system. Customer-owned renewable generation is first used to offset the demand for electricity at a particular premises from a Participant and any excess customer-owned renewable generation that is not used to offset the demand for electricity is simultaneously sold to the All-Requirements Power Supply Project and delivered to the Participants through the Participant’s electric distribution system.

As of June 1, 2021, more than 1,897 solar power installations in 13 Florida cities are part of the All-Requirements Power Supply Project's net metering program. These customer-owned installations are capable of producing approximately 15,104 kW-AC in total.

Fuel Supply

Coal Supply. For a description of the coal supply to the All-Requirements Power Supply Project generating facilities, see "- All-Requirements Power Supply Project Generating Facilities Owned by FMPA-Stanton Units" above.

Gas Supply. Natural gas for Stanton Unit A is obtained by OUC for itself, KUA and FMPA. All other physical supplies of natural gas used at FMPA-owned or Participant-owned All-Requirements Power Supply Project generating facilities are purchased by Florida Gas Utilities ("FGU") for FMPA under a service agreement between FMPA and FGU. Typically, these supplies are purchased on a month-to-month basis; priced at a NYMEX less basis, a "first-of-the-month" index, or a daily index. Adjustments are made by FGU on a daily basis to balance supply with fuel needs required to serve forecasted load by either purchasing incremental volumes or selling surplus volumes. FGU also handles all natural gas transportation scheduling and settlement functions for FMPA and ensuring reliable fuel deliveries for the All-Requirements Power Supply Project. In 2019, FGU entered into thirty-year natural gas supply agreements with The Black Belt Energy Gas District ("Black Belt Energy") and the Municipal Gas Authority of Georgia ("MGAG") for the purchase of specified amounts of natural gas at discounted prices that FGU will use to serve FMPA's gas fuel needs. In 2020, FGU entered into a five-year gas supply agreement with Public Energy Authority of Kentucky (PEAK) for the purchase of natural gas at a discount. FMPA's weighted average discount from the transactions involving MGAG is \$0.32 per MMBtu on 13,250 MMBtu per day. FMPA's weighted average discount from the transactions involving Black Belt Energy is \$0.32 per MMBtu on 10,000 MMBtu per day. FMPA's weighted average discount from the transaction involving PEAK is \$0.08 per MMBtu per day. The average daily discounted gas scheduled in 2020 for the All-Requirements Power Supply Project was 23,266 MBtu per day, which represents approximately 19% of the All-Requirements Power Supply Project's average daily need.

2021 Winter Storm. In February 2021, much of the nation experienced extreme cold weather, including Texas and a significant portion of the Midwest. Due to the extreme cold and other factors, millions of electric customers in Texas and other areas experienced rolling electric blackouts, disruption in the supply of natural gas, and lack of potable water supply. Prices for natural gas and power also saw extreme short-term increases, with spot-market natural gas reaching prices of hundreds of dollars per MMBtu and power costs reaching thousands of dollars per MWh. The State of Florida was largely unimpacted by the extreme cold; however, the extreme price volatility for natural gas and power did impact FMPA. The All-Requirements Power Supply Project had purchased a significant percentage of its natural gas need for February 2021 at a first-of-the-month index price, therefore the All-Requirements Power Supply Project was largely insulated from the spot-market price volatility. Further, because many of the All-Requirements Power Supply Project resources can be fired by natural gas or fuel oil, and the coal-fired generation in the All-Requirements Power Supply Project portfolio, FMPA was able to increase its use of non-natural gas generation and, in turn, sell its excess natural gas for a net benefit to the All-Requirements Power Supply Project. The All-Requirements Power Supply Project also made economy power sales to purchasers within and outside of the State of Florida, which provided a net benefit to the All-Requirements Power Supply Project.

Florida Gas Transmission Transportation Contracts. Natural gas for the Cane Island Units, the Treasure Coast Energy Center Unit 1, the Indian River Units and the Oleander PPA (a tolling structured power purchase deal where FMPA delivers natural gas) is transported under long-term firm

transportation contracts with FGT. The average annual daily capacity is 94,014 MMBtu/d. FMPA also has firm call rights for an additional annual average of 42,000 MMBtu/d of firm transportation capacity through a long term capacity release arrangement. Firm capacity demand charges are only incurred when this daily capacity call is exercised. FMPA has also contracted for 50,000 MMBtu/d of firm capacity on Transco Gas Pipeline from their Station 85 to FGT to achieve a percentage of supply source diversity; taking advantage of the development of production from shale sourced gas supplies available at Station 85. FMPA has also contracted with the Southern Pines Storage facility currently for 125,000 MMBtu of firm gas storage capacity for operational balancing flexibility as a part of daily gas scheduling. FGU acts as FMPA's agent in the daily management of these natural gas capacity commitments.

Oil Supply. All physical fuel oil purchases are centrally administered by FMPA. Purchases of fuel oil are typically only made to maintain back-up inventories at a level consistent with FMPA's fuel management policies. These inventories provide an alternate fuel source to enhance generator reliability in the event of a natural gas fuel interruption, except at Stock Island, where fuel oil is the primary fuel. The purchases are made on a spot basis and at the then effective market price.

Public Gas Partners, Inc. In November, 2004, FMPA signed an agreement for the benefit of the All-Requirements Power Supply Project with the other current contract parties consisting of six public gas utilities in five different states to form a gas supply agency called Public Gas Partners, Inc. ("PGP"). PGP is formed under Georgia law as a not-for-profit corporation and is tax-exempt for federal tax purposes. PGP was created to secure economical, long-term wholesale natural gas supplies for its seven members in order to stabilize and reduce the cost of natural gas. Current members of PGP, along with FMPA, include Municipal Gas Authority of Georgia, National Public Gas Agency, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. PGP currently produces for FMPA approximately 3.5% of the All-Requirements Power Supply Project's gas requirements which are financially settled with FMPA.

FMPA entered into a Production Sharing Agreement ("PSA") as a participant in PGP Gas Supply Pool No. 1 ("Pool 1") in November 2004 and entered into a PSA as a participant in PGP Gas Supply Pool No. 2 ("Pool 2") in October 2005 with a 22.04% participant share in Pool 1 and a 25.9% participant share in Pool 2. PGP is presently engaged in divesting the reserve assets of both Pool 1 and Pool 2. It is anticipated that these reserve assets will be sold over time, focusing upon the most valuable first and then followed with lessor valued assets with FMPA receiving its proportional share of net proceeds.

Additionally, the PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by 25% in the event of a default by another member.

FMPA does not presently intend to participate in any further acquisition activities through PGP.

Transmission and Dispatch Agreements

Transmission. OUC provides transmission service for delivery of power and energy from FMPA's ownership in Stanton Unit No. 1, Stanton Unit No. 2, Stanton Unit A and the Indian River Units for the All-Requirements Power Supply Project to the FPL and Duke Energy of Florida ("DEF") interconnections with OUC for subsequent delivery to the Participants over the life of the Units. Rates for such transmission wheeling service are based upon OUC's costs of providing such transmission wheeling service and under terms and conditions of the OUC-FMPA firm transmission service contracts for the All-Requirements Power Supply Project. OUC submitted a non-jurisdictional filing to FERC in July 2020 for an increase in OATT transmission rates that went into effect on October 1, 2020. OUC's grandfathered transmission rates were also increased. FMPA anticipates OUC will continue to file for rate increases over the next several years.

FMPA has contracts with DEF, FPL and OUC to transmit the various All-Requirements Power Supply Project resources over the transmission systems of each of these three utilities. The Network Service Agreement with FPL was executed in March 1996 and was subsequently amended to both conform to the FERC pro forma tariff and to add additional members to the All-Requirements Power Supply Project. The FPL agreement provides for network transmission service for the Participants interconnected to FPL's transmission system. The FPL agreement terminates on March 31, 2026, although FMPA has rollover rights to continue service beyond the termination date pursuant to the FPL Open Access Transmission Tariff. The Network Service Agreement with DEF became effective January 1, 2011 and conforms to FERC's pro forma tariff. The DEF agreement provides for network transmission service for the Participants interconnected with DEF's transmission system. The DEF agreement terminates December 31, 2035, subject to successive automatic five-year extensions thereafter, unless at least a one year notice of termination is provided prior to the end of each term.

On August 2, 2019, FPL provided notice for a transmission rate increase. In September 2019, FMPA filed to intervene in the rate increase with FERC. FERC suspended the effective date of the proposed rates until April 2020. During the course of negotiations, FPL agreed to move away from the formula rate concept to multi-year stated rates. FMPA and other FPL transmission customers have concluded negotiations with FPL and a settlement agreement was filed and approved by FERC in April 2021. FPL transmission rates will increase as a result of the proceedings, but are lower than initially filed and anticipated.

In May 2020, DEF submitted an expected annual update to its formula transmission rates. Negotiations have concluded in an agreement on updated rates. FMPA expects DEF transmission rates to increase as a result of the formula update.

In May 2021, DEF submitted another expected annual update to its formula transmission rates. The rate modifications are under review and FMPA expects to dispute certain items included in the proposed rate increases. Even with further revisions, FMPA expects DEF transmission rates to increase as a result of the formula update.

FMPA is a 68% owner of the transmission lines that connect the Cane Island site to the transmission grid with control rights to utilize the full capacity of those transmission lines to serve the All-Requirements Power Supply Project.

Florida Municipal Power Pool

The All-Requirements Power Supply Project is a member of the Florida Municipal Power Pool ("FMPP"). The other members of FMPP are Lakeland and OUC. The FMPP is an operating power pool in which the generating resources of members are centrally dispatched to meet their combined load requirements. The FMPP began operations in 1988. FMPP resources include the members' coal fired generation, gas/oil fired units, ownership interest in nuclear capacity and various firm capacity and partial requirements arrangements with other utilities. Each FMPP member is responsible for maintaining sufficient capacity to serve its own load including an adequate amount of reserves. All FMPP transactions are settled using a "clearing house price" methodology. The resources of FMPP are committed and dispatched by OUC, which handles the day-to-day operations of the FMPP.

The FMPP operates under a three-year agreement that automatically renews until such time as all of the FMPP members elect to terminate the agreement. Any member of FMPP wishing to withdraw must provide at least three years' notice to the other members.

The FMPP Agreement was amended in 2011 to incorporate the dispatch services that were previously supplied to FMPA under contract by OUC. Under the revised agreement, FMPA contracts with FMPP for the dispatch of FMPA's generation resources to serve the loads of the Participants on a continuous real-time basis. The Participant delivery points were removed from the control areas of DEF and FPL, effectively placing the Participants into the FMPP Balancing Authority area, although scheduled power deliveries to the Participants are transmitted to the delivery points over the DEF or FPL transmission systems. In order to integrate the Participants into the FMPP Balancing Authority area, FMPA has equipped each delivery point with a Remote Terminal Unit to collect and transmit necessary real-time load data to the OUC automatic generation control system.

The 2011 amended agreement provides for (i) FMPP to dispatch FMPA's resources to serve the combined loads of the Participants located in DEF's service territory and the Participants located in FPL's service territory; (ii) FMPA installing and maintaining the necessary equipment on the Participants' systems; (iii) OUC installing and maintaining the necessary equipment on its system; and (iv) pricing and payments for services provided.

The All-Requirements Power Supply Project's membership in the FMPP provides several benefits for the All-Requirements Power Supply Project, including the economies of scale of FMPP Balancing Authority operations, the efficiency gains of joint generation dispatch, and the improved reliability of a larger generation fleet. A FMPP marketing group that interacts with the power market on a daily basis provides some non-Participant revenue for the All-Requirements Power Supply Project through the successful purchase or sale of excess energy outside of the FMPP.

Project Operations

For the fiscal year that ended on September 30, 2020, the coincident peak demand of the All-Requirements Power Supply Project, including demand served from Excluded Power Supply Resources, was 1,281 MW. This peak demand was a 1% decrease compared to fiscal year 2019.

For fiscal year 2020, the All-Requirements Power Supply Project produced 5.8 million MWh of billable energy, which was essentially unchanged from fiscal year 2019.

Sales to the Participants in fiscal year 2020 totaled \$390 million, a 7% decrease compared to fiscal year 2019 which was due primarily to lower natural gas costs.

For fiscal year 2020, All-Requirements Power Supply Project power costs billed to Participants were 6.7 cents per kWh, a 7% decrease compared to fiscal year 2019.

For additional information, see "Summary of Operating Results - HISTORICAL OPERATING RESULTS FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT."

Sales to Non-Participants

To increase revenue and, thus, reduce All-Requirements Power Supply Project costs to Participants, FMPA has a strategic goal of selling excess capacity to non-Participants when it is economically feasible, does not jeopardize reliability, and there is an opportunity to do so.

In 2017, FMPA won a bid to supply wholesale power to the City of Bartow, having an approximately 62 MW peak demand. FMPA began supplying the City of Bartow wholesale power on January 1, 2018. For the first three years of the agreement, OUC supplied the first 40 MW of the City of Bartow's power supply needs, and FMPA supplied peaking power to the City of Bartow for its needs

above 40 MW. Beginning January 1, 2021, and continuing through 2023, FMPA will supply Bartow's full-requirements power supply needs. The City of Bartow is not a Participant in the All-Requirements Power Supply Project.

Effective January 1, 2019, under a Power Purchase Agreement ("PPA") that will run for nine years, the All-Requirements Power Supply Project began supplying the City of Winter Park wholesale capacity and energy. In 2019, the All-Requirements Power Supply Project provided 10 MW of baseload capacity and energy to the City of Winter Park. In 2020, the All-Requirements Power Supply Project provided 65 MW (at peak) of capacity and energy on a partial requirement basis. From 2021-2027, the All-Requirements Power Supply Project will continue to serve the City of Winter Park on a partial requirements basis, net of other existing City of Winter Park wholesale power purchase agreements. The City of Winter Park is not a Participant in the All-Requirements Power Supply Project.

Pursuant to a tolling agreement and associated transaction schedule (executed March 27, 2019) that began on July 1, 2019 and will run through December 31, 2023, the All-Requirements Power Supply Project will supply 53 MW of firm energy to Reedy Creek Improvement District. Reedy Creek Improvement District will provide the gas quantity necessary to supply the firm energy to FMPA for use in the All-Requirements Power Supply Project natural gas fleet. This exchange avoids running more costly Reedy Creek Improvement District generation while rendering a financial benefit to the All-Requirements Power Supply Project via utilization of the All-Requirements Power Supply Project's excess generation to provide economic energy. Reedy Creek Improvement District is not a Participant in the All-Requirements Power Supply Project.

Pursuant to a letter of commitment executed on November 13, 2019, under the terms of the Agreement for Interchange Service between FMPA and Tampa Electric Company ("TECO") dated April 1, 1986, for the period of December 1, 2019 through February 29, 2020, FMPA sold TECO 112 MW of firm energy for economy purposes, scheduled each day over the peak hours.

Pursuant to a letter of commitment executed on November 13, 2019, under the terms of the Agreement for Interchange Service between FMPA and TECO dated April 1, 1986, for the period of July 1, 2020 through September 30, 2020, FMPA sold TECO 74 MW of firm energy for economy purposes, scheduled each day over the peak hours.

Pursuant to a letter of commitment executed on November 13, 2019, under the terms of the Agreement for Interchange Service between FMPA and TECO dated April 1, 1986, for the period of December 1, 2020 through February 28, 2021, FMPA sold TECO 150 MW of firm energy for economy purposes, scheduled each day over the peak hours.

Effective January 1, 2020, under a PPA that will run for seven years (2020 through 2026), the All-Requirements Power Supply Project began supplying the City of Homestead with 15 MW of wholesale peaking capacity and energy, scheduled by the City of Homestead at their discretion in coordination with their other wholesale power purchase agreements. The City of Homestead is not a Participant in the All-Requirements Power Supply Project.

Effective January 1, 2021, under a PPA that will run for five years (2021 through 2025), the All-Requirements Power Supply Project began supplying the City of Williston, whose peak demand is approximately 8 MW, its full-requirements power supply needs. The PPA will automatically extend through 2026 in the event the City of Williston does not provide written notice of its election not to extend by March 31, 2025. The City of Williston is not a Participant in the All-Requirements Power Supply Project.

FMPA entered into a services agreement, effective March 31, 2020, with The Energy Authority (TEA) to assist with short-term optimization of the All-Requirements Power Supply Project resources. The services include assistance with resource portfolio position management and mid-term load forecasting, as well as, marketing of excess energy. Informed by the results of analysis performed by TEA pursuant to these services, and supplemented by FMPA's own analysis, FMPA will enter into short-term energy sale confirms with TEA generally on a monthly basis. TEA then markets FMPA's excess energy acting as principal in the transactions utilizing trading agreements between TEA and its counterparties.

Participants

The thirteen active Participants in the All-Requirements Power Supply Project are nine Florida city councils or commissions, a town council, a utility board and two utility authorities listed on page ii hereof. Among the important economic factors to the Participants are agriculture, tourism, retirement and light manufacturing. Each Participant owns and operates its own retail electric distribution system. During the calendar year ended December 31, 2020, these systems sold in the aggregate approximately 6,300 GWh of electric services (including sales to other electric utilities), served approximately 271,000 customer accounts and incurred a coincident peak demand of approximately 1,463 MW (including sales to other electric utilities).

Attached hereto as APPENDIX B is certain information for the following Major Participants in the All-Requirements Power Supply Project – City of Jacksonville Beach, doing business as Beaches Energy Services ("Jacksonville Beach"), Utility Board of the City of Key West, Florida, doing business as Keys Energy Services ("Key West"), Kissimmee Utility Authority ("KUA") and City of Ocala ("Ocala") – each of which provided to FMPA at least 10.0% of the revenues from the All-Requirements Power Supply Project in fiscal year 2020. As set forth in APPENDIX A hereto, certain of the Participants in the All-Requirements Power Supply Project are also participants in various other projects of FMPA. Based on current power supply needs of the other Participants, no additional Participants account for 10% or more of FMPA's revenues from the All-Requirements Power Supply Project. The aggregate payments to FMPA by the Major Participants with respect to the All-Requirements Power Supply Project as of September 30, 2020 were approximately 75.34% of all revenues of the All-Requirements Power Supply Project. As the revenues provided to the All-Requirements Power Supply Project each Participant change from time to time, the Participants that make up the top revenue-providing Participants may also change accordingly. See "– Elections of Certain Participants."

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Participant’s Fiscal Year 2020 Power Supply and Revenue Share

Participant	MW ⁽¹⁾	% of 2020 Revenues
Kissimmee Utility Authority	371	26.93%
City of Ocala	303	23.97
City of Jacksonville Beach	170	12.30
Utility Board of the City of Key West Florida	143	12.14
City of Leesburg	115	8.88
Fort Pierce Utilities Authority	116	8.50
City of Green Cove Springs ⁽³⁾	26	1.85
City of Clewiston	29	1.65
City of Starke	15	0.99
City of Bushnell	12	0.86
City of Fort Meade ⁽²⁾	10	0.78
City of Newberry	10	0.74
City of Lake Worth Beach ⁽⁴⁾	0	0.00
Town of Havana	6	0.41
Total:	1,326	100.00%

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- ⁽¹⁾ Participants’ non-coincident peak demand in fiscal year 2020 (rounded) that is served from the All-Requirements Power Supply Project. This amount includes demand served by excluded resources.
- ⁽²⁾ See “-Election of Certain Participants-Fort Meade” herein for information regarding Fort Meade’s election.
- ⁽³⁾ Green Cove Springs has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which was set at 23.608 MW in December 2019 by the Executive Committee. In 2019, Green Cove Springs approved a supplemental power sales agreement with the ARP Project, for a minimum of 10 years, such that the ARP Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated a CROD. The agreement may be extended beyond the initial 10-year term. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs’ Power Supply Contract is now fixed and will terminate on October 1, 2037.
- ⁽⁴⁾ Lake Worth Beach has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which limitation, pursuant to the terms of its Power Supply Contract, has been calculated as 0 MW. While Lake Worth Beach remains a participant in the All-Requirements Power Supply Project, effective January 1, 2014, it no longer purchases capacity and energy from the All-Requirements Power Supply Project and no longer has a representative on the Executive Committee.

**Major Participants Historical Net Energy Requirements (GWh)
(for native load)**

<u>Fiscal Year (ending 9/30)</u>	<u>Jacksonville Beach</u>	<u>Key West</u>	<u>KUA⁽¹⁾</u>	<u>Ocala</u>
2018	744	746	1,624	1,327
2019	740	786	1,682	1,356
2020	728	771	1,682	1,305

⁽¹⁾See “– Elections of Certain Participants.”

Major Participants Historical Non-Coincident Peak Demand (MW)

<u>Fiscal Year (ending 9/30)</u>	<u>Jacksonville Beach</u>	<u>Key West</u>	<u>KUA⁽¹⁾</u>	<u>Ocala</u>
2018	211	146	356	297
2019	173	145	374	303
2020	170	141	371	302

⁽¹⁾See “– Elections of Certain Participants.”

Contract Rate of Delivery (CROD)

Effective on any January 1 upon at least five years’ prior written notice to FMPA prior to that January 1, a Participant may limit the maximum amount of electric capacity and energy required as All-Requirements Service for the remainder of the term of its Power Supply Contract so as not to exceed the Contract Rate of Delivery (“CROD”). The CROD is the peak demand of a Participant for electric capacity and energy as All-Requirements Service under the Power Supply Contract during the twelve-month period preceding the date one month prior to the date that such limitation shall become effective, adjusted up or down by FMPA by not more than 15%, so as to provide optimal utilization of the FMPA power supply resources, such adjustment to be made by FMPA in its sole discretion, and subject to certain other reductions relating to capacity available from the Participant’s own generating facilities and from contractual arrangements under which the Participant is entitled to receive capacity and energy, including contracts relating to other FMPA projects. As discussed below, each of Green Cove Springs, Lake Worth Beach and Fort Meade has limited its obligations under its respective Power Supply Contract to a CROD that became effective January 1, 2020, January 1, 2014, and January 1, 2015, respectively. In the case of Lake Worth Beach, the CROD is zero. For Green Cove Springs the CROD is 23.608 MW and Fort Meade the CROD is now 9.009 MW. See “– Elections of Certain Participants” below.

Generally, because the calculation of a Participant’s CROD involves reducing a Participant’s peak demand for a period by that Participant’s other power generating capacity, including capacity from FMPA’s other projects, a Participant must have other capacity equal to or greater than its peak demand to achieve a 0 MW CROD. Only Lake Worth Beach has achieved a 0 MW CROD. Currently, no other Participant is expected to be able to achieve such a 0 MW CROD based upon each Participant’s current and forecasted demands and available capacity for each Participant. Additionally, KUA and Key West

have each waived their rights to limit their capacity and energy taken from the All-Requirements Power Supply Project to a CROD. See also “– Elections of Certain Participants” below.

Election of Certain Participants

Green Cove Springs. Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Since January 1, 2020, and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project services Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs’ Power Supply Contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated a CROD. The agreement may be extended beyond the initial 10-year term.

Starke. In 2003, Starke gave FMPA notice of its election to not continue the automatic extension of the term of its Power Supply Contract, under Section 2 of its Power Supply Contract. Upon the expiration of the term of its Power Supply Contract with FMPA on October 1, 2035, Starke will no longer be a Participant in the All-Requirements Power Supply Project.

Fort Meade. Fort Meade has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2015. Based on Fort Meade’s usage between December 2013 and November 2014, the Executive Committee took action in December 2014 to set Fort Meade’s CROD at 10.306 MW, which is the maximum hourly obligation through the remaining term of Fort Meade’s Power Supply Contract. Concurrently with its notice of the CROD limitation, Fort Meade gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract to discontinue the automatic renewal of the term of its Power Supply Contract. The term of Fort Meade’s Power Supply Contract is now fixed and will terminate on October 1, 2041. In 2018, Fort Meade approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Fort Meade as if Fort Meade had not effectuated CROD. Commensurate with this agreement, the FMPA Executive Committee adjusted Fort Meade’s CROD downward to 9.009 MW, in accordance with the Power Supply Contract. The agreement may be extended beyond the initial 10-year term.

Lake Worth Beach. Lake Worth Beach has elected to limit its All-Requirements Service to a CROD, as permitted by the Power Supply Contract. The limitation commenced January 1, 2014. The CROD was determined to be 0 MW. In addition, in conjunction with the withdrawal of Vero Beach from the All-Requirements Power Supply Project and as a Member of FMPA, Lake Worth Beach and FMPA have entered an agreement that FMPA will not attribute any associated costs incurred by FMPA, with respect to the Vero Beach withdrawal from the All-Requirements Power Supply Project, to Lake Worth Beach as costs for All-Requirements Services for so long as Lake Worth Beach is a 0 MW CROD Participant, and not purchasing electric capacity and energy from the All-Requirements Power Supply Project.

Vero Beach. Vero Beach elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2010. In December 2009, the amount of capacity and energy that Vero Beach was obligated to purchase under this limitation of its Power Supply Contract was determined to be 0 MW. Additionally, effective January 1, 2010, the Capacity and Energy Sales Contract between Vero Beach and FMPA terminated.

On October 24, 2017, Vero Beach entered into an agreement (the "Sale Agreement") to sell its electric utility system to FPL (the "Sale"). Vero Beach provided notice to FMPA, in accordance with the terms of the Power Supply Contract, that the terms of the Sale required Vero Beach to terminate its Power Supply Contract and withdraw from the All-Requirements Power Supply Project effective upon the closing of the Sale. On December 17, 2018, Vero Beach completed the Sale and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, its interests as a participant in certain of FMPA's power supply projects. Prior to the Sale, Vero Beach had a 32.521% power entitlement share (21.3 MW) in the Stanton Project, a 16.4887% power entitlement share (17.2 MW) in the Stanton II Project and a 15.202% power entitlement share (13.2 MW) in the St. Lucie Project.

Status of Certain Generation Units Owned by Participants

KUA. Effective October 1, 2008, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract with KUA whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all KUA-owned or purchased generation assets (including KUA's ownership interest in Stanton Unit No. 1 and Indian River Units A & B, and its ownership interest and purchase power entitlements in Stanton Unit A) and agreed to pay to KUA agreed-upon fixed annual capacity payments over preset periods relating to each asset beginning in fiscal year 2009. The contract was amended on July 1, 2019 to extend certain payments with a present value of \$10.7 million. As of March 1, 2021, the remaining liability is \$95,742,383 resulting in \$114,990,192 in fixed payments remaining to be paid by FMPA. The revised, amended and restated contract provides the All-Requirements Power Supply Project the right to retire KUA's generation assets at any time during the term of the contract, without shortening the applicable fixed payment term. Through fiscal year 2021, the fixed annual capacity payment is \$17,254,752, and after fiscal year 2021 certain of the payments will vary depending on historical utilization for Cane Island Units 1 and 2. If the All-Requirements Power Supply Project elects not to retire Cane Island Units 1-3 after the initial payment period for each unit, payments under the contract will be linked to an agreed-upon capacity price and a calculated service factor that is based on the unit's average annual usage level over the preceding three years. KUA also waived its right to elect CROD in the revised, amended and restated contract.

Key West. Effective January 1, 2011, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all Key West-owned generation assets and agreed to pay to Key West \$6.7 million in fixed annual capacity payments of \$670,000 each January 1 from 2011 through 2020, which was paid in full December 2019. Key West conveyed its interest in its generation assets to FMPA. The revised, amended and restated contract provided the All-Requirements Power Supply Project the right to retire Key West's generation assets at any time during the term of the contract, subject to the 60% on-island capacity requirement. FMPA is contractually obligated to meet approximately 60% (or lower, as mutually agreed to by FMPA and Key West) of Key West's weather normalized firm load with on-island generation over the term of the Key West Power Supply Contract, so long as Key West is purchasing its full-requirements from the All-Requirements Power Supply Project. Key West also waived its right to elect CROD in the revised, amended and restated contract.

Senior Outstanding Indebtedness

As of June 1, 2021, FMPA has \$773,370,000 principal amount of senior bonds outstanding in the following amounts with respect to the All-Requirements Power Supply Project:

\$92,555,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2015B

\$385,705,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2016A

\$69,625,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A

\$50,700,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)

\$57,790,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2018A

\$75,220,000 of outstanding All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019A

\$5,055,000 All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019B (Federally Taxable)

\$36,720,000 All-Requirements Power Supply Project Revenue Bonds, Series 2021A

Subordinated Indebtedness

The All-Requirements Power Supply Project bond resolution authorizes FMPA to incur subordinated indebtedness ("Subordinated Debt") in an unlimited amount for any lawful purpose of FMPA related to the All-Requirements Power Supply Project. All Subordinated Debt will be junior and subordinate as to security and source of payment to the bonds issued under the All-Requirements Power Supply Project bond resolution, including all Additional Bonds. On April 27, 2021, FMPA issued its \$100,495,000 All-Requirements Power Supply Project Subordinate Revenue Bonds, Series 2021B (Federally Taxable) (the "Series 2021B Subordinated Bonds"), which are considered Subordinated Debt. The Series 2021B Subordinated Bonds were issued for the purpose of providing liquidity to FMPA to replace the liquidity provided to FMPA and to expand the purposes for which the previous lines of credit could be utilized by FMPA. Upon the issuance of the Series 2021B Subordinated Bonds, FMPA provided termination notices to the providers of the previous lines of credit for the purpose of terminating the previous lines of credit. The purposes for which the proceeds of the Series 2021B Subordinated Bonds may be used are as follows: (a) the purchase or redemption of Senior Bonds and expenses in connection with the purchase or redemption of such Senior Bonds or any reserves which FMPA determines shall be required for such purposes, (b) payment of Operation and Maintenance Expenses or credit to the Working Capital Account in the Operation and Maintenance Fund for application to the purposes of that Account, (c) payment of the Cost of Acquisition and Construction of the System, and (d) transfer to the credit of the Renewal and Replacement Account or the Contingency Account in the Reserve and Contingency Fund for the purposes thereof.

FMPA previously maintained two lines of credit that constituted Subordinated Debt and that were outstanding to pay operating and maintenance costs, including posting collateral as may be required by fuel and interest rate hedges. As of April 30, 2021, both lines of credit have been terminated.

Debt Service Requirements for the All-Requirements Power Supply Project

The following table shows the debt service requirements for the outstanding bonds for the All-Requirements Power Supply Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

Period Ending October 1,	Aggregate Debt Service on Outstanding All-Requirements Power Supply Senior Bonds	Aggregate Debt Service on Outstanding All-Requirements Power Supply Subordinate Bonds
2021	\$90,068,130.85	\$612,600.77
2022	75,071,464.85	1,432,053.76
2023	74,973,900.45	1,432,053.76
2024	74,981,255.20	1,432,053.76
2025	87,080,647.85	1,432,053.76
2026	87,430,887.50	101,927,053.76
2027	90,479,637.50	
2028	101,255,750.00	
2029	101,016,750.00	
2030	105,155,900.00	
2031	95,731,850.00	
2032	19,461,600.00	
2033	18,910,800.00	
Total	\$1,021,618,574.20	\$108,267,869.57

Historical Capacity Requirements and Resources

The historical All-Requirements Power Supply Project capacity requirements and resources for the years ending September 30 are summarized in the following table.

HISTORICAL CAPACITY REQUIREMENTS AND RESOURCES

<u>Project Requirements (MW)</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Coincident Peak Demand ⁽¹⁾	1,239	1,292	1,281
 <u>Project Resources (MW)</u>			
St. Lucie Unit No. 2 ⁽²⁾	35	48	48
Stanton Unit 1 ⁽⁶⁾	92	92	118
Stanton Unit 2 ⁽⁶⁾	85	105	105
Cane Island Unit 1	17	17	17
Cane Island Unit 2 ⁽³⁾	54	54	54
Cane Island Unit 3	120	120	120
Cane Island Unit 4	300	300	300
Indian River Units A & B	25	25	25
Indian River Units C & D	44	44	44
Stock Island Unit 2 & 3	30	30	30
Stock Island Unit 4	46	46	46
Treasure Coast Energy Center			
Unit 1	300	300	300
Key West Native Generation ⁽³⁾	37	37	37
Kissimmee Native Generation ⁽³⁾	200	200	200
Stanton A ⁽⁴⁾	122	125	125
Oleander ⁽⁴⁾	162	162	162
All-Requirements Power Supply			
Solar	0	0	0
Short-term Purchases	<u>0</u>	<u>0</u>	<u>0</u>
Total Resources (MW)	<u>1,667</u>	<u>1,705</u>	<u>1,731</u>
Total Project Reserve Percentage ⁽⁵⁾	35%	32%	35%

(1) Peak demands are at the delivery point level (summer season) and exclude sales to Non-Participants.

(2) The capacity for fiscal year 2018 represents the aggregate amount of capacity from St. Lucie Unit No. 2 for Participants in the All-Requirements Power Supply Project who are also participants in the St. Lucie Project which capacity is an excluded resource under the Power Supply Contracts. For 2019 and beyond, the amount shown also includes approximately 13 MW of capacity for which the All-Requirements Power Supply Project took assignment from Vero Beach.

(3) Capacity and Energy purchase.

(4) Capacity shown for Stanton A and Oleander includes amounts purchased under contracts from NextEra subsidiaries.

(5) Reserve Margin calculated as ((Total Resources – Partial Requirements Purchases) – (Total Requirements – Partial Requirements Purchases)) / (Total Requirements – Partial Requirements Purchases). Volatility in the All-Requirements Power Supply Project reserve margin is directly related to volatility in peak demand. Planning for future capacity requires that resources be added to reflect expected long-term increases in demand. This may cause volatility in the reserve margin, but is more practical than adding smaller resources more frequently. The All-Requirements Power Supply Project has the added complexity of being divided into different transmission areas; providing adequate resources to meet demand in each of the transmission areas can cause some volatility in the reserve margin for the All-Requirements Power Supply Project as a whole.

(6) In 2020, both Stanton Unit 1 and Stanton Unit 2 had their turbines replaced, which increased the maximum plant capacity output.

Numbers may not add due to rounding.

Summary Operating Results

The following table summarizes the historical operating results for the All-Requirements Power Supply Project for the Fiscal Years ending September 30, 2018 through September 30, 2020.

HISTORICAL OPERATING RESULTS FOR THE ALL-REQUIREMENTS POWER SUPPLY PROJECT⁽¹⁾ (Dollars in Thousands)

	Fiscal Year Ending September 30,		
	2018	2019	2020
REVENUES:			
Participant Billings	\$406,073	\$419,721	\$390,242
Interest Income ⁽²⁾	2,739	4,307	1,570
General Reserve Funds used to Payoff Maturities ⁽¹⁴⁾			15,235
Due from (to) Participants ⁽³⁾	7,288	889	(2,775)
Sales to Others ⁽⁵⁾	29,883	43,166	46,539
Total Revenues	\$445,983	\$468,083	\$450,811
OPERATING EXPENSES:			
Fixed Payment Obligations	\$19,738	\$19,738	\$19,738
Fixed Operating and Maintenance ⁽⁶⁾	61,398	79,383	82,078
Fuel Costs ⁽⁷⁾	185,900	189,548	151,448
Purchased Power	23,561	28,034	29,509
General Administrative and Other ⁽⁸⁾	22,029	23,922	23,510
Transmission ⁽⁹⁾	28,661	29,658	35,492
Total Operating Expenses	\$341,287	\$370,283	\$341,775
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:			
Debt Service ⁽¹⁰⁾⁽¹¹⁾	\$104,696	\$97,800	\$109,036
Net Available for Other Purposes(including the Series 2021B Subordinated Bonds) ⁽¹²⁾	91,610	91,103	105,103
Net Sales to Participants (GWh)	\$13,086	\$6,697	\$3,933
Net Sales to Participants (GWh)	5,664	5,893	5,798
Net Power Costs to Participants (Cost/MWh) ⁽¹³⁾	\$72.97	\$71.37	\$66.83
Days Cash on Hand	177	176	149

(1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.

(2) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPP's audited financial statements to provide a cash-based amount for this presentation.

(3) Accounts receivable from/(payable to) Participants due to under/(over) recoveries.

(4) Amounts that will be refunded to or collected from the Participants in fiscal year 2020.

(5) Sales to Others in 2018 included sales of \$18,048,000 to FMPP, in 2019 included sales of \$17,853,000 to FMPP and in 2020 included sales of \$12,512,000 to FMPP.

(6) FMPP's share of operation and maintenance expenses, excluding fuel, allocated to the All-Requirements Power Supply Project.

(7) This amount was adjusted from the corresponding amount reflected in FMPP's audited financial statement by removing a non-cash amortization for an investment in Public Gas Partners, Inc.

(8) Administrative and general expenses for OUC, KUA, FMPP and NextEra allocated to the All-Requirements Power Supply Project.

(9) Includes transmission charges over the transmission systems of FPL, DEF and OUC.

(10) Amounts paid from Revenues with respect to principal of and interest on Bonds and any other indebtedness issued under the Resolution.

(11) Amounts funded in fiscal year 2020 for interest and principal on the bonds plus swap payments, differs from financial statement as all accruals have been removed from this number.

- (12) Net Available for Other Purposes reflects the impact of accrual accounting on a cash-basis rate and budget process.
- (13) Net power costs are driven primarily by changes in fuel costs.
- (14) General Reserve Funds were used to pay down Series 2009B Bonds.

Numbers may not add due to rounding.

For condensed balance sheets of the Major Participants, see APPENDIX B – “THE MAJOR PARTICIPANTS”.

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PART II ST. LUCIE PROJECT

The information in this Part II is intended to provide information with respect to FMPA's St. Lucie Project.

General

The St. Lucie Project consists of an 8.806% undivided ownership interest of FMPA in St. Lucie Unit No. 2, a pressurized water nuclear generating unit with a summer seasonal net capacity of approximately 984 MW ("St. Lucie Unit No. 2"). St. Lucie Unit No. 2 is part of FPL's two-unit nuclear generating station located in St. Lucie County, Florida. St. Lucie Unit No. 2 was constructed and is operated by FPL. In addition to St. Lucie Unit No. 2, FPL also owns and operates, as part of the St. Lucie nuclear generating station, the St. Lucie Unit No. 1 pressurized water nuclear electric generating unit which has a summer net capacity of approximately 978 MW ("St. Lucie No. 1"). St. Lucie Units No. 1 and 2 are similar units.

The St. Lucie Project also is party to a Reliability Exchange between FMPA and FPL under which FMPA exchanges with FPL 50% of its share of the output from St. Lucie Unit No. 2 for a like amount from St. Lucie Unit No. 1 in order to provide output when St. Lucie Unit No. 2 is out of service. The result of this exchange is that if St. Lucie Unit No. 2 is out of service, FMPA obtains 50% of its entitlement from St. Lucie Unit No. 1, and if St. Lucie Unit No. 1 is out of service 50% of FMPA's entitlement from St. Lucie Unit No. 2 is provided to FPL. The Reliability Exchange initially expired on the earlier of (a) the retirement of St. Lucie Units No. 1 and No. 2, and (b) October 1, 2017. However, FMPA and FPL have agreed to extend the reliability arrangements beyond the initial expiration date of October 1, 2017 to October 1, 2022, although either party has the unilateral right to terminate the agreement upon 60 days' notice.

Availability

St. Lucie Unit No. 2. St. Lucie Unit No. 2 began commercial operation in August 1983. The capacity factor has averaged 84.6% since that time. For the last five fiscal years, the capacity factor has ranged from a low of 88.9% in 2017, to a high of 99.2% in 2020. The capacity factor for 2020 was 99.2%.

In addition to the ownership of FMPA in St. Lucie Unit No. 2 representing FMPA's St. Lucie Project, the other co-owners of undivided ownership interests in St. Lucie Unit No. 2 are (i) FPL, which owns 85.10449% and (ii) OUC, which owns 6.08951%.

St. Lucie Unit No. 1. St. Lucie Unit No. 1 began commercial operation in December 1976. The capacity factor has averaged 88.9% since the Reliability Exchange commenced in August 1983. For the last five fiscal years, the capacity factor has ranged from a low of 79.3% in 2019 to a high of 88.9% in 2020. The capacity factor in 2020 was 88.9%.

The term of the operating licenses for St. Lucie Unit No. 1 and St. Lucie Unit No. 2 are currently scheduled to expire in 2036 and 2043, respectively, as the result of the Nuclear Regulatory Commission ("NRC") granting 20-year operating license renewals for each unit. FPL has indicated that it plans to operate into the extended license periods and that it will periodically review the prudence and economics of continued operations. FMPA may issue bonds relating to the St. Lucie Project to finance its portion of the costs associated with any further extensions.

Transmission of Power

FMPA has contracts with FPL and OUC to transmit power and energy from St. Lucie Units No. 1 and No. 2 to the Participants in the St. Lucie Project. During 2016, the transmission contract with FPL was amended to extend the agreement to October 1, 2042, unless terminated earlier upon mutual agreement of the parties or upon the retirement of St. Lucie No. 2. The transmission contract with OUC ends in 2023 or such earlier time as FMPA is no longer entitled to receive output from the St. Lucie Project. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Transmission and Dispatch Agreements" for more details on transmission rate increases.

FPL is responsible for obtaining the fuel for both St. Lucie Units No. 2 and No. 1. FPL supplements wet storage of spent fuel assemblies for St. Lucie with a dry storage process utilizing dry storage containers encased in concrete. This process extends FPL's capability to store spent fuel indefinitely.

Debt

All debt of FMPA issued for the St. Lucie Project is payable from amounts payable by the Participants in the St. Lucie Project under Power Sales Contracts and Project Support Contracts as briefly described above under the heading "INTRODUCTION – Power Sales Contracts, Project Support Contracts and All-Requirements Project Power Supply Power Supply Contracts." Each Participant in the St. Lucie Project is responsible under its respective Power Sales Contract and Project Support Contract for the costs of the St. Lucie Project in the amount of its participation share in the St. Lucie Project as shown in APPENDIX A.

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach's 15.202% Power Entitlement Share (13.2 MW) in the St. Lucie Project. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT –Vero Beach" for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

Participants

The fifteen Participants in the St. Lucie Project, as of September 30, 2020, are eleven Florida cities, one utility commission and two utility authorities listed on page iv hereof, plus the All-Requirements Power Supply Project, as transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA. Among the important economic factors to the Participants are agriculture, tourism, retirement and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2020, these systems sold in the aggregate approximately 8,340 GWh of electric services (including sales to other electric utilities), served approximately 359,595 customers, and incurred a non-coincident peak demand of approximately 1,809 MW. Effective as of December 17, 2018, the All Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach related to the St. Lucie Project.

Attached hereto as APPENDIX B is certain information for the following Major Participants in the St. Lucie Project – Fort Pierce Utilities Authority, City of Homestead, Kissimmee Utility Authority, City of Lake Worth Beach, Utilities Commission and City of New Smyrna Beach– each of which provided to FMPA at least 10.0% (or in some cases, less than 10%) of the revenues from the St. Lucie Project in fiscal year 2020. Please see Part I for certain information regarding the All-Requirements Power supply Project, which also provided to FMPA at least 10.0% of the revenues from the St. Lucie Project in fiscal year 2020. As set forth in APPENDIX A hereto, the Participants in the St. Lucie Project are also participants in

various other projects of FMPA. OUC operates the system of St. Cloud. As a result, no separate information is available with respect to St. Cloud.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the six Major Participants in the St. Lucie Project.

**Major Participants Historical Net Energy Requirements (GWh)
(for native load)**

Fiscal Year (ending 9/30)	<u>Fort Pierce</u>	<u>Homestead</u>	<u>KUA</u>	Lake Worth <u>Beach</u>	New Smyrna <u>Beach</u>	<u>Vero Beach</u>
2018	573	578	1,624	473	439	751 ⁽¹⁾
2019	578	642	1,682	474	451	N/A ⁽²⁾
2020	591	609	1,682		463	N/A ⁽²⁾

⁽¹⁾ Shown for historical purposes.

⁽²⁾ The All Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach.

Major Participants Historical Non-Coincident Peak Demand (MW)

Fiscal Year (ending 9/30)	<u>Fort Pierce</u>	<u>Homestead</u>	<u>KUA</u>	Lake Worth <u>Beach</u>	New Smyrna <u>Beach</u>	<u>Vero Beach</u>
2018	112	109	356	95	108	162 ⁽¹⁾
2019	113	115	374	97	105	N/A ⁽²⁾
2020	116	117	371		103	N/A ⁽²⁾

⁽¹⁾ Shown for historical purposes.

⁽²⁾ The All Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach.

Outstanding Indebtedness

As of June 1, 2021, FMPA had outstanding \$93,815,000 of senior bonds for the St. Lucie Project, the final maturity of which is October 1, 2026. As of March 31, 2021, FMPA, with respect to the St. Lucie Project, had on deposit securities with a maturity value of approximately \$87,139,485 million, and FMPA anticipates that a portion of these funds will be used to retire the senior bonds issued for the St. Lucie Project on or before October 1, 2026.

As of June 1, 2021, FMPA has outstanding the following principal amounts of bonds related to the St. Lucie Project:

- \$2,180,000 of outstanding St. Lucie Project Revenue Bonds, Series 2010
- \$24,305,000 of outstanding St. Lucie Project Revenue Bonds, Series 2011B
- \$58,870,000 of outstanding St. Lucie Project Revenue Bonds, Series 2012A
- \$8,460,000 of outstanding St. Lucie Project Revenue Bonds, Series 2013A

Debt Service Requirements for the St. Lucie Project

The following table shows the debt service requirements for the outstanding bonds for the St. Lucie Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

Period Ending <u>October 1,</u>	Debt Service on <u>Outstanding St. Lucie Project Bonds</u>
2021	\$7,913,629.00
2022	10,088,433.50
2023	10,085,942.00
2024	10,086,495.00
2025	10,084,831.00
2026	<u>68,956,086.50</u>
TOTAL	<u>\$117,215,417.00</u>

Summary Operating Results

Operating results of the St. Lucie Project for the fiscal years ended September 30, 2018 through September 30, 2020, are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the St. Lucie Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the St. Lucie Project and any other indebtedness issued under the St. Lucie Resolution.

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HISTORICAL OPERATING RESULTS⁽¹⁾
FOR THE ST. LUCIE PROJECT*
(Dollars in Thousands)

	Fiscal Year Ending September 30,		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:			
Participant Payments ⁽²⁾	\$53,678	\$54,748	\$53,687
Investment Income ⁽³⁾	20,148	8,086	6,493
Debt Service Funds used to Payoff Maturities ⁽¹⁶⁾			12,010
Sales to Others ⁽⁴⁾	2,470	2,892	2,284
Amount to be recovered from (refunded to) Participants	<u>332</u>	<u>(4,777)</u>	<u>(3,116)⁽⁵⁾</u>
Total Operating Revenues	<u>\$76,628</u>	<u>\$60,949</u>	<u>\$71,358</u>
OPERATING EXPENSES:			
Operating and Maintenance ⁽⁶⁾	\$10,953	\$7,594	\$10,026
Fuel Purchase and Disposal ⁽⁷⁾	0	0	0
Purchased Power ⁽⁴⁾	3,540	3,116	2,894
General and Administrative ⁽⁸⁾	3,278	2,722	2,700
Transmission Services ⁽⁹⁾	<u>350</u>	<u>350</u>	<u>408</u>
Total Operating Expenses	<u>\$18,121</u>	<u>\$13,782</u>	<u>\$16,028</u>
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:			
	\$58,507	\$47,167	\$55,330
Debt Service ⁽¹⁰⁾	<u>22,671</u>	<u>19,966⁽¹¹⁾</u>	<u>15,650⁽¹⁵⁾</u>
Net Available for Other Purposes	<u>\$35,836</u>	<u>\$27,201</u>	<u>\$39,680</u>
Transfer to:			
Renewal and Replacement ⁽¹²⁾	4,500	5,500	7,500
General Reserve ⁽¹³⁾	7,300	6,600	0
Overall Participants:			
Project Power Costs (Mills/Kwh) ⁽¹⁴⁾	78	80	77
Energy Generated (GWh)	691	683	697
Capacity Factor of the St. Lucie Power Supply Project	89.3	88.4	89.1

* Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the St. Lucie Project.
- (3) Investment earnings on balances in all funds and accounts, except the Decommissioning Fund. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) Reflects sales from and purchases by FPL under the Nuclear Reliability Exchange Agreement.
- (5) Amounts that will be refunded to or collected from the Participants in fiscal year 2021.

- (6) FMMPA's share of operation and maintenance expenses, excluding fuel, allocated to the St. Lucie Project.
- (7) FMMPA's share of fuel purchase payments plus disposal payments for fuel burned.
- (8) Administrative and general expenses for FPL and FMMPA allocated to the St. Lucie Project.
- (9) Includes wheeling charges over the transmission systems of FPL and OUC for the St. Lucie Project.
- (10) Amounts paid from Revenues with respect to principal and interest on the St. Lucie Project Bonds and any other indebtedness issued under the St. Lucie Resolution.
- (11) Amounts funded in fiscal year 2019 for interest and principal on the bonds plus swap payments, differs from financial statement as all accruals have been removed from this number.
- (12) Amounts budgeted to be set aside for FMMPA's estimated share of the estimated future costs of renewal and replacements for the St. Lucie Project. Actual amounts may vary from the budget.
- (13) A substantial portion of the General Reserve is anticipated to be used for the redemption of St. Lucie Bonds; however, such funds may be used by FMMPA for any legal purpose related to the St. Lucie Project.
- (14) Participant payments (\$) divided by energy generated (GWh).
- (15) Amounts funded in fiscal year 2020 for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
- (16) Debt Service Funds were used to pay maturing debt.

Numbers may not add due to rounding.

PART III STANTON PROJECT

The information in this Part III is intended to provide information with respect to FMPA's Stanton Project.

General

The Stanton Project consists of a 14.8193% undivided ownership interest of FMPA in Stanton Unit No. 1. Stanton Unit No. 1 is one of the two-unit coal fired electric generators at the Stanton Energy Center. Stanton Unit No. 1 was constructed, and is operated, by the Orlando Utilities Commission ("OUC"), a part of the government of the City of Orlando. Power from the Stanton Project is transmitted to the Participants utilizing the transmission systems of OUC and FPL under the respective contracts with each system.

Stanton Unit No. 1 Ownership

In addition to the ownership of FMPA in Stanton Unit No. 1 representing FMPA's Stanton Project, the other co-owners of undivided ownership interests in Stanton Unit No. 1 are (i) OUC, which owns 68.5542%, (ii) FMPA, which owns 5.3012% as part of the Tri-City Project discussed below, (iii) FMPA, which owns 6.506% as part of the All-Requirements Power Supply Project, and (iv) KUA, which owns 4.8193%.

Debt

All debt of FMPA issued for the Stanton Project is payable from amounts payable by the Participants in the Stanton Project under power sales contracts and project support contracts as briefly described above under the heading "INTRODUCTION – General." Each Participant in the Stanton Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Stanton Project in the amount of its participation share in the Stanton Project as shown in APPENDIX A subject to applicable step-up provisions.

Availability

Stanton Unit No. 1 began commercial operation on July 1, 1987. The availability factor has averaged 86.7% since that time. For the last five fiscal years, the availability factor has ranged from a low of 61.8% in 2016 to a high of 90.4% in 2018. The availability factor in fiscal year 2020 was 78.1%. For the last five fiscal years, Stanton Project average power costs billed to its participants have ranged from approximately 8.3 to 14.2 cents per kWh, and were 10.0 cents per kWh for fiscal year 2020.

Cooling water for the Stanton Unit No. 1 is provided by the Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

Fuel

See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Stanton Units."

Participants

The six Participants in the Stanton Project, as of September 30, 2020, are the three Florida cities and two utility authorities listed in on page iv hereof, plus the All-Requirements Power Supply Project, as

transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA. Among the important economic factors to the Participants are agriculture, tourism, retirement and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2020, these systems served approximately 324,449 customers, and incurred a non-coincident peak demand of approximately 1,671 MW. Effective as of December 17, 2018, the All Requirements Project is now a transferee and assignee of all contracts and associated obligations previously held by Vero Beach related to the Stanton Project.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Stanton Project, see "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Member Contributed Resources." The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Stanton Project, except for Vero Beach's transfer and assignment to the All-Requirements Power Supply Project.

After the execution of the original Power Sales Contract and Power Support Contract relating to the Stanton Project, KUA entered into a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.95%) of Homestead's 24.930% Power Entitlement Share in the Stanton Project (the Power Entitlement Shares transferred to KUA from Homestead is called the "Homestead Stanton Transferred Share").

In connection with the transfer of the Homestead Stanton Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an "Additional Stanton Power Sales Contract") and an additional Project Support Contract (an "Additional Stanton Project Support Contract"). Under each Additional Stanton Power Sales Contract and Additional Stanton Project Support Contract, Homestead is relieved of its obligations (including their payment obligations) with respect to the Homestead Transferred Share if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

Transmission Agreements

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach's Power Sales and Project Support Contracts for its 32.521% Power Entitlement Share (21.3 MW) in the Stanton Project. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach" for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

Attached hereto as APPENDIX B is certain information for the following Major Participants in the Stanton Project – Fort Pierce Utilities Authority, Kissimmee Utility Authority, Homestead and City of Lake Worth Beach each of which provided to FMPA at least 10.0% of the revenues from the Stanton Project in fiscal year 2019. As set forth in APPENDIX A hereto, the Participants in the Stanton Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the Major Participants of the Stanton Project.

**Major Participants Historical Net Energy Requirements (GWh)
(for native load)**

Fiscal Year (ending 9/30)	Lake Worth				
	<u>Fort Pierce</u>	<u>Beach</u>	<u>Vero Beach</u>	<u>Homestead</u>	<u>KUA</u>
2018	573	473	751 ⁽¹⁾	578	1,624
2019	578	474	N/A ⁽²⁾	642	1,682
2020	591		N/A ⁽²⁾	609	1,682

⁽¹⁾ Shown for historical purposes.

⁽²⁾ Not a Major Participant in 2019 or 2020.

Major Participants Historical Non-Coincident Peak Demand (MW)

Fiscal Year (ending 9/30)	Lake Worth				
	<u>Fort Pierce</u>	<u>Beach</u>	<u>Vero Beach</u>	<u>Homestead</u>	<u>KUA</u>
2018	112	95	162 ⁽¹⁾	109	356
2019	113	97	N/A ⁽²⁾	115	374
2020	116		N/A ⁽²⁾	117	371

⁽¹⁾ Shown for historical purposes.

⁽²⁾ Not a Major Participant in 2019 or 2020.

Outstanding Indebtedness

As of June 1, 2021, FMPA had no outstanding senior bonds or subordinated debt for the Stanton Project.

Debt Service Requirements for the Stanton Project

None

Summary Operating Results

Operating results of the Stanton Project for the fiscal years ended September 30, 2018 through September 30, 2020 are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the Stanton Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the amount paid from Revenues with respect to principal of and interest on Bonds for the Stanton Project and any other indebtedness issued under the Stanton Resolution.

HISTORICAL OPERATING RESULTS⁽¹⁾
FOR THE STANTON PROJECT*
(Dollars in Thousands)

	Fiscal Year Ending		
	September	30	
	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:			
Participant Billings ⁽²⁾	\$28,027	\$32,521	\$22,955
Sales to Others	352	360	378
Interest Income ⁽³⁾	324	448	100
Debt Service Funds used to Payoff Maturities ⁽⁴⁾			9,225
Due from (to) Participants ⁽⁴⁾	<u>176</u>	<u>(1,319)</u>	<u>(708)⁽⁵⁾</u>
Total Revenues	<u>\$28,879</u>	<u>\$32,010</u>	<u>\$31,950</u>
OPERATING EXPENSES:			
Fixed O&M ⁽⁶⁾	\$4,702	\$5,134	\$5,384
Fuel Costs	11,625	11,132	7,934
General Administrative and Other ⁽⁷⁾	1,382	1,562	1,342
Transmission ⁽⁸⁾	<u>1,176</u>	<u>1,170</u>	<u>1,289</u>
Total Operating Expenses	<u>\$18,885</u>	<u>\$18,998</u>	<u>\$15,949</u>
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:			
	\$9,994	\$13,012	\$16,001
Debt Service ⁽⁹⁾	<u>9,044</u>	<u>9,036⁽¹⁰⁾</u>	<u>9,225⁽¹³⁾</u>
Net Available for Other Purposes	<u>\$950</u>	<u>\$3,976</u>	<u>\$6,776</u>
Transfer to:			
Renewal and Replacement ⁽¹¹⁾	1,500	6,000	5,000
General Reserve	0	0	0
Overall Participants:			
Project Power Costs (Mills/Kwh) ⁽¹²⁾	83	98	100
Energy Generated (GWh)	336	332	229
Availability Factor of the Stanton Project	85.7	82.0	78.1

* Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements.

(1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.

(2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Stanton Project.

(3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.

(4) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.

(5) Amounts that will be refunded to or collected from the Participants in fiscal year 2021.

(6) FMPA's share of operation and maintenance expenses, excluding fuel, transmission, general administrative costs and depreciation allocated to the Stanton Project.

- (7) Administrative and general expenses for OUC and FMPA allocated to the Stanton Project.
- (8) Includes transmission charges over the transmission systems of FPL and OUC.
- (9) Amounts paid from Revenues with respect to principal and interest on the Stanton Project Revenue Bonds and any other indebtedness issued under the Stanton Resolution.
- (10) Amounts funded in fiscal year 2019 for interest and principal on the bonds plus swap payments, differs from financial statement as all accruals have been removed from this number.
- (11) Amounts budgeted to be set aside for FMPA's estimated share of the estimated future costs of renewal and replacements for the Stanton Project. Actual amounts may vary from the budget.
- (12) Participant payments (\$) divided by energy generated (GWh). Average costs shown do not reflect costs or adjustment to the Participants' Stanton Unit No. 1 capacity and energy for transmission losses to the Participants' point of delivery.
- (13) Amounts funded in fiscal year 2020 for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
- (14) Debt Service Funds were used to pay maturing debt.

Numbers may not add due to rounding.

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PART IV STANTON II PROJECT

The information in this Part IV is intended to provide information with respect to FMPA's Stanton II Project.

General

The Stanton II Project consists of a 23.2367% undivided ownership interest of FMPA in the Stanton Energy Unit No. 2. Stanton Unit No. 2 is the second of the two-unit coal fired electric generators at the Stanton Energy Center of OUC. Stanton Unit No. 2 was constructed, and is operated by, OUC. Power from the Stanton II Project is transmitted to the Participants utilizing the transmission systems of OUC, FPL and DEF under the respective contracts with each system.

Stanton Energy Center

Stanton Unit No. 2 is located at the Stanton Energy Center. Stanton Unit No. 2 is a coal-fired electric generating facility with a current normal high dispatch limit of 429 MW and was placed in service in June 1996. Stanton Unit No. 1 is a coal-fired electric generating facility with a current normal high dispatch limit of 425 MW and was placed in service on July 1, 1987. Stanton Unit No. 1 is not part of the Project. Stanton Unit A is a 633 MW combined cycle unit and was placed in service in October 2003. Stanton Unit A is jointly owned by the Southern Company-Florida (operator), the All-Requirements Project, OUC and KUA. Stanton Unit A is also not part of the Project.

Description of Stanton Unit No. 2

Stanton Unit No. 2 was constructed and is operated by OUC. Major items of equipment for Stanton Unit No. 2 include the pulverized coal fueled steam generator manufactured by Babcock and Wilcox; a steam turbine generator manufactured by Westinghouse Electric Company; an electrostatic precipitator for particulate removal manufactured by Wheelabrator-Frye; a flue gas scrubber manufactured by Combustion Engineering; and a natural draft cooling tower manufactured by Marley Company.

Cooling water for Stanton Unit No. 2 is provided by Orange County, Florida Eastern Sub-Regional Wastewater Treatment Plant under an agreement between OUC and Orange County.

Stanton II Ownership

In addition to the ownership of FMPA in Stanton Unit No. 2 representing FMPA's Stanton II Project, the other co-owners of undivided ownership interests in Stanton Unit No. 2 are (i) OUC, which owns 71.5909%, and (ii) FMPA, which also owns 5.1724% as part of the All-Requirements Power Supply Project.

Debt

All debt of FMPA issued for the Stanton II Project is payable from amounts payable by the Participants in the Stanton II Project under Power Sales Contracts and Project Support Contracts as briefly described above under the heading "INTRODUCTION – General." Each Participant in the Stanton II Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Stanton II Project in the amount of its participation share in the Stanton Project as shown in APPENDIX A.

Availability

Stanton Unit No. 2 began commercial operation on June 1, 1996. The availability factor has averaged 87.2% since that time. For the last five fiscal years, the availability factor has ranged from a low of 74.6% in 2019 to a high of 95.5% in 2020. For the last five fiscal years, Stanton II Project power costs billed to its participants have ranged from approximately 7.7 to 9.3 cents per kWh, and were 8.8 cents per kWh for fiscal year 2020.

Fuel

See "PART III - STANTON PROJECT – Stanton Project."

Participants

The seven Participants in the Stanton II Project, as of September 30, 2020, are three Florida cities, a utility board and two utility authorities listed on page iv hereof, plus the All-Requirements Power Supply Project, as transferee and assignee of the Power Sales and Project Support Contracts between Vero Beach and FMPA. Among the economic factors important to the Participants are agriculture, tourism, retirement and light manufacturing. Each Participant, other than the All-Requirements Power Supply Project, owns and operates a retail electric distribution system. During the fiscal year ended September 30, 2020, these systems served approximately 340,751 customers, and incurred a non-coincident peak demand of approximately 1,775 MW. Effective as of December 17, 2018, the All-Requirements Power Supply Project is now a transferee and assignee of all contracts and associated obligations previously held by the City of Vero Beach related to the Stanton II Project.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Stanton II Project, see "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Member Contributed Resources." The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Stanton II Project, except for the Vero Beach's transferred assignment to the All-Requirements Power Supply Project.

Power Sales Contracts

After the execution of the original Power Sales Contracts and Power Support Contracts relating to the Stanton II Project, KUA entered into (i) a transfer agreement pursuant to which KUA assumed 50% (8.24435% of Homestead's 16.4887% Power Entitlement Share in the Stanton II Project (the Power Entitlement Share transferred to KUA from Homestead are collectively called the "Homestead Stanton II Transferred Share") and (ii) a transfer agreement with Lake Worth pursuant to which KUA assumed all of Lake Worth's 8.2443% Power Entitlement Share in the Stanton II Project (the Power Entitlement Share transferred to KUA from Lake Worth is called the "Lake Worth Transferred Share" and, together with the Homestead Stanton II Transferred Share, is called the "Stanton II Transferred Shares").

In connection with the transfer of the Homestead Stanton II Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an "Additional Power Sales Contract") and an additional Project Support Contract (an "Additional Project Support Contract"). KUA also in 1995 executed a similar additional Power Sales Contract and Power Support Contract with FMPA in connection with the transfer to it of the Lake Worth Transferred Share.

Under each Additional Power Sales Contract and Additional Project Support Contract, Homestead and Lake Worth are relieved of their respective obligations (including their payment

obligations) with respect to their Transferred Shares if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead or Lake Worth (depending on which Transferred Share KUA is in default under) remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

On December 17, 2018, the All-Requirements Power Supply Project took a transfer and assignment of Vero Beach’s 16.4887% Power Entitlement Share (17.2 MW) in the Stanton II Project. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Withdrawal of Vero Beach" for additional information regarding the withdrawal of Vero Beach from the All-Requirements Power Supply Project.

Attached hereto as APPENDIX B is certain information for the following Major Participants in the Stanton II Project – Fort Pierce Utilities Authority, Utility Board of the City of Key West, Kissimmee Utility Authority and City of St. Cloud – each of which provided to FMPA at least 10.0% of the revenues from the Stanton II Project in fiscal year 2020. Please see Part I for certain information regarding the All-Requirements Power Supply Project, which also provided to FMPA at least 10.0% of the revenues from the Stanton II Project in fiscal year 2020. The financial information about the City of St. Cloud appearing in APPENDIX B is abbreviated reflecting an interlocal agreement between the City of St. Cloud and OUC, pursuant to which OUC operates and manages the City of St. Cloud’s electric system. As set forth in APPENDIX A hereto, certain of the Participants in the Stanton II Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of four of the Major Participants of the Stanton II Project.

**Major Participants Historical Net Energy Requirements (GWh)
(for native load)**

Fiscal Year (ending 9/30)	<u>Fort Pierce</u>	<u>Key West</u>	<u>KUA</u>	<u>Vero Beach</u>
2018	573	746	1,624	751 ⁽¹⁾
2019	578	786	1,682	N/A ⁽²⁾
2020	591	771	1,682	N/A ⁽²⁾

- (1) Shown for historical purposes.
- (2) Not a Major Participant in 2019 or 2020.

Major Participants Historical Non-Coincident Peak Demand (MW)

Fiscal Year (ending 9/30)	<u>Fort Pierce</u>	<u>Key West</u>	<u>KUA</u>	<u>Vero Beach</u>
2018	112	146	356	162 ⁽¹⁾
2019	113	145	374	N/A ⁽²⁾
2020	116	141	371	N/A ⁽²⁾

- (1) Shown for historical purposes.
- (2) Not a Major Participant in 2019 or 2020.

Outstanding Indebtedness

As of June 1, 2021, FMPA had outstanding \$97,242,000 of senior bonds and \$3,498,471.01 of subordinated debt for the Stanton II Project, the final maturity of which is October 1, 2027.

As of June 1, 2021, FMPA had outstanding the following principal amounts of senior bonds with respect to the Stanton II Project:

\$41,020,000 Stanton II Project Refunding Revenue Bonds, Series 2012A

\$20,727,000 Stanton II Project Refunding Revenue Bonds, Series 2017A

\$35,495,000 Stanton II Project Refunding Revenue Bonds, Series 2017B

As of June 1, 2021, FMPA had outstanding the following principal amounts of subordinated debt with respect to the Stanton II Project:

\$3,498,471.01 Pooled Loan Project Note

Debt Service Requirements for the Stanton II Project

The following table shows the debt service requirements for the outstanding bonds for the Stanton II Project and includes debt service due for the twelve-month period beginning on October 2 of the preceding year and ending on October 1 of each year indicated:

<u>Period Ending</u> <u>October 1,</u>	<u>Debt Service on Outstanding</u> <u>Stanton II Project Bonds</u>	<u>Debt Service on subordinate debt for</u> <u>Stanton II Project</u>
2021	\$14,253,877.10	\$572,156.88
2022	14,196,710.00	572,156.88
2023	14,131,769.30	572,156.88
2024	14,073,150.60	572,156.88
2025	13,979,856.30	572,156.87
2026	13,961,572.00	572,156.88
2027	<u>26,820,506.50</u>	<u>572,156.87</u>
TOTAL:	<u>\$111,417,441.80</u>	<u>\$4,005,098.14</u>

Summary Operating Results

Operating results of the Stanton II Project for the fiscal years ended September 30, 2018 through September 30, 2020, are shown in the following table. The following table shows the total historical charges to the Participants and revenues to FMPA for the Stanton II Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant's point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis, but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the

amount paid from Revenues with respect to principal of and interest on Bonds for the Stanton II Project and any other indebtedness issued under the Stanton II Resolution.

HISTORICAL OPERATING RESULTS⁽¹⁾
FOR THE STANTON II PROJECT*
(Dollars in Thousands)

	Fiscal Year Ending September 30,		
	2018	2019	2020
REVENUES:			
Participant Billings ⁽²⁾	\$50,933	\$47,171	\$54,223
Sales to Others	552	565	592
Interest Income ⁽³⁾	127	1,209	798
Transfer from General Reserve	0	0	0
Due from (to) Participants ⁽⁴⁾	<u>(436)</u>	<u>(2,200)</u>	<u>(2,792)</u> ⁽⁵⁾
Total Revenues	<u>\$51,176</u>	<u>\$46,745</u>	<u>\$52,821</u>
OPERATING EXPENSES:			
Fixed O&M ⁽⁶⁾	\$6,860	\$8,634	\$7,834
Fuel Costs	19,809	16,836	18,317
General Administrative and Other ⁽⁷⁾	1,941	2,221	1,885
Transmission ⁽⁸⁾	<u>1,895</u>	<u>1,895</u>	<u>2,082</u>
Total Operating Expenses	<u>\$30,505</u>	<u>\$29,586</u>	<u>\$30,118</u>
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:	\$20,671	\$17,159	\$22,703
Debt Service ⁽⁹⁾	<u>10,769</u>	<u>14,947</u> ⁽¹⁰⁾	<u>14,911</u> ⁽¹³⁾
Net Available for Other Purposes	<u>\$9,902</u>	<u>\$2,212</u>	<u>\$7,792</u>
Transfer to:			
Renewal and Replacement ⁽¹¹⁾	900	5,000	3,500
General Reserve	0	0	0
Overall Participants:			
Project Power Costs (Mills/Kwh) ⁽¹²⁾	85	93	88
Energy Generated (GWh)	602	508	617
Availability Factor of the Stanton II Project	87.3	74.6	95.5

[Footnotes on next page]

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- * Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements.
- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Stanton II Project.
- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.
- (5) Amounts that will be refunded to or collected from the Participants in fiscal year 2021.
- (6) FMPA's share of operation and maintenance expenses, excluding fuel, transmission, general administrative costs and depreciation allocated to the Stanton II Project.
- (7) Administrative and general expenses for OUC and FMPA allocated to the Stanton II Project.
- (8) Includes transmission charges over the transmission systems of FPL and OUC.
- (9) Amounts paid from Revenues with respect to principal and interest on the Stanton II Project Bonds and any other indebtedness issued under the Stanton II Resolution.
- (10) Amounts funded in fiscal year 2019 for interest and principal on the bonds plus swap payments, differs from financial statement as all accruals have been removed from this number.
- (11) Amounts budgeted to be set aside for FMPA's estimated share of the estimated future costs of renewal and replacements for the Stanton II Project. Actual amounts may vary from the budget.
- (12) Participant payments (\$) divided by energy generated (GWh). Average costs shown do not reflect costs or adjustment to the Participants' Stanton Unit No. 2 capacity and energy for transmission losses to the Participants' point of delivery.
- (13) Amounts funded in fiscal year 2020 for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.

Numbers may not add due to rounding.

PART V TRI-CITY PROJECT

The information in this Part V is intended to provide information with respect to the Agency's Tri-City Project.

General

The Tri-City Project consists of a 5.3012% undivided ownership interest of FMPA in Stanton Unit No. 1. FMPA has contracts with both OUC and FPL to transmit the power and energy from Stanton Unit No. 1 to the Participants in the Tri-City Project. For a description of the Stanton Unit No. 1, see "PART III - STANTON PROJECT – Stanton Project."

Description of Stanton Unit No. 1

Stanton Unit No. 1 was constructed and is operated by OUC. Major items of equipment for Stanton Unit No. 1 include the pulverized coal fueled steam generator manufactured by Babcock and Wilcox; a steam turbine generator; an electrostatic precipitator for particulate removal; a flue gas scrubber and a natural draft cooling tower.

All debt of FMPA issued for the Tri-City Project is payable from amounts payable by the Participants in the Tri-City Project under Power Sales Contracts and Project Support Contracts, as briefly described above under the heading "INTRODUCTION – General." Each Participant in the Tri-City Project is responsible under its Power Sales Contract and Project Support Contract for the costs of the Tri-City Project in the amount of its participation share in the Tri-City Project as shown in APPENDIX A.

For the last five fiscal years, Tri-City Project power costs billed to its Participants have ranged from approximately 8.3 cents to 14.8 cents per kWh, and were 18.3 cents per kWh for fiscal year 2020.

Participants

The three Participants in the Tri-City Project are a Florida city, a utility board and a utility authority chartered by the State of Florida or the governing body of their respective cities listed on *page iv* hereof. Each Participant owns and operated a retail electric distribution system. The Participants are geographically dispersed throughout the southern portion of the State of Florida, and consequently have relatively diverse economic and demographic bases. Among the important economic factors to the Participants are agriculture, tourism, retirement, light manufacturing and central services. During the fiscal year ended September 30, 2020, these systems served approximately 85,383 customers, and incurred a non-coincident peak demand of approximately 371 MW.

For a description of the sale by certain Participants to the All-Requirements Power Supply Project of their capacity and energy from the Tri-City Project, see "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – All-Requirements Power Supply Project - Member Contributed Resources." The sales to the All-Requirements Power Supply Project do not relieve such Participants from their direct obligations to FMPA under their respective Power Sales Contracts and Project Support Contracts for the Tri-City Project.

Fuel

See "PART III - STANTON PROJECT – Fuel" above.

Attached hereto as APPENDIX B is certain information for the Participants in the Tri-City Project, all of which are Major Participants. As set forth in APPENDIX A hereto, the Participants in the Tri-City Project are also participants in various other projects of FMPA.

The following tables summarize the historical net energy requirements and aggregate non-coincident peak demand of the Participants of the Tri-City Project.

**Major Participants Historical Net Energy Requirements (GWh)
(for native load)**

<u>Fiscal Year (ending 9/30)</u>	<u>Fort Pierce</u>	<u>Homestead</u>	<u>Key West</u>
2018	573	578	746
2019	578	642	786
2020	591	609	771

Major Participants Historical Non-Coincident Peak Demand (MW)

<u>Fiscal Year (ending 9/30)</u>	<u>Fort Pierce</u>	<u>Homestead</u>	<u>Key West</u>
2018	112	109	146
2019	113	115	145
2020	116	117	141

Outstanding Indebtedness

As of June 1, 2021, FMPA had no outstanding senior bonds or subordinated debt for the Tri-City Project.

Debt Service Requirements for the Tri-City Project

None

Summary Operating Results

Operating results of the Tri-City Project for the fiscal years ended September 30, 2018 through September 30, 2020, are shown in the following table. This table shows the total historical charges to the Participants and revenues to FMPA for the Tri-City Project, including amounts deposited into and withdrawn from a Rate Stabilization Account in the Operation and Maintenance Fund to adjust power costs. The charges and revenues include the costs attributable to transmission service to each Participant’s point of delivery but exclude (i) the effects of any transactions among the Participants or with others and (ii) any cost of reserves, deficiency energy, emergency energy or scheduled maintenance capacity and energy.

Information presented for Interest Income and Debt Service set forth in the table below is presented differently from the way it has been traditionally presented. Interest income has been historically presented on a mark-to-market basis but FMPA has determined that the Interest Income amounts are more appropriately reflected as set forth in the table below. Debt Service represents the

amount paid from Revenues with respect to principal of and interest on Bonds for the Tri-City Project and any other indebtedness issued under the Tri-City Resolution.

HISTORICAL OPERATING RESULTS⁽¹⁾
FOR THE TRI-CITY PROJECT*
(Dollars in Thousands)

	Fiscal Year Ending September 30,		
	<u>2018</u>	<u>2019</u>	<u>2020</u>
REVENUES:			
Participant Payments ⁽²⁾	\$10,794	\$12,296	\$6,480
Interest Income ⁽³⁾	95	117	61
Debt Service Funds used to Payoff Maturities ⁽¹⁴⁾			3,325
Due from (to) Participants ⁽⁴⁾	328	(429)	(207) ⁽⁵⁾
Sales to Others	<u>126</u>	<u>129</u>	<u>135</u>
Total Revenues	<u>\$11,343</u>	<u>\$12,113</u>	<u>\$9,794</u>
OPERATING EXPENSES:			
Fixed O&M ⁽⁶⁾	\$1,682	\$1,836	\$1,938
Fuel Costs	4,246	4,123	2,875
General Administrative and Other ⁽⁷⁾	774	837	766
Transmission ⁽⁸⁾	<u>415</u>	<u>415</u>	<u>456</u>
Total Operating Expenses	<u>\$7,117</u>	<u>\$7,211</u>	<u>\$6,035</u>
EARNINGS BEFORE INTEREST, DEPRECIATION AND REGULATORY ADJUSTMENT:			
	\$4,226	\$4,902	\$3,759
Debt Service ⁽⁹⁾	<u>3,346</u>	<u>3,346</u> ⁽¹⁰⁾	<u>3,325</u> ⁽¹³⁾
Net Available for Other Purposes	<u>\$ 880</u>	<u>\$1,556</u>	<u>\$434</u>
Transfer to:			
Renewal and Replacement ⁽¹¹⁾	500	2,000	1,200
General Reserve	0	0	0
Overall Participants:			
Project Power Costs (Mills/Kwh) ⁽¹²⁾	87	101	83
Energy Generated (GWh)	125	122	78
Availability Factor of the Tri-City Project	85.7	82.0	78.1

* Numbers appearing in this table may be prepared on a basis different than what may be used to calculate debt service coverage. Amounts shown may differ from amounts set forth in the audited financial statements.

- (1) This report is based on actual cash flows in accordance with our Bond Resolutions, amounts will differ from financial statements as all accruals, amortizations, unrealized liabilities and unrealized gains and losses have been excluded from these amounts.
- (2) Revenues from the Participants under the Power Sales Contracts and Project Support Contracts for the Tri-City Project.
- (3) Investment earnings on balances of all accounts. Interest accruals were adjusted out and the non-cash mark-to-market adjustments were removed from the corresponding amount reflected in FMPA's audited financial statements to provide a cash-based amount for this presentation.
- (4) This adjustment is the result of timing differences between the receipt of revenues and the incurrence of costs.
- (5) Amounts that will be refunded to or collected from the Participants in fiscal year 2020.

- (6) FMMPA's share of operation and maintenance expenses, excluding fuel, allocated to the Tri-City Project.
 - (7) Administrative and general expenses for OUC and FMMPA allocated to the Tri-City Project.
 - (8) Includes transmission charges over the transmission systems of FPL and OUC.
 - (9) Amounts paid from Revenues with respect to principal and interest on Tri-City Project Bonds and any other indebtedness under the Tri-City Resolution.
 - (10) Amounts funded in fiscal year 2019 for interest and principal on the bonds plus swap payments, differs from financial statement as all accruals have been removed from this number.
 - (11) Amounts budgeted to be set aside for FMMPA's estimated share of the estimated future costs of renewal and replacements for the Tri-City Project. Actual amounts may vary from the budget.
 - (12) Participant payments (\$) divided by energy generated (GWh).
 - (13) Amounts funded in fiscal year 2020 for interest and principal on the bonds, differs from financial statement as all accruals have been removed from this number.
 - (14) Debt Service Funds were used to pay maturing debt.
- Numbers may not add due to rounding.

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PART VI SOLAR PROJECT

The information in this Part VI is intended to provide information with respect to FMPA's Solar Project.

General

On March 15, 2018, the Board of Directors authorized the establishment of the Solar Project as FMPA's sixth power supply project, which consists of a solar power purchase agreement to purchase a total of 57 MW-AC of solar energy from a larger 74.5 MW-AC facility planned for commercial operation in 2023.

Description of the Solar Project

FMPA has entered into a solar power purchase agreement ("Solar PPA") with subsidiaries of Florida Renewables Partners, LLC ("FRP"), a subsidiary of NextEra Florida Renewables Holdings, LLC to purchase a total of 57 MW-AC of solar energy on behalf of the Solar Project Participants (as defined below and described in APPENDIX A) in the Solar Project through separate power sales contracts (the "Solar Power Sales Contracts"). FMPA and OUC have entered into purchase agreements with FRP for a total of 223.5 MW-AC from three 74.5 MW-AC solar sites in Florida. Two of the solar facilities began commercial operation in 2020 (for OUC and the All-Requirements Power Supply Project) and the third is planned for commercial operation in 2023 (for the All-Requirements Power Supply Project and the Solar Project). The Solar PPA has a 20-year initial term. Participants in the All-Requirements Power Supply Project are not Solar Project Participants.

Debt

While the Solar Project currently has no debt outstanding and is not expected to incur debt since most cost obligations under the Solar PPA are tied to actual energy produced and do not include any fixed capacity charges, any debt of FMPA that may be issued for the Solar Project is payable from amounts payable by the Solar Project Participants under the Solar Power Sales Contracts. Each Solar Project Participant is responsible under its Solar Power Sales Contract for the costs of the Solar Project in the amount of its participation share in the Solar Project.

Participants

The six Participants in the Solar Project are six Florida cities: City of Alachua, City of Bartow, the City of Homestead, the City of Lake Worth Beach, the City Wauchula, and the City of Winter Park (the "Solar Project Participants").

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PART VII SOLAR II PROJECT

The information in this Part VII is intended to provide information with respect to FMPA's Solar II Project.

General

On December 12, 2019, the Board of Directors authorized the establishment of the Solar II Project as FMPA's seventh power supply project, which consists of a solar power purchase agreement to purchase a total of 53.55 MW-AC of solar energy from two larger 74.9 MW-AC facilities planned for commercial operation by 2024.

Description of the Solar II Project

FMPA has entered into solar power purchase agreements (the "Solar II Power Purchase Agreements") with Origis to purchase a total of 53.55 MW-AC of solar energy on behalf of the participants in the Solar II Project. The Solar II Project Participants (as described in APPENDIX A) will take a portion of the solar energy from two (2) 74.9 MW-AC facilities. The Solar II Power Purchase Agreements have 20-year initial terms. Participants active in the All-Requirements Power Supply Project are not Solar II Project Participants.

Debt

While the Solar II Project currently has no debt outstanding and is not expected to incur debt since most cost obligations under the Solar II PPAs are tied to actual energy produced and do not include any fixed capacity charges, any debt of FMPA that may be issued for the Solar II Project is payable from amounts payable by the Solar II Project Participants under the Solar II Power Sales Contracts. Each Solar II Project Participant is responsible under its Solar II Power Sales Contract for the costs of the Solar II Project in the amount of its participation share in the Solar II Project.

Participants

The five Participants in the Solar II Project are five Florida cities: City of Homestead, City of Lake Worth Beach, City of Mount Dora, City of New Smyrna Beach, and City of Winter Park (the "Solar II Project Participants").

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PART VIII
INITIAL POOLED LOAN PROJECT

The information in this Part VIII is intended to provide information with respect to FMPA's Pooled Loan Project.

General

On April 18, 2019, the Board of Directors adopted the Initial Pooled Loan Project 2019 Obligation Resolution, as supplemented and amended (the "2019 PLP Resolution"), which amended and restated FMPA's Initial Pooled Loan Project Bond Resolution dated April 18, 1986, as amended and restated on June 25, 1986, to provide for the issuance of bonds, notes, or other evidences of indebtedness to provide the funds required by FMPA to resume the making of loans ("Pooled Loans") to Members of FMPA, FMPA itself, and FMPA, as agent for any of its other Projects, to finance and refinance eligible utility-related projects.

Description of the Initial Pooled Loan Project

In order to provide funds for the making of Pooled Loans on a taxable or tax-exempt basis, First Horizon Bank (successor by conversion to First Tennessee Bank National Association, successor by merger to Capital Bank) has extended to FMPA a credit facility in the aggregate maximum principal amount of \$25,000,000 (the "PLP Line of Credit") to provide FMPA with the funds required to make Pooled Loans to participants in the Pooled Loan Project. Pursuant to the 2019 PLP Resolution, FMPA has authorized the issuance of notes, simultaneously with the execution of a related loan agreement ("Loan Agreement") with a participant in the Pooled Loan Project, in an amount equal to the aggregate principal amount of each Pooled Loan for the purpose of evidencing FMPA's obligations under the PLP Line of Credit. The ability of FMPA to pay principal of and interest on the notes, depends upon, among other things, the receipt of the payments of principal and sufficient payments of interest and fees in respect of the Pooled Loans pursuant to the Loan Agreements. Each participant in the Pooled Loan Project is separately liable under the terms of each Loan Agreement, and so the participants in the Pooled Loan Project have no increased financial obligation if another participant in the Pooled Loan Project defaults.

Participants

As of the date hereof, FMPA, as agent for the Pooled Loan Project, has made a loan to the City of Bushnell which is currently outstanding in the amount of \$7,433,957.64 and to FMPA, as agent for the Stanton II Project which is currently outstanding in the amount of \$3,498,471.01.

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APPENDIX A

MEMBERS' PARTICIPATION IN FMPA PROJECTS^{(1)(2)*}

Member	Stanton Project ⁽²⁾		Stanton II Project ⁽²⁾		St. Lucie Project		Tri-City Project		All-Requirements Power Supply Project ⁽³⁾	Initial Pooled Loan Project ⁽⁸⁾
	Power Entitlement Share (%)	MW	Power Entitlement Share (%)	MW	Power Entitlement Share (%)	MW	Power Entitlement Share (%)	MW	MW	
City of Alachua	-	-	-	-	0.4310%	0.4	-	-	-	
City of Bushnell	-	-	-	-	-	-	-	-	12	X
City of Clewiston	-	-	-	-	2.2020	1.9	-	-	29	
City of Fort Meade	-	-	-	-	0.3360	0.3	-	-	10 ⁽⁴⁾	
Fort Pierce Utilities Authority	24.3900%	16.7	16.4887%	17.7	15.2060	13.2	22.7300%	5.6	116	
City of Green Cove Springs ⁽⁵⁾	-	-	-	-	1.7570	1.5	-	-	26	
Town of Havana	-	-	-	-	-	-	-	-	6	
City of Homestead	12.1950	8.3	8.2443	8.9	8.2690	7.2	22.7270	5.6	-	
City of Jacksonville Beach	-	-	-	-	7.3290	6.3	-	-	170	
Utility Board of the City of Key West	-	-	9.8932	10.6	-	-	54.5460	13.3	143	
Kissimmee Utility Authority	12.1950	8.3	32.9774	35.5	9.4050	8.1	-	-	371	
City of Lake Worth Beach	16.2600	11.1	-	-	24.8700	21.5	-	-	0 ⁽⁶⁾	
City of Leesburg	-	-	-	-	2.3260	2.0	-	-	115	
City of Moore Haven	-	-	-	-	0.3840	0.3	-	-	-	
City of Newberry Utilities	-	-	-	-	0.1840	0.2	-	-	10	
Commission, City of New Smyrna Beach	-	-	-	-	9.8840	8.6	-	-	-	
City of Ocala	-	-	-	-	-	-	-	-	303	
City of St. Cloud	-	-	14.6711	15.8	-	-	-	-	-	
City of Starke	2.4390	1.7	1.2366	1.3	2.2150	1.9	-	-	15	
All-Requirements Power Supply Project ⁽⁷⁾	32.5210	22.2	16.4887	17.7	15.2020	13.2	-	-	-	
Stanton II Project										X

[Footnotes continued on next page]

* Numbers may not add due to rounding. The table presents only FMPA's power supply projects, delivering power to Participants. The Solar Project and the Solar II Project are presently anticipated to begin delivery of power to Solar Project Participants and Solar II Project Participants in 2023 and 2024, respectively.

- (1) The MWs shown for Participants of the Stanton Project, Stanton II Project, and Tri-City Project are based on the current net summer capability as reported by the Orlando Utilities Commission ("OUC"), the majority owner/operator as represented to the Florida Public Service Commission in OUC's annual Ten-Year Site Plan.
- (2) Power Entitlement Share means the percentage of Project Capability (the amount of net capacity and energy to which FMPA is entitled at any given point in time under the respective Participation Agreement, whether the unit is operating or not) that the Participant agrees to purchase from FMPA. Such amount is also provided here by MW purchased.
- (3) Participants' non-coincident peak demand in the 2020 fiscal year served from the FMPA All-Requirements Power Supply Project. Includes demand served by excluded resources.
- (4) Fort Meade has elected to limit its All-Requirements Service, as permitted in Section 3 of its Power Supply Contract, to a CROD. The limitation commenced January 1, 2015. Based on Fort Meade's usage between December 2013 and November 2014, the Executive Committee took action in December 2014 to set Fort Meade's CROD at 10.306 MW, which is the maximum hourly obligation through the remaining term of Fort Meade's Power Supply Contract. Concurrently with its notice of the CROD limitation, Fort Meade gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract to discontinue the automatic renewal of the term of its Power Supply Contract. The term of Fort Meade's Power Supply Contract is now fixed and will terminate on October 1, 2041. In 2018, Fort Meade approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Fort Meade as if Fort Meade had not effectuated CROD. Commensurate with this agreement, the FMPA Executive Committee adjusted Fort Meade's CROD downward to 9.009 MW, in accordance with the All-Requirements Power Supply Contract. The agreement may be extended beyond the initial 10-year term.
- (5) Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Beginning January 1, 2020, and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project will serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated CROD. The agreement may be extended beyond the initial 10-year term.
- (6) The City of Lake Worth Beach has elected under the Power Supply Contract to exercise its right to modify its All-Requirements Power Supply Project participation and implement a CROD, which limitation, pursuant to the terms of its Power Supply Contract, has been calculated as 0 MW. See "PART I - ALL-REQUIREMENTS POWER SUPPLY PROJECT – Contract Rate of Delivery." While the City of Lake Worth Beach remains a participant in the All-Requirements Power Supply Project, effective January 1, 2014, it no longer purchases capacity and energy from the All-Requirements Power Supply Project and no longer has a representative on the Executive Committee.
- (7) On December 17, 2018, the City of Vero Beach, Florida ("Vero Beach") completed the sale of its electric utility system to Florida Power & Light Company ("FPL") and withdrew as a member of FMPA and as a participant in the All-Requirements Power Supply Project, and transferred and assigned to FMPA, with respect to the All-Requirements Power Supply Project, the power sales and project support contracts between Vero Beach and FMPA relating to each of the Stanton Project, Stanton II Project and St. Lucie Project, as amended.
- (8) Although the Stanton II Project is not a member, it does participate in the Initial Pooled Loan Project, as a borrower. See "PART VIII – INITIAL POOLED LOAN PROJECT – Participants."

APPENDIX B

THE MAJOR PARTICIPANTS

APPENDIX B presents certain information for the Major Participants of each of the Projects. Such information was collected and compiled by FMPA from data supplied by each of the Major Participants. Text descriptions were developed with each of the Major Participant's representatives; statistical facts were extracted from records regularly maintained by each of the Major Participants; and historical financial data was summarized from each Major Participant's independent certified audits. While FMPA makes no representations as to the adequacy or accuracy of the information contained in this APPENDIX B, it believes such information to be reliable.

For the Stanton, Stanton II, and St. Lucie Projects, as the transferee and assignee of Vero Beach for the project power entitlement shares of Vero Beach, at present, information related to the All-Requirements Power Supply Project is included in Part I.

FORT PIERCE UTILITIES AUTHORITY

Major Participant in: Stanton Project
Stanton II Project
St. Lucie Project
Tri-City Project
All-Requirements Power Supply Project

Electric Utility System

Fort Pierce Utilities Authority (“FPUA”) has a 24.39% Power Entitlement Share (15.9 MW) from FMPA’s Stanton Project, a 16.4887% Power Entitlement Share (17.4 MW) from FMPA’s Stanton II Project, a 15.206% Entitlement Share (13.2 MW) from FMPA’s St. Lucie Project and a 22.73% Power Entitlement Share (5.3 MW) from FMPA’s Tri-City Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project.

FPUA entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer of FMPA on January 1, 1998. Prior to this, FPUA entered into a Capacity and Energy Sales Contract whereby FPUA sells the capacity and energy from its generating units to the All-Requirements Power Supply Project. FPUA also agreed to sell to the All-Requirements Power Supply Project any capacity and energy from any Power Entitlement Shares it has in the Stanton, Stanton II or Tri-City Projects. On May 31, 2008, FPUA retired its H.D. King Power Plant and no longer owns electric generating facilities. FPUA now operates the Treasure Coast Energy Center, constructed by FMPA, on a contract basis.

In 2018 FPUA entered into an agreement with FMPA to purchase 3 MW of solar output from a NextEra Florida Renewables, LLC facilities in Osceola County Florida. In June of 2020, 2 MW of a facility came online. The other 1 MW is scheduled to come online in 2023. In 2019 FPUA entered into an agreement with FMPA to purchase up to an additional 12 MW of solar energy production from the Origis Energy USA, Inc. facilities in Alachua and Putnam Counties, through the All-Requirements Power Supply Project scheduled to be available in 2023.

FPUA currently has 16 miles of 69kV and 7.5 miles of 138kV transmission lines and eight substations (six distribution and two transmission).

Service Area and Customers

FPUA’s electric utility service area encompasses approximately 35 square miles with 78% of electric utility customers residing within the city limits. FPUA is a party to a territorial agreement with FPL which has been approved by the Florida Public Service Commission (“FPSC”).

Approximately 22% of FPUA’s customers are outside the City. No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2020.

Litigation

There is no material pending litigation relating to FPUA or its operations.

Audited Financial Statements

A copy of FPUA's audited financial statements for the years ending September 30, 2020 and September 30, 2019 have been filed by FMPA with the MSRB through EMMA.

FORT PIERCE UTILITIES AUTHORITY
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	2016	2017	2018	2019	2020
Customers (Electric – Annual Avg.)	\$28,299	\$28,287	\$28,265	\$28,527	\$28,749
System Requirements					
Peak Demands (MW)	112	112	112	113	116
Energy (MWh) ⁽²⁾	583,207	569,684	572,717	578,051	591,692
Total Energy Sales (MWh) ⁽²⁾	555,490	553,418	547,319	568,643	565,882
Total Operating Revenues	\$98,421	\$102,650	\$100,210	\$101,395	\$101,296
Operating Expenses:					
Power Production and Purchased Power	\$42,179	\$43,689	\$41,402	\$41,924	\$40,480
All Other Operating Expenses (excluding depreciation)	<u>32,976</u>	<u>34,511</u>	<u>35,885</u>	<u>38,612</u>	<u>37,395</u>
Total Operating Expenses (excluding depreciation)	<u>\$75,155</u>	<u>\$78,200</u>	<u>\$77,287</u>	<u>\$80,536</u>	<u>\$77,875</u>
Net Operating Revenues Available for Debt Service	\$23,266	\$24,450	\$22,923	\$20,859	\$23,421
Other Income (Deductions) - Net	<u>483</u>	<u>466</u>	<u>1,012</u>	<u>958</u>	<u>796</u>
Net Revenues and Other Income Available for Debt Service	<u>\$23,749</u>	<u>\$24,916</u>	<u>\$23,935</u>	<u>\$21,817</u>	<u>\$24,217</u>
Debt Service - Revenue Bonds	\$9,446	\$7,656	\$7,659	\$7,659	\$7,659
Debt Service Ratios:					
Actual	2.51x	3.25x	3.12x	2.85x	3.16x
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	\$14,303	\$17,260	\$16,276	\$14,158	\$16,558
Transferred to General Fund (City) ⁽³⁾	\$5,809	\$5,969	\$6,139	\$6,125	\$6,276

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2019	2020
ASSETS:		
Current Assets	\$69,012	\$64,806
Capital Assets Net	211,167	216,799
Non-Current Assets	9,135	8,810
Deferred Outflows of Resources	<u>3,539</u>	<u>1,924</u>
Total Assets and Deferred Outflows	<u>\$292,853</u>	<u>\$292,339</u>
LIABILITIES AND EQUITY:		
Current Liabilities	\$24,766	\$26,692
Non-Current Liabilities	72,619	66,758
Deferred Inflows of Resources ⁽⁴⁾	5,359	3,836
Net Position	<u>190,109</u>	<u>195,053</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$292,853</u>	<u>\$292,339</u>

(1) Financial information reflects electric, water, wastewater and natural gas utility and all other operations; statistics reflect electric usage.

(2) Retail sales plus sales to other utilities, if any.

(3) 6% of adjusted gross revenue as defined in City Charter.

(4) Restated per GASB 68

CITY OF HOMESTEAD

Major Participant in: Stanton Project
Stanton II Project
St. Lucie Project
Tri-City Project

Electric Utility System

The City of Homestead ("Homestead") has a 12.195% Power Entitlement Share (8 MW) from FMPA's Stanton Project, an 8.2443% Power Entitlement Share (8.7 MW) from FMPA's Stanton II Project, a 8.269% Entitlement Share (7.2 MW) from FMPA's St. Lucie Project and a 22.727% Power Entitlement Share (5.3 MW) from FMPA's Tri-City Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. Homestead is a participant in the Solar Project with a 17.544% (10 MW) entitlement share. The Solar Project consists of FMPA's purchase of 57 MW from Florida Renewable Partners, and is expected to be commercially operable in 2023. FMPA's PPA for the Solar Project has a term of 20 years. Homestead is also a participant in the Solar II Project with a 9.337% (5 MW) entitlement share. The Solar II Project consists of FMPA's purchase of 53.55 MW from Origis, and is expected to be commercially operable in 2023. FMPA's PPA for the Solar II Project has an initial term of 20 years.

After the execution of the original Power Sales Contracts and Power Support Contract relating to the Stanton Project and the Stanton II Project, KUA entered into (i) a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.95%) of Homestead's 24.930% Power Entitlement Share in the Stanton Project and a transfer agreement pursuant to which KUA assumed 50% (8.24435% of Homestead's 16.4887% Power Entitlement Share in the Stanton II Project (the Power Entitlement Shares transferred to KUA from Homestead are collectively called the "Homestead Transferred Share"). For additional information about the Homestead Transferred Shares, see "PART III – STANTON PROJECT-Participants" and "PART IV – STANTON II PROJECT – Participants."

Homestead owns and operates one of the largest diesel electric generating facilities in the United States. With this plant's capacity and Homestead's long-term purchase power contracts, the city is capable of supplying all of its system requirements. Existing capacity amounts to 35 MW, fueled primarily by gas (94%) pursuant to a contract with FGU.

Homestead is a charter member of FGU which is a joint action agency gas supply organization. Membership in FGU allows aggregation of member contracts which provides better economy for purchases, mitigates demand changes, and simplifies the problems of individual systems balancing consumption against supply. Homestead's 138 kV transmission system interconnects with FPL. Four substations supply 13.2 kV to a predominantly overhead distribution system.

Service Area and Customers

Homestead's electric utility service area encompasses approximately 14.5 square miles, with 75% of customers residing within the city limits. Homestead is a party to a territorial agreement with FPL, its only neighboring utility, which has been approved by the FPSC.

No single electric customer accounted for more than 5% of electric revenues for the year ended September 30, 2020.

Litigation

There is no material pending litigation relating to Homestead or its operations.

Audited Financial Statements

A copy of Homestead's audited financial statements for the fiscal year ending September 30, 2020 has been filed by FMPA with the MSRB through EMMA.

CITY OF HOMESTEAD
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average)	\$23,863	\$25,031	\$25,115	\$25,606	\$25,583
System Requirements:					
Peak Demands (MW)	105	110	109	115	117
Energy (MWh)	557,579	554,380	577,638	642,016	609,035
Total Energy Sales (MWh)	0	0	0	0	0
Total Operating Revenues	\$63,850	\$62,091	\$64,072	\$65,127	\$58,115
Operating Expenses:					
Total Power Production and Purchased Power	\$38,392	\$40,490	\$40,124	\$42,384	\$33,789
All Other Operating Expenses (excluding depreciation)	<u>21,366</u>	<u>20,111</u>	<u>20,484</u>	<u>20,112</u>	<u>20,432</u>
Total Operating Expenses (excluding depreciation)	<u>\$59,758</u>	<u>\$60,601</u>	<u>\$60,608</u>	\$62,496	\$54,220
Net Operating Revenues Available for Debt Service	\$4,092	\$1,490	\$3,464	\$2,631	\$3,894
Other Income (Deductions) - Net	<u>(74)</u>	<u>(89)</u>	<u>(65)</u>	(95)	(51)
Net Revenues and Other Income Available for Debt Service ⁽²⁾	<u>\$4,018</u>	<u>\$1,401</u>	<u>\$3,399</u>	<u>\$2,536</u>	<u>\$3,844</u>
Debt Service - Revenue Bonds	\$773	\$645	\$495	\$683	\$420
Debt Service Ratios:					
Actual	5.2x	2.17x	6.87x	3.71x	9.15x
Required Per Bond Resolution Rate Covenant	1.2x	1.2x	1.2x	1.2x	1.2x
Balance available for renewals, replacements, capital additions and other lawful purposes	\$3,245	\$756	\$2,904	\$1,853	\$3,424
Transferred to General Fund (Homestead) ⁽²⁾	\$5,355	\$11,219	\$7,544	\$7,998	\$8,248

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	<u>2019</u>	<u>2020</u>
ASSETS:		
Net Utility Plant	\$23,664	\$27,877
Restricted Assets	7,326	5,294
Current Assets	<u>18,832</u>	<u>18,413</u>
Total Assets	<u>\$49,822</u>	<u>\$51,584</u>
LIABILITIES AND EQUITY:		
Current Liabilities	\$21,646	\$14,863
Retained Earnings	20,297	22,882
Long Term Debt	<u>7,880</u>	<u>13,840</u>
Total Liabilities and Equity	<u>\$49,822</u>	<u>\$51,584</u>

⁽¹⁾ Electric utility only.

⁽²⁾ Transfers to Homestead's general fund are established annually by budget.

CITY OF JACKSONVILLE BEACH

Major Participant in: All-Requirements Power Supply Project

Electric Utility System

The City of Jacksonville Beach, doing business as Beaches Energy Services ("Jacksonville Beach") entered into an All-Requirements Power Supply Project Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. Excluded Power Supply Resources for Jacksonville Beach are its entitlement share in FMPA's St. Lucie Project (which is 7.329% of FMPA's ownership portion of St. Lucie Unit No. 2). Jacksonville Beach is a participant in Phase I of the Florida Municipal Solar Project ("FMSP") with a 17.241% (10 MW) entitlement share. Phase I consists of All-Requirements Power Supply's purchase of 58 MW from Florida Renewable Partners, and the two facilities are expected to be commercially operable in 2020 and 2023. All-Requirements Power Supply's PPA for Phase I has an initial term of 20 years. Jacksonville Beach is also a participant in Phase II of the FMSP with a 15.584% (15 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis, and the facilities are expected to be commercially operable in 2023. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years. Jacksonville Beach owns one 230 kV transmission substation that ties to both FPL and JEA. Beaches Energy Services owns five (5) distribution substations, which deliver energy at the 26 kV level. Approximately 82% of Beaches Energy Services distribution circuits are underground.

Service Area and Customers

The Jacksonville Beach electric utility service area encompasses approximately 45 square miles including the neighboring town of Neptune Beach as well as the unincorporated areas of Ponte Vedra Beach and Palm Valley located in northeast St. Johns County. Forty-two (42) percent of the customers served reside within the Jacksonville Beach city limits.

No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2020.

Litigation

There is no material pending litigation relating to Jacksonville Beach or its operations.

Audited Financial Statements

A copy of Jacksonville Beach's audited financial statements for the years ending September 30, 2020 and September 30, 2019 has been filed by FMPA with the MSRB through EMMA.

CITY OF JACKSONVILLE BEACH
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average)	\$34,552	\$34,739	\$34,815	\$34,900	\$35,171
System Requirements:					
Peak Demands (MW)	196	171	211	173	170
Energy (MWh)	757,400	721,088	744,119	740,837	728,428
Total Energy Sales (MWh)	<u>720,318</u>	<u>693,254</u>	<u>708,266</u>	<u>716,646</u>	<u>698,690</u>
Total Operating Revenues	<u>\$94,555⁽³⁾</u>	<u>\$94,447</u>	<u>\$97,814</u>	<u>\$94,462</u>	<u>\$95,003</u>
Operating Expenses:					
Total Purchased Power	\$57,970	\$56,884	\$57,226	\$55,265	\$51,517
All Other Operating Expenses (excluding depreciation)	<u>16,611</u>	<u>19,642</u>	<u>19,792</u>	<u>19,653</u>	20,934
Total Operating Expenses (excluding depreciation)	<u>\$74,581⁽³⁾</u>	<u>\$76,526</u>	<u>\$77,018</u>	<u>\$74,918</u>	<u>\$72,451</u>
Net Operating Revenues Available for Debt Service	\$19,974	\$17,921	\$20,796	\$19,544	22,552
Other Income (Deductions) - Net	<u>(797)⁽³⁾</u>	<u>1,515</u>	<u>843</u>	<u>3,957</u>	3,476
Net Revenues and Other Income Available for Debt Service	<u>\$19,177</u>	<u>\$19,436</u>	<u>\$21,639</u>	<u>\$23,501</u>	<u>\$26,028</u>
Debt Service - Revenue Bonds	\$4,498	\$4,457	\$4,432	\$4,396	\$4,347
Debt Service Ratios:					
Actual	4.26x	4.36x	4.88x	5.35x	5.99
Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25
Balance available for renewals, replacements, capital additions and other lawful purposes	\$14,679	\$14,979	\$17,207	\$19,105	\$21,681
Transferred to General Fund (Jacksonville Beach) ⁽²⁾	\$3,689	\$3,694 ⁽⁴⁾	\$3,675 ⁽⁴⁾	\$3,701	\$3,716

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	<u>2019</u>	<u>2020</u>
ASSETS:		
Net Utility Plant	\$166,375	\$172,001
Restricted Assets	51,040 ⁽⁵⁾	47,224
Current Assets	<u>73,587</u>	78,312
Total Asset	<u>\$291,002</u>	<u>\$297,537</u>
 LIABILITIES AND EQUITY:		
Current Liabilities	\$57,806	\$38,400
Retained Earnings	220,679	248,831
Long Term Debt	<u>12,517</u>	<u>10,306</u>
Total Liabilities and Equity	<u>\$291,002</u>	<u>\$297,537</u>

-
- (1) Electric, water, and wastewater utility.
 - (2) Established by Jacksonville Beach ordinance at a maximum 5.5 mills per kWh purchased.
 - (3) Restated. Previously did not include Water and Sewer Fund.
 - (4) Restated to only represent return on investment approved transfer set at 5 mills per kWh.
 - (5) Restated to reflect accounting change in presentation of rate stabilization and over recovery monies as part of the FY2020 audit.

UTILITY BOARD OF THE CITY OF KEY WEST

Major Participant in: Stanton II Project
Tri-City Project
All-Requirements Power Supply Project

Electric Utility System

The Utility Board now operates under the name Keys Energy Services ("KEYS").

In July 1997, KEYS agreed to become a member of the Florida Municipal Power Agency ("FMPA") All-Requirements Power Supply Project and began operations as a project participant effective April 1, 1998. On January 1, 2011, the Capacity and Energy Sales Contract was restructured to become the Revised, Amended and Restated Capacity and Energy Sales Contract (C&E Contract). Under the terms of this contract FMPA took over operational control and ownership risk for KEYS Stock Island generating units. FMPA has hired KEYS to maintain and operate the generating units through the Consolidated Operating and Maintenance Contract for the Stock Island Generating Facility also dated January 1, 2011. KEYS retains ownership of the Stock Island land.

FMPA will utilize the generating units to provide capacity and energy to the All-Requirements Power Supply Project in exchange for \$670,000 per year for ten years to be paid by FMPA to KEYS, and the other negotiated agreements of the parties to affect a True All-Requirements Project (TARP). At the end of ten years full ownership will transfer to FMPA. The last payment was received by January 1, 2020.

Under the contractual arrangement with FMPA, KEYS has assigned all of its generating and firm purchased power resources to FMPA, and FMPA will serve all of KEYS' requirements.

Further, in the event that power cannot be delivered to KEYS' service area over the tie line from the mainland, KEYS has established a policy to have island generation capability equal to at least 60% of KEYS' peak load. FMPA has agreed to meet these criteria by using the existing synchronized generating resources of four combustion turbine units and two medium speed diesels that currently total 111.0 MW. As part of the C&E contract, FMPA is required to maintain generation assets within KEYS' Service Area equal to or above 60% of KEYS' load. The related assignment of resources by KEYS to FMPA, and other matters pertaining to KEYS' power supply are discussed in the following paragraphs.

KEYS had previously entered into other purchased power agreements with other parties including the FMPA Tri-City Project (for Stanton Unit 1) and the FMPA Stanton II Project. As a member of the All-Requirements Project, KEYS' resources and costs under these two contracts have been assigned to FMPA.

KEYS appoints one representative to FMPA's Board of Directors, which governs the Agency's activities. The governance of rates charged to members includes the All-Requirements Project Executive Committee (KEYS has one vote) and the FMPA Board of Directors.

Service Area and Customers

The service area of KEYS consists of the lower Florida Keys, extending approximately 44 miles in an east-west direction from Pigeon Key, adjacent to the service area of the Florida Keys Electric Cooperative Association, Inc. to the City of Key West, representing approximately 74 square miles.

The United States Navy is the largest customer of KEYS and accounted for approximately 5.6% and 6.1% respectively, of the total kilowatt hours sold in FY2020 and FY2019.

KEYS' contract with the Navy is for a term of ten years with a provision which requires the parties to commence negotiations for a new contract at least one year prior to the end of the current contract. The contract also contains provisions for minimum billing, service reduction and exclusive service provisions. Pursuant to this contract, KEYS has agreed to provide a maximum of 15 MW of power at multiple locations.

On September 12, 2007, both parties signed a contract which was in effect through August 31, 2017. Contract negotiations are being pursued by KEYS; and, the Navy is currently being served under the terms of the expired contract.

Litigation

There is no material pending litigation relating to KEYS or its operations.

Audited Financial Statements

A copy of KEYS' audited financial statements for the years ending September 30, 2020 and September 30, 2019 has been filed by FMPA with the MSRB through EMMA.

UTILITY BOARD OF THE CITY OF KEY WEST
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average)	31,303	30,109	30,009	30,580	31,034
System Requirements:					
Peak Demands (MW)	148	148	146	145	141
Energy (MWh)	800,265	764,396	746,553	786,598	771,538
Total Energy Sales (MWh)	753,051	724,492	698,893	741,727	719,246
Total Operating Revenues	\$89,843	\$92,695	\$87,636	\$97,888	\$97,509
Operating Expenses:					
Total Power Production and Power Supply	\$46,745	\$51,341	\$44,486	\$46,568	\$42,834
All Other Operating Expenses (excluding depreciation and Unfunded OPEB)	<u>27,266</u>	<u>29,457</u>	<u>29,808</u>	<u>31,975</u>	<u>33,609</u>
Total Operating Expenses (excluding depreciation and Unfunded OPEB)	<u>\$74,011</u>	<u>\$80,798</u>	<u>\$74,294</u>	<u>\$78,543</u>	<u>\$76,443</u>
Net Operating Revenues Available for Debt Service	\$15,832	\$11,897	\$13,342	\$19,345	\$21,066
Other Income (Deductions) - Net	<u>2,608</u>	<u>5,419</u>	<u>3,288</u>	<u>5,369</u>	<u>2,907</u>
Net Revenues and Other Income Available for Debt Service	<u>\$18,440</u>	<u>\$17,316</u>	<u>\$16,630</u>	<u>\$24,714</u>	<u>\$23,973</u>
Debt Service - Revenue Bonds	\$11,153	\$11,153	\$11,153	\$8,901	\$8,901
Debt Service Ratios:					
Actual	1.65x	1.55x	1.49x	2.78x	2.69x
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	\$7,287	\$6,163	\$5,477	\$15,813	\$15,072
Transferred to General Fund (City of Key West)	\$391	\$429	\$423	\$426	\$498

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,		
	2018 (Restated)	2019	2020
ASSETS:			
Net Utility Plant	\$168,272	\$165,717	\$163,743
Restricted Assets	30,783	56,644	56,411
Current Assets	71,717	75,918	75,118
Deferred Outflows of Resources	<u>8,944</u>	<u>12,900</u>	<u>18,798</u>
Total Assets	<u>\$279,716</u>	<u>\$311,179</u>	<u>\$314,070</u>
LIABILITIES AND EQUITY:			
Current Liabilities	\$157,981	\$115,576	\$119,333
Retained Earnings	52,369	64,570	68,946
Long Term Debt	44,272	113,425	108,886
Deferred Inflows of Resources	<u>25,035</u>	<u>17,608</u>	<u>16,905</u>
Total Liabilities and Equity	<u>\$279,657</u>	<u>\$311,179</u>	<u>\$314,070</u>

⁽¹⁾ Electric utility only.

KISSIMMEE UTILITY AUTHORITY

Major Participant in: Stanton Project
Stanton II Project
St. Lucie Project
All-Requirements Power Supply Project

Electric Utility System

Kissimmee Utility Authority ("KUA") has a 12.195% Power Entitlement Share (8.0 MW) from FMPA's Stanton Project, a 32.9774% Power Entitlement Share (34.7 MW) from FMPA's Stanton II Project and a 9.405% Power Entitlement Share (8.1 MW) from FMPA's St. Lucie Project under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. KUA entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer as of October 1, 2002. KUA is a participant in Phase I of FMSP with a 51.724% (30 MW) entitlement share. Phase I consists of All-Requirements Power Supply's purchase of 58 MW from Florida Renewable Partners, and the two facilities are expected to be commercially operable in 2020 and 2023. All-Requirements Power Supply's PPA for Phase I has an initial term of 20 years. KUA is also a participant in Phase II of FMSP with a 20.779% (20 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis, and the facilities are expected to be commercially operable in 2023. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years.

After the execution of the original Power Sales Contracts and Power Support Contracts relating to the Stanton and Stanton II Projects, KUA entered into (i) a transfer agreement with Homestead pursuant to which KUA assumed 50% (12.195%) of Homestead's 24.390% Power Entitlement Share in the Stanton Project and a transfer agreement pursuant to which KUA assumed 50% (8.24435%) of Homestead's 16.4887% Power Entitlement Share in the Stanton II Project (the "Homestead Transferred Share") and (ii) a transfer agreement with Lake Worth Beach pursuant to which KUA assumed all of Lake Worth Beach's 8.2443% Power Entitlement Share in the Stanton II Project (the "Lake Worth Beach Transferred Share").

In connection with the transfer of the Homestead Transferred Share to KUA, KUA in 1995 executed with FMPA an additional Power Sales Contract (an "Additional Power Sales Contract") and an additional Project Support Contract (an "Additional Project Support Contract"). KUA also in 1995 executed a similar additional Power Sales Contract and Power Support Contract with FMPA in connection with the transfer to it of the Lake Worth Beach Transferred Share. Under each Additional Power Sales Contract and Additional Project Support Contract, Homestead and Lake Worth Beach are relieved of their respective obligations (including their payment obligations) with respect to their Transferred Shares if and to the extent KUA fulfills such obligations (including the payment obligations). If, however, KUA fails to perform any such obligation (including a payment obligation), then Homestead or Lake Worth Beach (depending on which Transferred Share KUA is in default under) remains obligated under its Power Sales Contract or Project Support Contract to perform such obligation.

KUA owns 50% of a combustion turbine unit (20 MW), 50% of a combined cycle unit (60 MW), and 50% of a combined cycle unit (125 MW) with the All-Requirements Power Supply Project. KUA turned over control and management of these units to FMPA in 2008 but continues to operate them. KUA operates and maintains the generating units owned by FMPA, and FMPA's interests in units located at the Cane Island Power Park. In addition, KUA has (i) a 4.8% (21 MW) undivided ownership interest in

Stanton Energy Center Unit No. 1, which is operated by Orlando Utilities Commission ("OUC"); (ii) a 12.2% (11.2 MW) undivided ownership interest in the Indian River Combustion Turbine Units A and B, which are also operated by OUC; and (iii) a 3.5% (23 MW) ownership interest in Stanton Unit A, a gas-fired combined cycle unit located at OUC's Stanton Energy Center site and operated by Stanton Energy Center. KUA is a member of and has contracted with FGU which acts as an agent to KUA and other Florida utilities. FGU makes bulk purchases of natural gas which consists of a combination of spot market purchases, short-term winter firm supplies and medium term contracts. As a result of KUA joining the All-Requirements Power Supply Project and entering into a Capacity and Energy Sales Contract with the All-Requirements Power Supply Project, these facilities are treated as resources of the All-Requirements Power Supply Project. In addition, under the Capacity and Energy Sales Contract, KUA has agreed to sell any capacity and energy from its Power Entitlement Shares in the Stanton Project and the Stanton II Project to the All-Requirements Power Supply Project. Effective October 1, 2008, the All-Requirements Power Supply Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract with KUA whereby the All-Requirements Power Supply Project has assumed all cost liability and operational management of all KUA-owned or purchased generation assets (including KUA's ownership interest in Stanton Unit No. 1 and Indian River Units A & B, and its ownership interest and purchase power entitlements in Stanton Unit A) and agreed to pay to KUA agreed-upon fixed annual capacity payments over preset periods relating to each asset beginning in fiscal year 2009.

KUA's 230 kV and 69 kV transmission system includes interconnections with DEF, OUC, TECO and OUC/St. Cloud. Ten sub-stations supply the distribution system at voltages of 13.2 kV. The current system is approximately 69% underground and 31% overhead construction.

Service Area and Customers

KUA's electric utility service area encompasses approximately 85 square miles with Kissimmee's 12.55 square-mile area near the center and 42% of electric customers served reside within the city limits. KUA has a PSC approved territorial agreement with Duke Energy of Florida and OUC/St. Cloud, its neighboring utilities.

No one electric customer accounted for more than 5% of the electric revenues for the year ended September 30, 2020.

Litigation

The KUA is involved in litigation arising during the normal course of its business. In the opinion of management, the resolution of these matters will not have a material effect on the financial position of the KUA.

The KUA is subject to general liability claims throughout the year. The range of loss is such that an estimate cannot be made. KUA has procured general liability, property and excess insurance coverage to manage the risk of such claims. The KUA has also established a Self-Insurance fund to cover any uninsured losses as well as insured losses or claims that are within our insurance deductibles and retention levels and/or exceed insurance policy limits, which is reflected as a deferred inflow of resources on the Statement of Net Position.

Audited Financial Statements

A copy of KUA's audited financial statements for the years ending September 30, 2020 and September 30, 2019 has been filed by FMPA with the MSRB through EMMA.

KISSIMMEE UTILITY AUTHORITY
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017⁽⁷⁾</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average) ⁽⁶⁾	\$69,919	\$71,770	\$73,968	\$76,897	\$79,761
System Requirements:					
Peak Demands (MW)	354	353	356	374	371
Energy (GWh) ⁽²⁾	1,586	1,581	1,624	1,682	1,682
Total Energy Sales (GWh) ⁽²⁾	1,516	1,510	1,563	1,624	1,631
Total Operating Revenues	\$183,733	\$187,031	\$214,362	\$190,637	\$178,854
Operating Expenses:					
Total Power Production and Purchased Power	\$106,275	\$111,682	\$112,215	\$117,440	\$109,428
All Other Operating Expenses (excluding depreciation)	<u>32,168</u>	<u>33,208</u>	<u>31,680</u>	<u>34,212</u>	<u>32,074</u>
Total Operating Expenses (excluding depreciation)	<u>\$138,444</u>	<u>\$144,890</u>	<u>\$143,895</u>	<u>\$151,752</u>	<u>\$141,503</u>
Net Operating Revenues Available for Debt Service	\$45,289	\$42,141	\$70,467	\$38,885	\$37,351
Other Income (Deductions)-Net	<u>834</u>	<u>1,076</u>	<u>641</u>	<u>1,920</u>	<u>(1,041)</u>
Net Revenues and Other Income Available for Debt Service	<u>\$46,123</u>	<u>\$43,216</u>	<u>\$71,108</u>	<u>\$40,804</u>	<u>\$36,310</u>
Debt Service-Revenue Bonds	\$17,977	\$17,987	\$20,263	\$10,701	\$5,323
Debt Service Ratios:					
Actual	2.57x	2.40x	3.51x	3.81x	6.82
Required Per Bond Resolution Rate Covenant	1.10x	1.10x	1.10x	1.10x	1.10x
Balance available for renewals, replacements, capital additions and other lawful purposes	\$28,146	\$25,229	\$50,845	\$30,103	\$30,987
Transferred to General Fund (Kissimmee) ⁽³⁾	\$16,735	\$16,659	\$17,248	\$17,922	\$17,966

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	<u>2019</u>	<u>2020</u>
ASSETS:		
Capital Assets – Utility Plant	\$232,018	\$251,099
Restricted Assets	69,228	79,228
Other Assets	69,741	61,220
Current Assets	91,576	86,799
Deferred Outflow of Resources ⁽⁴⁾	<u>1,158</u>	<u>2,621</u>
Total Assets	<u>\$463,721</u>	<u>\$480,968</u>
LIABILITIES AND EQUITY:		
Current Liabilities	\$22,934	\$21,844
Liabilities Payable from Restricted Assets	23,330	25,765
Long-Term Debt	38,200	33,200
Other Long-Term Liabilities	<u>27,445</u>	<u>24,265</u>
Total Liabilities	<u>\$111,910</u>	<u>\$105,074</u>
Net Assets	297,948	305,525
Deferred Inflow of Resources ⁽⁵⁾	<u>53,864</u>	<u>70,368</u>
Total Liabilities and Equity	<u>\$463,721</u>	<u>\$480,968</u>

-
- (1) Electric utility participation only.
- (2) Excluding sales to other electric utilities, if any.
- (3) Established by KUA at \$6.24 mills per kWh sold and amended to 6.91 mills in October 2011. Fiscal Year 2015 is calculated as 7.6% of Electric Operating Revenues. Effective September 2015, the City of Kissimmee transfer is calculated as 11.06 mills per kWh retail sales.
- (4) Represents unamortized loss on refunded debt.
- (5) Represents regulatory credits, self-insurance and rate stabilization funds.
- (6) Excludes internal customers effective FY 2016.
- (7) Fiscal year 2017 was restated
- (8) \$5.0 million commercial paper reclassified to Long-Term Debt from Liabilities Payable from Restricted Assets

CITY OF LAKE WORTH BEACH⁽¹⁾

Major Participant in: Stanton Project
St. Lucie Project

Electric Utility System

The City of Lake Worth Beach ("Lake Worth") has a 16.26% Power Entitlement Share (11.2 MW) from FMPA's Stanton Project and had a 8.2443% Power Entitlement Share from FMPA's Stanton II Project, each under the terms of a Power Sales Contract and Project Support Contract for the applicable Project. Lake Worth no longer purchases energy and capacity from the All-Requirements Power Supply Project having elected to modify its All-Requirements participation by implementation of a Contract Rate of Delivery, which pursuant to contract terms has been calculated at 0 MW. Additionally, Lake Worth is a participant in the Solar Project with a 17.544% (10 MW) entitlement share. The Solar Project consists of FMPA's purchase of 57 MW from Florida Renewable Partners, and is expected to be commercially operable in 2023. FMPA's PPA for the Solar Project has a term of 20 years. Lake Worth is also a participant in the Solar II Project with a 49.580% (26.55 MW) entitlement share. The Solar II Project consists of FMPA's purchase of 53.55 MW from Origis, and is expected to be commercially operable in 2023. FMPA's PPA for the Solar II Project has an initial term of 20 years.

After the execution of the original Power Sales Contract and Project Support Contract relating to the Stanton II Project, KUA entered into a transfer agreement with Lake Worth pursuant to which KUA assumed all of Lake Worth's 8.2443% Power Entitlement Share in the Stanton II Project (the "Lake Worth Transferred Share"). For additional information about the Lake Worth Transferred Share, see "PART IV – STANTON II PROJECT – Participants."

Lake Worth owns electric generating facilities located within the Lake Worth city limits. Lake Worth's generation facilities represent a collective rating of 92.11 MW comprised of a combination of natural gas, fuel oil, and solar powered resources. Lake Worth's natural gas supply purchases as well as management of its capacity on the Florida Gas Transmission ("FGT") system capacity are managed by Florida Gas Utility. Natural gas is transported to Lake Worth under various transportation service arrangements with FGT and Florida Public Utilities. Fuel oil is transported to Lake Worth's power plant by truck and stored on-site in above-ground fuel storage tanks.

Lake Worth is interconnected with the electric transmission facilities of Florida Power & Light ("FPL") at 138 kV. Lake Worth owns and maintains its own 138 kV transmission system, 26 kV, and 4 kV distribution system. While the distribution system is predominantly overhead, new installations, serving platted developments, are installed underground.

Effective January 1, 2019, Orlando Utilities Commission ("OUC") began serving Lake Worth under a new wholesale power supply agreement after expiration of its prior agreement that had been in place since January 1, 2014. OUC integrates Lake Worth's FMPA power entitlement shares, Lake Worth owned generation resources, and OUC wholesale power to provide Lake Worth with an economic wholesale power supply.

⁽¹⁾ The Fiscal Year 2020 information for the City of Lake Worth Beach is not available as of the date hereof and this section has not been updated. A Material Event Notice has been filed. This section will be updated and the Fiscal Year 2020 information will be provided as soon as it becomes available.

Generation Resource	Percent Entitlement (%)	Generation Entitlement (MW AC)	Fuel
St. Lucie	N/A	22.2	Nuclear
Stanton I	N/A	11.2	Coal
Stanton II	Right of First Refusal if KUA Tries to Sell former Lake Worth share of Stanton II	0.0	Coal
Lake Worth CC (Units GT2 & S5)	100%	29.2	Natural Gas/ Diesel
S3	100%	25.6	Natural Gas
GT-1	100%	25.7	Diesel
M 1-5	100%	9.9	Diesel (permitted for emergency use only)
Sub Total		123.8	
FMPA Municipal Solar Project I	N/A	10.0	Solar Power Sales Contract with FMPA; deliveries expected to begin 2023
FMPA Municipal Solar Project II	N/A	26.55 MW	Solar Power Sales Contract with FMPA; deliveries expected to begin 2023
LW Solar 1	100%	1.71	Solar (LWBU owned)

Service Area and Customers

Lake Worth’s electric utility service area encompasses approximately 12 square miles with nearly equal areas inside and outside the city limits. Approximately, seventy-five percent of the customers served reside within city limits. Lake Worth’s territorial agreement with FPL, the only neighboring utility, continues in force on an annual basis and can be terminated only after five years written notice by either party. Notice has not been given under this provision.

No single electric customer accounted for more than 5% of the electric revenues for the year ended September 30, 2020.

Litigation

There is no material pending litigation relating to Lake Worth or its operations.

Audited Financial Statements

A copy of Lake Worth’s audited financial statements for the fiscal year ending September 30, 2019 has been filed by FMPA with the MSRB through EMMA. A copy of such audited financial statement also may be obtained from FMPA at the address set forth on page iii hereof.

Unaudited Financial Statements

A copy of Lake Worth's unaudited financial statements for the fiscal year ending September 30, 2020 has been filed by FMPA with the MSRB through EMMA. A copy of Lake Worth's audited financial statements for the fiscal year ending September 30, 2020 will be filed as soon as received by FMPA.

CITY OF LAKE WORTH BEACH
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	September 30,				2020 Audited information not available
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	
Customers (annual average)	26,792	27,105	27,177	27,276	
System Requirements:					
Peak Demands (MW)	96	96	95	97	
Energy (GWh)	470	470	473	474	
Total Energy Sales (MWh)	434,758	439,747	431,006	439,967	
Total Operating Revenues	\$70,972	\$70,502	\$68,272	\$70,250	
Operating Expenses:					
Total Cost of Service ⁽²⁾	\$47,797	\$54,101	\$56,815	52,291	
All Other Operating Expenses (excluding depreciation)	<u>3,776</u>	<u>3,972</u>	<u>4,743</u>	<u>4,679</u>	
Total Operating Expenses (excluding depreciation)	<u>\$51,573</u>	<u>\$58,073</u>	<u>\$61,558</u>	<u>\$56,970</u>	
Net Operating Revenues Available for Debt Service	\$19,399	\$12,429	\$6,714	\$13,280	
Other Income (Deductions)—Net	<u>(466)</u>	<u>(1,884)</u>	<u>(829)</u>	<u>(563)</u>	
Net Revenues and Other Income Available for Debt Service	<u>\$18,933</u>	<u>\$10,545</u>	<u>\$5,885</u>	<u>\$12,717</u>	
Debt Service--Revenue Bonds	\$576	\$531	\$4,560	\$4,542	
Debt Service Ratios:					
Actual	32.87x	19.86x	1.29x	2.80x	
Required Per Bond Resolution Rate Covenant	1.20x	1.20x	1.20x	1.20x	
Balance available for renewals, replacements, capital additions and other lawful purposes	\$18,357	\$10,014	\$1,325	\$8,175	
Transferred to General Fund (Lake Worth) ⁽³⁾	\$5,346	\$5,726	\$6,463	\$6,326	

STATEMENT OF NET POSITION⁽¹⁾⁽⁴⁾
(Dollars in Thousands)

	September 30,	
	<u>2019</u>	<u>2020</u>
ASSETS:		
Net Utility Plant	\$107,716	Audited information not available
Restricted Assets	8,739	
Net Other Capital Assets	18,977	
Noncurrent Assets	6,586	
Current Assets	<u>30,632</u>	
Total Assets and Deferred Outflows ⁽⁴⁾	<u>172,650</u>	
LIABILITIES AND EQUITY:		
Current Liabilities	\$11,419	
Net Position ⁽⁴⁾	74,481	
Long Term Debt	<u>86,750</u>	
Total Liabilities, Deferred Inflows and Net Position ⁽⁴⁾	<u>\$172,650</u>	

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- (1) Financial information presented reflects electric and water utility operations; statistical information presented reflects electric usage only.
- (2) Title previously was "Total Power Production and Purchased Power". This change in title was made to recognize that amounts shown reflect both electric and water utility operation costs.
- (3) Established by ordinance at 10% of gross revenue, plus a portion of funds-in-excess of specified payments and provision for reserves. Thus, the General Fund receives 10% of Gross Revenue plus 50% of cost of operation of the Purchasing, Finance, Legal and Commission/Manager Departments of Lake Worth.
- (4) Titles previously were "CONDENSED BALANCE SHEET", "Total Assets", "Utility Plant" and "Total Liabilities and Equity", respectively. These changes in titles were made to reflect changes in financial reporting standards.

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH

Major Participant in: St. Lucie Project

Electric Utility System

The Utilities Commission, City of New Smyrna Beach (the "Utilities Commission") has a Power Entitlement Share of 9.884% (7.258 MW) from FMPA's St. Lucie Project under the terms of its St. Lucie Power Sales and Project Support Contracts with FMPA. The Utilities Commission is a participant in the Solar II Project with an 18.674% (10 MW) entitlement share. The Solar II Project consists of FMPA's purchase of 53.55 MW from Origis and is expected to be commercially operable in 2023. FMPA's PPA for the Solar II Project has an initial term of 20 years. Purchases from FPL, FMPA and interchange purchases from other utilities provided the remainder of the Utilities Commission's power and energy requirements. The Utilities Commission's transmission facilities consist of Smyrna Substation and a 115 kV transmission tie line which is 4.1 miles in length to the Utilities Commission's Field Street Substation and 4.5 miles of 115kV transmission line to the Airport Substation located in the northern section of New Smyrna Beach. The Utilities Commission also owns 11.7 miles of the 115kV transmission line between Smyrna Substation and Duke Energy's Cassadaga Substation, with Duke Energy owning the remaining portion. The Smyrna Substation, Field Street Substation and the Airport Substation step down voltage to the Utilities Commission's 23 kV primary distribution voltage. Three 115/23kV and one 23 kV/13kV substations and a network of 23 kV and 13 kV lines comprise the distribution system.

The Utilities Commission previously purchased two 24 MW General Electric Frame 5P gas turbine generating units, which are used as peaking units.

Service Area and Customers

The Utilities Commission's electric utility service area encompasses approximately 72 square miles with 29,574 electric customers (23,110 inside the City of New Smyrna Beach and 6,464 outside of the City of New Smyrna Beach) with 78% of customers served residing within the 38 square mile city limits. No one customer accounted for more than 3% of electric revenues for year ended September 30, 2020.

Litigation

There is no material pending litigation relating to the Utilities Commission or its operations.

Audited Financial Statements

A copy of the Utilities Commission's Comprehensive Annual Financial Report for the fiscal years ended September 30, 2020 and September 30, 2019 has been filed by FMPA with MSRB through EMMA.

UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average)	27,317	27,673	28,056	28,921	29,574
System Requirements:					
Peak Demands (MW)	101	97	108	105	103
Energy (GWh)	447,319	430,348	439,124	451,180	463,657
Total Energy Sales (MWh)	416,457	402,464	413,285	425,810	435,962
Total Operating Revenues	\$43,852	\$42,578	\$43,964	\$42,603	\$40,819
Operating Expenses:					
Total Power Production and Purchased Power	\$21,325	\$21,076	\$21,043	\$19,207	\$18,104
All Other Operating Expenses (excluding depreciation)	16,473	17,229	18,334	20,008	19,353
Total Operating Expenses (excluding depreciation)	<u>\$37,797</u>	<u>\$38,305</u>	<u>\$39,377</u>	<u>\$39,215</u>	<u>\$37,457</u>
Net Operating Revenues Available for Debt Service	\$6,055	\$4,273	\$4,587	\$3,388	\$3,362
Other Income (Deductions)—Net	<u>534</u>	<u>640</u>	<u>463</u>	<u>596</u>	<u>551</u>
Net Revenues and Other Income Available for Debt Service	<u>\$6,589</u>	<u>\$4,913</u>	<u>\$5,050</u>	<u>\$3,984</u>	<u>\$3,912</u>
Debt Service--Revenue Bonds	\$2,017	\$2,040	\$1,966	\$1,801	\$1,783
Debt Service Ratios:					
Actual	3.27x	2.41x	2.57x	2.21x	2.19x
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25x
Balance available for renewals, replacements, capital additions and other lawful purposes	\$4,572	\$2,873	\$3,084	\$2,182	\$2,129
Transferred to General Fund (New Smyrna Beach) ⁽²⁾	\$2,698	\$2,560	\$2,629	\$2,706	\$2,623

CONDENSED BALANCE SHEET⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended	
	<u>2019</u>	<u>2020</u>
ASSETS:		
Net Utility Plant	\$192,581	\$200,190
Restricted Assets	40,265	94,404
Current Assets	14,377	17,503
Non-Current Assets	<u>876</u>	<u>1,054</u>
Total Assets	<u>\$248,099</u>	<u>\$313,151</u>
LIABILITIES AND EQUITY:		
Current Liabilities	\$20,356	\$9,840
Retained Earnings	202,029	206,912
Long Term Debt	17,225	79,324
Non-Current Liabilities	<u>8,489</u>	<u>17,075</u>
Total Liabilities and Equity	<u>\$248,099</u>	<u>\$313,151</u>

(1) Summary of Operating Results reflects only Electric operations. Statistics including Debt Service and the Condensed Balance Sheet reflect all Utilities Commission operations.

(2) Established by Charter at 6% of defined revenue.

CITY OF OCALA

Major Participant: All-Requirements Power Supply Project

Electric Utility System

The City of Ocala ("Ocala") entered into an All-Requirements Power Supply Contract with FMPA and became a full requirements customer of FMPA on May 1, 1986. At that time, Excluded Power Supply Resources for Ocala consisted of a 1.3333% ownership share in Duke Energy of Florida's Crystal River 3 nuclear unit. The Crystal River 3 nuclear unit has since shut down and FMPA, on behalf of Ocala, negotiated a settlement with Duke Energy to completely divest Ocala from all ownership and obligations in the Crystal River 3 nuclear plant in 2014. Ocala is a participant in Phase I of the Florida Municipal Solar Project ("FMSF") with a 17.241% (10 MW) entitlement share. Phase I consists of a purchase by the All-Requirements Power Supply Project ("All-Requirements Power Supply") of 58 MW from Florida Renewable Partners, and the two facilities are expected to be commercially operable in 2020 and 2023. All-Requirements Power Supply's PPA for Phase I has an initial term of 20 years. Ocala is also a participant in Phase II of the FMSF with a 20.779% (20 MW) entitlement share. Phase II consists of All-Requirements Power Supply's purchase of 96.25 MW from Origis, and the facilities are expected to be commercially operable in 2023. All-Requirements Power Supply's PPA for Phase II has an initial term of 20 years. Today, Ocala comprises approximately 22% of the All-Requirements Power Supply load served by FMPA.

Ocala's 230 kV and 69 kV transmission system include interconnections with Duke Energy of Florida and Seminole Electric Cooperative. Eighteen substations supply the distribution system at voltages of 12.47 kV. The distribution system contains 2,988 miles of electric lines. Ocala utilizes an advanced meter infrastructure system to remotely read its 52,521 electric meters.

Ocala has 262 solar net meter accounts and 2.33 megawatts of customer owned photovoltaic capacity. Ocala is part of two All Requirements Solar Projects. For the first project, Ocala will be receiving 10 MW of power from two separate solar farms. The first solar facility will produce 7 MW and was placed online in 2020. The second facility will add 3 MW when it commences operation in 2023. For the second solar project, Ocala will receive 20 MW of power when the project commences operations in 2023. The total 30 MW of solar power makes up 10% of Ocala's peak load.

Service Area and Customers

Ocala's service area encompasses approximately 161 square miles. Ocala has territorial agreements with Duke Energy, Clay Electric Cooperative and Sumter Electric Cooperative. The Clay Electric agreement was finalized and approved by the PSC in December 2019. The Sumter Electric agreement is also expired and under re-negotiation at this time. We expect to file a new agreement and obtain approval with the PSC by the 4th quarter of 2021. The Duke Energy agreement is also expired and is currently in the early stages of negotiations.

The Electric System has approximately 53,000 customers. Approximately sixty percent of the customers served by Ocala reside within the city limits. No one customer accounted for more than 5% of electric revenues for the year ended September 30, 2020.

Litigation

Various suits and claims arising in the ordinary course of Ocala operations are pending against Ocala. While the ultimate effects of such litigation cannot be ascertained at this time, Ocala does not expect any of these routine items to have a material impact on the financial condition of Ocala.

Fire Service Fees:

Since 2014, Ocala has been the defendant in a lawsuit related to Fire Service Fees. In January 2014, Discount Sleep of Ocala LLC d/b/a Mattress Barn and Dale W. Birch filed a lawsuit alleging Ocala was unlawfully charging fire user fees in violation of the State Constitution (Case No: 5D19-1899). After numerous appeals, the Florida Fifth District Court of Appeals ruled in favor of the plaintiff. Ocala is currently involved in negotiations to settle the lawsuit. As of February 2021, it is uncertain what the final settlement will be. An estimated amount of up to \$80 million has been recorded in the Governmental Activities of the Government Wide Entity Statements.

Audited Financial Statements

A copy of Ocala's audited financial statements for the years ending September 30, 2020 and 2019 has been filed by FMPA with the MSRB through EMMA.

CITY OF OCALA
SUMMARY OF OPERATING RESULTS
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (annual average)	\$52,340	\$52,834	\$53,292	\$54,064	\$54,531
System Requirements:					
Peak Demands (MW)	295	291	297	303	302
Energy (MWh)	1,336,618	1,296,507	1,327,133	1,356,085	1,305,961
Total Energy Sales (MWh)	<u>1,295,215</u>	<u>1,261,604</u>	<u>1,273,834</u>	<u>1,306,200</u>	<u>1,292,885</u>
Total Operating Revenues	<u>\$143,791</u>	<u>\$149,363</u>	<u>\$151,401</u>	<u>\$150,736</u>	<u>\$155,075</u>
Operating Expenses:					
Total Power Production and Purchased Power	\$99,389	\$102,760	\$97,606	\$100,800	\$93,622
All Other Operating Expenses (excluding depreciation)	<u>27,536</u>	<u>32,088</u>	<u>31,643</u>	<u>30,171</u>	<u>30,237</u>
Total Operating Expenses (excluding depreciation)	<u>\$126,925</u>	<u>\$134,848</u>	<u>\$129,249</u>	<u>\$130,971</u>	<u>\$123,859</u>
Net Operating Revenues Available for Debt Service	\$16,866	\$14,515	\$22,152	\$19,765	\$31,216
Other Income (Deductions) - Net	<u>0</u>	<u>426</u>	<u>37</u>	<u>3,347</u>	<u>0</u>
Net Revenues and Other Income Available for Debt Service	<u>\$16,866</u>	<u>\$14,941</u>	<u>\$22,189</u>	<u>\$23,112</u>	<u>\$31,216</u>
Debt Service - Revenue Bonds	-	-	-	-	-
Debt Service-Utility Systems Revenue Bonds	\$4,650	\$4,555	\$4,683	\$4,486	\$4,327
Debt Service Ratios:					
Actual ⁽¹⁾	3.63x	3.28x	4.74x	5.15x	7.21
Required Per Bond Resolution Rate Covenant	1.25x	1.25x	1.25x	1.25x	1.25
Balance available for renewals, replacements, capital additions and other lawful purposes	\$12,216	\$10,386	\$17,506	\$18,626	\$26,889
Transferred to General Fund (Ocala) ⁽²⁾	\$7,832	\$11,882	\$13,049	\$17,527	\$18,698

CONDENSED BALANCE SHEET⁽³⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,	
	2019	2020
ASSETS AND DEFERRED OUTFLOWS:		
Net Utility Plant	\$114,844	\$111,724
Restricted Assets	42,815	33,508
Current Assets	47,326	49,700
Deferred Outflow	<u>9,312</u>	<u>9,684</u>
Total Asset and Deferred Outflows	<u>\$214,297</u>	<u>\$204,616</u>
 LIABILITIES, EQUITY AND DEFERRED INFLOWS:		
Current Liabilities	\$26,646	\$26,109
Other Liabilities	26,248	26,089
Deferred Inflow	31,136	19,311
Retained Earnings	83,869	89,557
Long-Term Debt	<u>46,398</u>	<u>43,550</u>
Total Liabilities, Deferred Inflow and Equity	<u>\$214,297</u>	<u>\$204,616</u>

-
- (1) The coverage shown is based on electric revenues; however, the pledge under the bond resolution is of both the Electric System and the Water and Sewer Utility.
- (2) The Utility transfers a varying percentage of operating revenues to the general fund annually. The FY19-20 transfer was based on 15%.
- (3) Electric utility operations.

CITY OF ST. CLOUD

Major Participant in: Stanton II Project

Electric Utility System

The City of St. Cloud ("St. Cloud") has a 14.6711% Power Entitlement Share (15.4 MW) from FMPA's Stanton II Project under the terms of a Power Sales Contract and Project Support Contract for the Stanton II Project.

Effective May 1, 1997, St. Cloud entered into an inter-local agreement with Orlando Utilities Commission ("OUC") to have OUC operate and manage St. Cloud's electric system for a period of twenty-five years. The agreement was amended in 2003 to extend the agreement through 2032. This agreement contractually authorizes and empowers OUC to act as St. Cloud's exclusive agent to direct the commitment and dispatch of the St. Cloud's diesel generators and Purchase Power and Other Contracts. OUC also acts as agent to procure and manage St. Cloud's fuel resources. OUC is acting as St. Cloud's agent in administration of the Stanton II Power Sales and Project Support Contracts and OUC shall be responsible for all costs associated with those contracts. OUC has been making payments per these contracts since May 1, 1997.

Terms of the agreement call for all electric billings to belong to OUC with guaranteed payments from OUC to St. Cloud of 9.5% of the second preceding year's gross electric billings, not to go below \$2,361,000 per year. The electric rates for residential and commercial customers were reduced by this agreement. The rates are tied to OUC's rates and the OUC rate plus 4%.

As a part of the agreement, St. Cloud sold to OUC the majority of its electric materials inventory and rolling stock. Virtually all employees of St. Cloud's electric utility were transferred to OUC, along with accrued benefits, including a transfer from St. Cloud's defined benefit pension plan of the present value of the accrued pension benefit.

This agreement increases the marketability of the area to light industrial and commercial businesses, which are relocating and expanding in Central Florida.

Litigation

There are pending lawsuits and claims against St. Cloud which arise out of the ordinary course of operations of the City. All such pending lawsuits or claims are covered under St. Cloud's liability insurance coverage and there is minimal financial risk to St. Cloud. Therefore, the City Attorney has expressed his opinion that it is unlikely that any pending litigation will have a substantial material effect on St. Cloud's financial position related to the electric utility.

Audited Financial Statements

A copy of St. Cloud's audited financial statements for the years ending 2019 and 2020 have been filed, and will be filed, respectively, by FMPA with the MSRB through EMMA.

CITY OF ST. CLOUD
SUMMARY OF OPERATING RESULTS⁽¹⁾
(Dollars in Thousands)

	For Fiscal Years Ended September 30,				
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Customers (Electric – Annual Avg.)	\$35,998	\$37,554	\$39,275	\$41,388	\$43,686
Total Energy Sales (MWh)	662,492	674,299	709,391	747,369	778,005
Retail Sales	\$76,779	\$76,158	\$79,930	\$84,149	\$88,147
Payments to City					
Fixed ⁽²⁾	\$0	\$0	\$0	\$0	\$0
Revenue Based ⁽³⁾	<u>6,467</u>	<u>6,858</u>	<u>7,286</u>	<u>7,009</u>	<u>7,580</u>
Total	<u>\$6,467</u>	<u>\$6,858</u>	<u>\$7,286</u>	<u>\$7,009</u>	<u>\$7,580</u>

⁽¹⁾ Electric utility operation only.

⁽²⁾ Gross payment prior to crediting of investment earnings.

⁽³⁾ Revenue Based Payment is calculated from the retail sales in the St. Cloud service territory for the second preceding fiscal year.

APPENDIX C

**FMPA'S ANNUAL AUDIT REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2020**



Financial Statements

For The Fiscal Year Ended September 30, 2020

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Member Cities

- Alachua
- Bartow
- Blountstown
- Bushnell
- Chattahoochee
- Clewiston
- Fort Meade
- Fort Pierce
- Gainesville
- Green Cove Springs
- Havana
- Homestead
- Jacksonville Beach
- Key West
- Kissimmee
- Lake Worth Beach
- Lakeland
- Leesburg
- Moore Haven
- Mount Dora
- New Smyrna Beach
- Newberry
- Ocala
- Orlando
- Quincy
- St. Cloud
- Starke
- Tallahassee
- Wauchula
- Williston
- Winter Park



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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Florida Municipal Power Agency (the Agency) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency'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 opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinions.

CERTIFIED PUBLIC ACCOUNTANTS

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Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Agency, as of September 30, 2020, and the respective changes in financial position and cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As more fully described in Note X to the financial statements, which describes the uncertainty related to the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis information and other Required Supplementary Information, as listed in the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

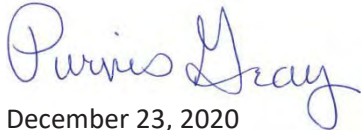
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

INDEPENDENT AUDITOR'S REPORT

over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Agency'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 Agency's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Purvis Gray". The signature is written in a cursive style with a large initial "P".

December 23, 2020
Ocala, Florida

MANAGEMENT'S DISCUSSION & ANALYSIS

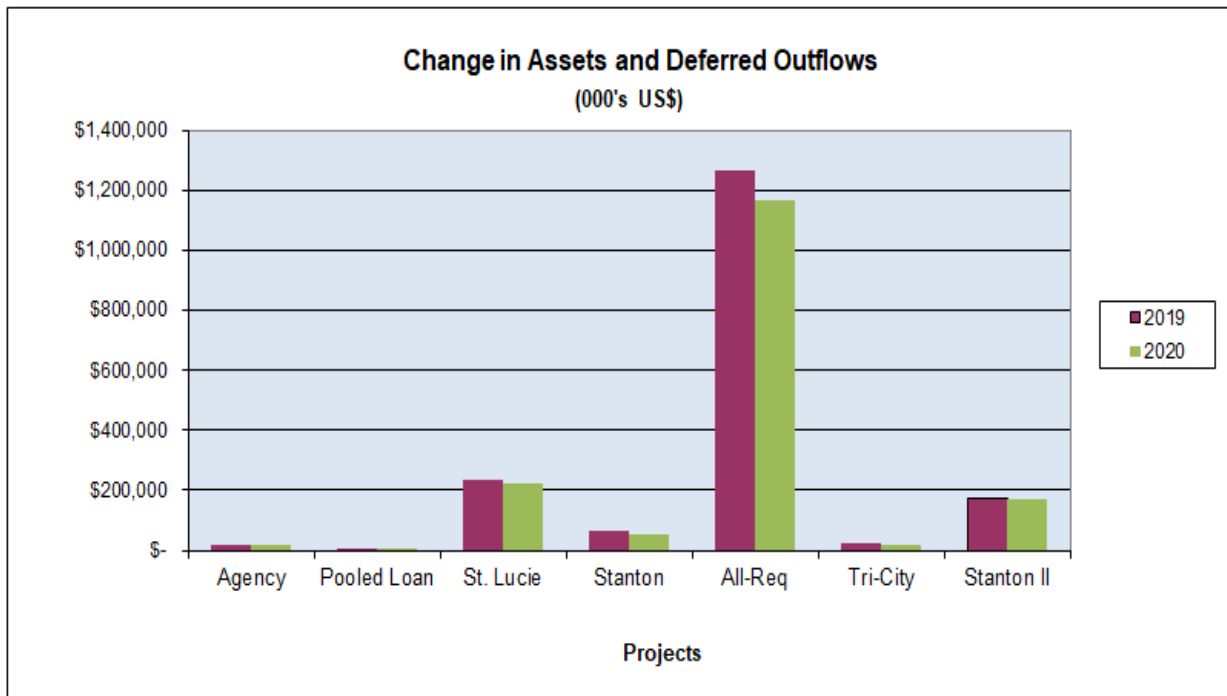
For Fiscal Year Ended September 30, 2020

This discussion and analysis is intended to serve as an introduction to Florida Municipal Power Agency's (FMPA's) basic financial statements, which are comprised of individual project or fund financial statements and the notes to those financial statements.

FMPA's financial statements are designed to provide readers with a broad overview of FMPA's financial condition in a manner similar to a private-sector business. It is important to note that, due to contractual arrangements which are the basis of each power project, no monies are shared among the projects, except that, as of the sale of the Vero Beach electric system to FPL in December 2018, the ARP has taken a transfer and assignment of Vero Beach's interests, as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

FINANCIAL HIGHLIGHTS

Total Assets and Deferred Outflows at September 30, 2020, of FMPA's Agency Fund and other projects decreased \$123.0 million from the prior year. Decreases included \$72.1 million of depreciation and amortization of Plant Assets. Increases in total plant included \$32.4 million of new depreciable assets.



Change in Assets and Deferrred Outflows (000's US\$)								
Year	Agency	Pooled Loan	St. Lucie	Stanton	All-Req	Tri-City	Stanton II	Total
2019	\$ 17,646	\$ 86	\$ 235,863	\$ 62,403	\$ 1,265,991	\$ 21,241	\$ 170,021	\$1,773,251
2020	\$ 17,928	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$1,650,275
Variance	\$282	\$3,874	(\$15,257)	(\$6,759)	(\$102,037)	(\$4,606)	\$1,527	(\$122,976)

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS (CONTINUED)

Total Liabilities and Deferred Inflows at September 30, 2020, for FMPA's Agency Fund and other projects decreased by \$123.0 million during the current fiscal year. The decrease in total liabilities is mainly due to bond principal payments.

Long-Term Liability balance outstanding at September 30, 2020, for FMPA's Agency Fund and Projects was \$1.2 billion, a decrease of \$108.4 million during the current fiscal year.

Long-Term Bonds balance, less current portion, was \$1,020 million, including All-Requirements balance of \$737 million.

Total Revenue for Agency and all projects decreased by \$51.7 million for the current fiscal year, primarily due to decreased natural gas prices.

Comparative years' Assets, Liabilities and Net Position, as well as Revenues, Expenses are summarized on the following pages.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS (CONTINUED)

Statement of Net Position Proprietary funds September 30, 2020 (000's US\$)

2020	Business-Type Activities- Proprietary Funds							Totals
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	
Assets:								
Capital Assets, Net	\$ 3,045	\$ -	\$ 26,455	\$ 27,044	\$ 588,537	\$ 10,350	\$ 91,952	\$ 747,383
Current Unrestricted Assets	14,348	533	69,177	22,173	241,256	3,314	62,012	412,813
Non-Current Restricted Assets	166	3,481	119,560	5,425	33,106	2,612	8,146	172,496
Other Non Current Assets	369	(54)	792	-	260,888	-	-	261,995
Deferred Outflows of Resources	-	-	4,622	1,002	40,167	359	9,438	55,588
Total Assets & Deferred Outflows	\$ 17,928	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$ 1,650,275
Liabilities:								
Long-Term Liabilities	\$ 6,426	\$ 3,498	\$ 191,331	\$ 1,159	\$ 933,813	\$ 415	\$ 105,633	\$ 1,242,275
Current Liabilities	2,109	462	29,275	1,656	139,704	569	17,354	191,129
Deferred Inflows of Resources	-	-	-	52,829	90,437	15,651	48,561	207,478
Total Liabilities & Deferred Inflows	\$ 8,535	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$ 1,640,882
Net Position:								
Investment in capital assets	\$ 3,286	\$ -	\$ (90,272)	\$ 28,046	\$ (346,898)	\$ 10,709	\$ (14,972)	\$ (410,101)
Restricted	12	39	29,012	5,424	51,416	2,612	10,021	98,536
Unrestricted	6,095	(39)	61,260	(33,470)	295,482	(13,321)	4,951	320,958
Total Net Position	\$ 9,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,393

Statement of Net Position Proprietary funds September 30, 2019 (000's US\$)

2019	Business-Type Activities- Proprietary Funds							Totals
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	
Assets:								
Capital Assets, Net	\$ 3,092	\$ -	\$ 20,554	\$ 27,079	\$ 635,185	\$ 10,460	\$ 93,918	\$ 790,288
Current Unrestricted Assets	13,926	106	60,848	30,339	276,394	7,748	56,225	445,586
Non-Current Restricted Assets	246	39	120,241	3,983	26,496	2,674	8,615	162,294
Other Non Current Assets	382	(59)	28,298	-	274,998	-	-	303,619
Deferred Outflows of Resources	-	-	5,922	1,002	52,918	359	11,263	71,464
Total Assets & Deferred Outflows	\$ 17,646	\$ 86	\$ 235,863	\$ 62,403	\$ 1,265,991	\$ 21,241	\$ 170,021	\$ 1,773,251
Liabilities:								
Long-Term Liabilities	\$ 5,907	\$ -	\$ 218,342	\$ 1,123	\$ 1,007,611	\$ 402	\$ 117,323	\$ 1,350,708
Current Liabilities	2,046	86	17,521	11,843	161,153	4,243	16,071	212,963
Deferred Inflows of Resources	-	-	-	49,437	97,227	16,596	36,627	199,887
Total Liabilities & Deferred Inflows	\$ 7,953	\$ 86	\$ 235,863	\$ 62,403	\$ 1,265,991	\$ 21,241	\$ 170,021	\$ 1,763,558
Net Position:								
Investment in capital assets	\$ 3,092	\$ -	\$ (113,837)	\$ 18,094	\$ (371,485)	\$ 7,170	\$ (22,679)	\$ (479,645)
Restricted	7	39	42,212	12,968	91,006	5,963	19,361	171,556
Unrestricted	6,594	(39)	71,625	(31,062)	280,479	(13,133)	3,318	317,782
Total Net Position	\$ 9,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,693

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

FINANCIAL HIGHLIGHTS (CONTINUED)

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2020

2020	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:								
Billings to participants	\$ 14,936	\$ 18	\$ 53,687	\$ 22,955	\$ 390,242	\$ 6,480	\$ 54,223	\$ 542,541
Sales to others			2,284	378	46,539	135	592	49,928
Amounts to be recovered from (refunded to) participants		40	(3,116)	(708)	(2,775)	(207)	(2,792)	(9,558)
Investment Income (loss)	183	1	7,662	401	(2,521)	97	1,059	6,882
Total Revenue	\$ 15,119	\$ 59	\$ 60,517	\$ 23,026	\$ 431,485	\$ 6,505	\$ 53,082	\$ 589,793
Expenses:								
Operation, Maintenance & Nuclear Fuel Amortization	\$ -	\$ -	\$ 13,235	\$ 5,384	\$ 82,078	\$ 1,938	\$ 7,834	\$ 110,469
Purchased power, Transmission & Fuel Costs			3,302	9,223	224,717	3,331	20,399	260,972
Administrative & General	15,047	41	2,700	1,342	23,510	766	1,885	45,291
Depreciation & Decommissioning	372		8,216	3,685	58,395	1,416	5,738	77,822
Interest & Amortization	0	19	5,559	0	35,965	0	5,294	46,837
Gain/Loss on Ineffective Swaps			0					0
Write down of PGP to Net Future Cash Flow					0			0
Total Expense	\$ 15,419	\$ 60	\$ 33,012	\$ 19,634	\$ 424,665	\$ 7,451	\$ 41,150	\$ 541,391
Change in net position before regulatory asset adjustment	\$ (300)	\$ (1)	\$ 27,505	\$ 3,392	\$ 6,820	\$ (946)	\$ 11,932	\$ 48,402
Net cost recoverable/future Participant billings	-	1	(27,505)	(3,392)	(6,820)	946	(11,932)	(48,702)
Change in Net Position After Regulatory Adj	\$ (300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (300)
Net position at beginning of year	9,693							9,693
Net position at end of year	\$ 9,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,393

Statements of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds For Fiscal Year Ended September 30, 2019 (000's US\$)

2019	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project	Totals
Revenues:								
Billings to participants	\$ 14,760	\$ -	\$ 54,748	\$ 32,521	\$ 419,721	\$ 12,296	\$ 47,171	\$ 581,217
Sales to others			2,892	360	43,166	129	565	47,112
Amounts to be recovered from (refunded to) participants			(4,777)	(1,319)	889	(429)	(2,200)	(7,836)
Investment Income (loss)	343	-	10,676	549	6,650	138	2,637	20,993
Total Revenue	\$ 15,103	\$ 0	\$ 63,539	\$ 32,111	\$ 470,426	\$ 12,134	\$ 48,173	\$ 641,486
Expenses:								
Operation, Maintenance & Nuclear Fuel Amortization	\$ -	\$ -	\$ 12,932	\$ 5,134	\$ 79,383	\$ 1,836	\$ 8,634	\$ 107,919
Purchased power, Transmission & Fuel Costs			3,466	12,302	254,330	4,538	18,731	293,367
Administrative & General	14,234	81	2,722	1,562	23,922	837	2,221	45,579
Depreciation & Decommissioning	445		6,743	3,569	58,599	1,359	5,556	76,271
Interest & Amortization	5		17,757	509	41,680	145	5,555	65,651
Gain/Loss on Ineffective Swaps			921					921
Write down of PGP to Net Future Cash Flow					41,733			41,733
Total Expense	\$ 14,684	\$ 81	\$ 44,541	\$ 23,076	\$ 499,647	\$ 8,715	\$ 40,697	\$ 631,441
Change in net position before regulatory asset adjustment	\$ 419	\$ (81)	\$ 18,998	\$ 9,035	\$ (29,221)	\$ 3,419	\$ 7,476	\$ 10,045
Net cost recoverable/future Participant billings	-	81	(18,998)	(9,035)	29,221	(3,419)	(7,476)	(9,626)
Change in Net Position After Regulatory Adj	\$ 419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 419
Net position at beginning of year	9,274							9,274
Net position at end of year	\$ 9,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,693

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to FMPA's basic financial statements, which are comprised of two components: (1) individual project or fund financial statements and (2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

FMPA's **Entity-Wide Financial Statements** are designed to provide readers with a broad overview of FMPA's finances in a manner similar to a private-sector business. It is very important to note that, due to contractual arrangements that are the basis of each power project, no monies can be shared among projects, except that, as of the sale of the Vero Beach electric system to FPL in December 2018, the ARP has taken a transfer and assignment of Vero Beach's interests, as a project participant, in the Stanton, Stanton II and St. Lucie Projects.

The cash flow of one power project, although presented with all others in the financial statement presentation as required by financial reporting requirements, cannot and should not be considered available for any other project. Management encourages readers of this report, when evaluating the financial condition of FMPA, to remember that each power project or fund is a financially independent entity.

The **Statements of Net Position** presents information on all of FMPA's assets and liabilities with the differences between the two reported as Net Position. As a result of a decision by the governing bodies of FMPA, billings and revenues in excess (deficient) of actual costs are returned to (collected from) the participants in the form of billing credits (charges). The assets within the Agency Fund represent those required for staff operations, which coordinate all of the power projects described herein.

The **Statements of Revenues, Expenses and Changes in Fund Net Position** present information regarding how FMPA's net position has changed during the fiscal year ended September 30, 2020. All changes in net position are reported as the underlying event giving rise to the change as it occurs, regardless of the timing of related cash flows. Therefore, some revenues and expenses that are reported in these statements for some items will only result in cash flows in future fiscal periods, such as unrealized gains or losses from investment activities, uncollected billings and earned but unused vacation.

The **Statements of Cash Flows** provide information about FMPA's Agency Fund and each project's cash receipts and disbursements during the fiscal year. These statements report cash receipts, cash payments and net changes in cash resulting from operating, investing and capital & related financing activities.

All of the activities of FMPA are of a business type, as compared to governmental activities. FMPA has no component units to report. The Financial Statements can be found on pages 12 through 14 of this report.

The **Fund Financial Statements** are comprised of a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. FMPA, like governments and other special agencies or districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of FMPA are reported on the proprietary basis.

FMPA maintains only one type of Proprietary Fund, the Enterprise Fund type. Enterprise Funds are used to report the same functions presented as business-type activities in the financial statements. FMPA uses enterprise funds to account for all of its power projects, as well as the Agency business operations. Each of the funds is considered a "major fund" according to specific accounting rules. A summary of FMPA's activities for years 2020 and 2019 is shown on pages 6 and 7. A more detailed version of the major fund proprietary financial statements can be found on pages 12 through 14 of this report.

The Notes to Financial Statements provide additional information that is essential to understanding the data provided in both the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 15 through 53 of this report.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

ENTITY-WIDE FINANCIAL ANALYSIS

As noted earlier, when readers use the financial presentations to evaluate FMPA's financial position and results of operations, it is essential to remember the legal separation that exists among the projects. Nevertheless, broad patterns and trends may be observed at this level that should lead the reader to study carefully the financial statements of each fund and project. For example, total revenues decreased \$51.7 million primarily due to decreased natural gas prices.

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS

FMPA uses fund accounting, Federal Energy Regulatory Commission accounting and special utility industry terminology to ensure and demonstrate compliance with finance-related legal requirements. The projects and funds are presented below and in the financial statements in the order in which they were established.

The **Agency Fund** accounts for the administrative activities of FMPA. The expenses incurred while operating the projects and administrative activities are allocated to the power projects, net of any miscellaneous receipts. Total General and Administrative expenses increased \$.8 million from fiscal year 2019 to fiscal year 2020.

The **Pooled Loan Fund** was re-established during the 2019 fiscal year and made one loan to a member during September 2019. As required by the Governmental Accounting Standards Board Statement 91 it is recognized as conduit debt and the corresponding receivable and payable are not included on the statement of Net Position. The Pooled loan fund made one loan to an FMPA Project (Stanton II) which is included on the statement of Net Position.

The **St. Lucie Project** consists of an 8.806% undivided ownership interest in St. Lucie Unit 2. This unit is a nuclear power plant primarily owned and operated by Florida Power & Light (FPL). FPL requested and received a 20-year extension of the operating license from the Nuclear Regulatory Commission (NRC) for Units 1 and 2. The license will allow Unit 1 to operate until 2035 and Unit 2 to operate until 2043.

The Project billed 697,116 Megawatt-hours (MWh) in fiscal year 2020. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, decreased 3.9% to \$77.01 in fiscal year 2020.

The **Stanton Project** derives its power from a 14.8193% ownership interest in Stanton Unit 1, a 441 Megawatt coal-fired power plant operated by its primary owner, Orlando Utilities Commission (OUC).

The Project billed 228,947 MWh in fiscal year 2020. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses increased 2.4% to \$100.26 per MWh in fiscal year 2020 due to a lower capacity factor for the plant.

The **All-Requirements Project** (ARP) consists of 13 active participants. The ARP energy resources are part of the Florida Municipal Power Pool (FMPP), a consortium of three municipal energy suppliers - ARP, Lakeland Electric and OUC - which have agreed to dispatch resources on an economic cost and availability basis in order to meet combined loads. The average all-inclusive billed rate to ARP member cities was \$67.31 per MWh in fiscal year 2020, which is all-inclusive of Energy, Demand and Transmission expenses. The billed Megawatt hours for fiscal year 2020 were 5,797,669.

The All-Requirements participant net cost of power decreased to \$66.83 per MWh in fiscal year 2020, a 7.6% decrease from fiscal year 2019. This decrease was primarily due to lower fuel expenses. The fuel supply mix was 80.3% for natural gas, 13.6% for coal, 3.7% for purchases 1.4% nuclear and 1.0% for renewables.

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

FINANCIAL ANALYSIS OF FMPA'S FUNDS AND PROJECTS (CONTINUED)

After consideration of amounts to be refunded to or recovered from Project participants, the net position of the All-Requirements Project was zero (by design) again in fiscal year 2020. The All-Requirements project adjusts the Demand, Energy, and Transmission rates each month based on the current expenses, estimated future expenses, and over/under collections to meet its 60-day cash target. The over/under collection amounts are shown in the Statements of Revenues, Expenses and Changes in Fund Net Position as an addition or reduction to "Billings to Participants" and as "Due from Participants" or "Due to Participants" in the accompanying Statement of Net Position.

The **Tri-City Project** consists of a 5.3012% ownership interest in Stanton Unit 1. The Project billed 77,805 MWh in fiscal year 2020. The average all-inclusive billing rate, which includes budgeted Demand, Energy and Transmission expenses, decreased 17.4% to \$83.29 per MWh during fiscal year 2020 due to decreased net operating revenues needed to build reserve funds.

The **Stanton II Project** consists of a 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant operated by its primary owner; Orlando Utilities Commission (OUC). The Project billed 616,808 MWh in fiscal year 2020. The average all-inclusive billing rate, which includes budgeted Demand, Energy, and Transmission expenses, decreased by 5.4% to \$87.91 per MWh in fiscal year 2020. This was caused by an increase in MWh Sales related to an increased capacity factor for the plant.

BUDGETARY HIGHLIGHTS

The FMPA Board of Directors approves the non All-Requirements Project budgets, and the Executive Committee approves the Agency and All-Requirements Project budgets, establishing legal boundaries for expenditures. For fiscal year 2020, the Tri-City budget was amended at the end of the fiscal year to increase expenditures \$.2 million. This was due to higher than anticipated fuel expense.

CAPITAL ASSETS AND LONG-TERM DEBT

FMPA's investment in **Capital Assets**, as of September 30, 2020, was \$747 million, net of accumulated depreciation and inclusive of work-in-process and development projects. This investment in capital assets includes operational and construction projects in progress of generation facilities, transmission systems, land, buildings, improvements, and machinery and equipment.

FMPA's investment in capital assets for fiscal year 2020 decreased by 5.4% or \$42.9 million. This was caused primarily by depreciation of plant assets.

At September 30, 2020, FMPA had **Long-term debt** of \$1.1 billion in notes, loans, and bonds payable. The remaining principal payments on Long-term debt less current portion, net of unamortized premium and discount, and deferred outflows are as follows:

Project	Amount (000's US\$)
Agency Fund	\$ -
Pooled Loan Fund	3,498
St. Lucie Project	98,029
Stanton Project	-
All-Requirements Project	913,713
Tri-City Project	-
Stanton II Project	103,795
Total	<u>\$ 1,119,035</u>

MANAGEMENT'S DISCUSSION & ANALYSIS

For Fiscal Year Ended September 30, 2020

See **Note VIII** to the Notes to Financial Statements for further information.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Multi-year operational and financial modeling was conducted to arrive at the fiscal year 2020 budget. Expenses were estimated using current market conditions for fuel and estimated member loads which take into consideration the member cities' economies that have shown varying impacts on loads in both demand and energy due to current economic conditions. Rates are set in order to cover all costs and based on the member loads. Additionally, All-Requirements rates are adjusted monthly to maintain cash at a 60 day target as approved by the Executive Committee.

SIGNIFICANT EVENTS

A. Refinancing of the 2008C and 2013A All-Requirements Project Bonds

On November 07, 2019, the All-Requirements project issued the 2019A and 2019B bonds with a face amount of \$81.9 million at a premium and used the \$102 million of cash to retire the 2008C and the 2013A bonds with a total face value of \$85.7 million, terminate associated swaps at a cost of \$15.5 million and pay closing costs. This transaction eliminated all variable rate debt and all associated swaps of the Project.

B. Solar Purchased Power Agreements

Five of the All-Requirements participants subscribed to the output of a solar farm that came online in July of 2020. This is the first of four solar farms that FMPA will participate in taking energy from under long term contracts.

REQUEST FOR INFORMATION

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the *Chief Financial Officer, Florida Municipal Power Agency, 8553 Commodity Circle, Orlando, FL 32819.*

FLORIDA MUNICIPAL POWER AGENCY

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2020

(000's US\$)

ASSETS & DEFERRED OUTFLOWS	Business-Type Activities							Totals
	Agency	Pooled Loan	St. Lucie	Stanton	All- Requirements	Tri-City	Stanton II	
	Fund	Fund	Project	Project	Project	Project	Project	
Current Assets:								
Cash and cash equivalents	\$ 4,597	\$ 243	\$ 2,911	\$ 5,436	\$ 41,423	\$ 1,286	\$ 5,505	\$ 61,401
Investments	7,032		37,935	13,594	47,185	1,099	37,699	144,544
Participant accounts receivable	1,695	40	1,972	2,089	37,275	578	4,238	47,887
Fuel stock and material inventory				977	43,507	350	1,512	46,346
Other current assets	1,024	(192)	285	77	5,066	1	192	6,453
Restricted assets available for current liabilities		442	26,074		66,800		12,866	106,182
Total Current Assets	\$ 14,348	\$ 533	\$ 69,177	\$ 22,173	\$ 241,256	\$ 3,314	\$ 62,012	\$ 412,813
Non-Current Assets:								
Restricted Assets:								
Cash and cash equivalents	\$ 66	\$ 2	\$ 38,877	\$ 815	\$ 74,406	\$ 319	\$ 18,299	\$ 132,784
Investments	100		106,675	4,562	25,369	2,267	2,692	141,665
Accrued Interest			82	48	131	26	21	308
Loans to Projects		3,921						3,921
Less: Portion Classified as Current	\$ -	\$ (442)	(26,074)		(66,800)		(12,866)	(106,182)
Total Restricted Assets	\$ 166	\$ 3,481	\$ 119,560	\$ 5,425	\$ 33,106	\$ 2,612	\$ 8,146	\$ 172,496
Utility Plant:								
Electric plant	\$ -	\$ -	\$ 306,531	\$ 94,919	\$ 1,295,229	\$ 37,734	\$ 207,744	\$ 1,942,157
General plant	9,612		28,871	20	5,004	36	91	43,634
Less accumulated depreciation and amortization	(6,567)		(309,943)	(67,895)	(711,696)	(27,420)	(115,883)	(1,239,404)
Net utility plant	\$ 3,045	\$ -	\$ 25,459	\$ 27,044	\$ 588,537	\$ 10,350	\$ 91,952	\$ 746,387
Construction work in progress			996					996
Total Utility Plant, net	\$ 3,045	\$ -	\$ 26,455	\$ 27,044	\$ 588,537	\$ 10,350	\$ 91,952	\$ 747,383
Other Assets:								
Net costs recoverable/future participant billings	\$ -	\$ 79	\$ 792	\$ -	\$ 251,840	\$ -	\$ -	\$ 252,711
Prepaid natural Gas - PGP					9,036			9,036
Due from (to) other funds	128	(133)						(5)
Other	241				12			253
Total Other Assets	\$ 369	\$ (54)	\$ 792	\$ -	\$ 260,888	\$ -	\$ -	\$ 261,995
Total Assets	\$ 17,928	\$ 3,960	\$ 215,984	\$ 54,642	\$ 1,123,787	\$ 16,276	\$ 162,110	\$ 1,594,687
Deferred Outflows of Resources								
Deferred Outflows from Asset Retirement Obligations	\$ -	\$ -		\$ 1,002	\$ 1,116	\$ 359	\$ 1,572	\$ 4,049
Unamortized Loss on Advanced Refunding			4,622		39,051		7,866	51,539
Total Deferred Outflows	\$ -	\$ -	\$ 4,622	\$ 1,002	\$ 40,167	\$ 359	\$ 9,438	\$ 55,588
Total Assets & Deferred Outflows	\$ 17,928	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$ 1,650,275
LIABILITIES, DEFERRED INFLOWS AND NET POSITION								
Current Liabilities:								
Payable from unrestricted assets:								
Accounts payable & Accrued Liabilities	\$ 2,109	\$ 20	\$ 85	\$ 948	\$ 32,029	\$ 362	\$ 1,696	\$ 37,249
Due to Participants			3,116	708	28,592	207	2,792	35,415
Line of Credit Payable								
Capital Lease and other Obligations					12,283			12,283
Total Current Liabilities Payable from Unrestricted Assets	\$ 2,109	\$ 20	\$ 3,201	\$ 1,656	\$ 72,904	\$ 569	\$ 4,488	\$ 84,947
Payable from Restricted Assets:								
Current portion of long-term revenue bonds	\$ -	\$ 423	\$ 23,320	\$ -	\$ 48,490	\$ -	\$ 10,995	\$ 83,228
Accrued interest on long-term debt		19	2,754		18,310		1,871	22,954
Total Current Liabilities Payable from Restricted Assets	\$ -	\$ 442	\$ 26,074	\$ -	\$ 66,800	\$ -	\$ 12,866	\$ 106,182
Total Current Liabilities	\$ 2,109	\$ 462	\$ 29,275	\$ 1,656	\$ 139,704	\$ 569	\$ 17,354	\$ 191,129
Long-Term Liabilities Payable from Restricted Assets:								
Held in Trust for Rate Stabilization	\$ 154	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154
Accrued Decommissioning Liability			93,302					93,302
Total Liabilities Payable from Restricted Assets	\$ 154	\$ -	\$ 93,302	\$ -	\$ -	\$ -	\$ -	\$ 93,456
Long-Term Liabilities Less Current Portion:								
Long-term debt	\$ -	\$ -	\$ 98,029	\$ -	\$ 913,713	\$ -	\$ 103,795	\$ 1,115,537
Pooled Loan Fund Non-Conduit Debt		3,498						3,498
Other Post-employment Benefits	6,272							6,272
Landfill Closure & Asset Retirement Obligations				1,159	1,295	415	1,838	4,707
Advances from Participants					18,688			18,688
Derivative Instruments					117			117
Total Long-Term Liabilities	\$ 6,272	\$ 3,498	\$ 98,029	\$ 1,159	\$ 933,813	\$ 415	\$ 105,633	\$ 1,148,819
Deferred Inflows of Resources								
Net cost refundable/future participant billings	\$ -			\$ 52,829	\$ -	\$ 15,651	\$ 48,561	\$ 117,041
Acquisition Adjustment - Vero Beach Entitlements					90,437			90,437
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -	\$ 52,829	\$ 90,437	\$ 15,651	\$ 48,561	\$ 207,478
Total Long-Term Liabilities & Deferred Inflows	\$ 6,426	\$ 3,498	\$ 191,331	\$ 53,988	\$ 1,024,250	\$ 16,066	\$ 154,194	\$ 1,449,753
Total Liabilities and Deferred Inflows	\$ 8,535	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$ 1,640,882
Net Position:								
Net Investment in Capital Assets	\$ 3,286	\$ -	\$ (90,272)	\$ 28,046	\$ (346,898)	\$ 10,709	\$ (14,972)	\$ (410,101)
Restricted	12	39	29,012	5,424	51,416	2,612	10,021	98,536
Unrestricted	6,095	(39)	61,260	(33,470)	295,482	(13,321)	4,951	320,958
Total Net Position	\$ 9,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,393
Total Liabilities and Net Position	\$ 17,928	\$ 3,960	\$ 220,606	\$ 55,644	\$ 1,163,954	\$ 16,635	\$ 171,548	\$ 1,650,275

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
STATEMENT REVENUE, EXPENSES, AND CHANGE IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2020
(000's US\$)

	Business-Type Activities								Totals
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Requirements Project	Tri-City Project	Stanton II Project		
Operating Revenue:									
Billings to participants	\$ 14,936	\$ 18	\$ 53,687	\$ 22,955	\$ 390,242	\$ 6,480	\$ 54,223	\$ 542,541	
Interchange Sales					12,584			12,584	
Sales to others			2,284	378	27,053	135	592	30,442	
Amortization of Vero Beach Acquisition Adj. Amounts to be recovered from (refunded to) participants		40	(3,116)	(708)	(2,775)	(207)	(2,792)	(9,558)	
Total Operating Revenue	\$ 14,936	\$ 58	\$ 52,855	\$ 22,625	\$ 433,894	\$ 6,408	\$ 52,023	\$ 582,799	
Operating Expenses:									
Operation and maintenance	\$ -	\$ -	\$ 10,026	\$ 5,384	\$ 82,078	\$ 1,938	\$ 7,834	\$ 107,260	
Fuel expense				7,934	159,716	2,875	18,317	188,842	
Nuclear fuel amortization			3,209					3,209	
Purchased power			2,894		29,509			32,403	
Transmission services			408	1,289	35,492	456	2,082	39,727	
General and administrative	15,047	41	2,700	1,342	23,510	766	1,885	45,291	
Interest Expense		19						19	
Depreciation and amortization	372		2,458	3,685	58,395	1,416	5,738	72,064	
Decommissioning			5,758					5,758	
Total Operating Expense	\$ 15,419	\$ 60	\$ 27,453	\$ 19,634	\$ 388,700	\$ 7,451	\$ 35,856	\$ 494,573	
Total Operating Income	\$ (483)	\$ (2)	\$ 25,402	\$ 2,991	\$ 45,194	\$ (1,043)	\$ 16,167	\$ 88,226	
Non-Operating Income (Expense):									
Interest expense	\$ -	\$ -	\$ (4,259)	\$ -	\$ (29,070)	\$ -	\$ (3,469)	\$ (36,798)	
Debt costs					(503)		9	(494)	
Investment earnings (losses)	183	1	7,662	401	3,364	97	1,050	12,758	
Loss on ineffective swaps									
Amortization of swap terminations					(5,885)			(5,885)	
Amortization of Loss on Advanced Termination			(1,300)		(6,392)		(1,825)	(9,517)	
Write down of PGP to Net Future Cash Flow									
Total Non-Operating Income (Expenses)	\$ 183	\$ 1	\$ 2,103	\$ 401	\$ (38,486)	\$ 97	\$ (4,235)	\$ (39,936)	
Change in net assets before regulatory asset adjustment	\$ (300)	\$ (1)	\$ 27,505	\$ 3,392	\$ 6,708	\$ (946)	\$ 11,932	\$ 48,290	
Net cost recoverable/future participant billings	\$	\$ 1	\$ (27,505)	\$ (3,392)	\$ (6,708)	\$ 946	\$ (11,932)	\$ (48,590)	
Change in Net Position After Regulatory Adj	\$ (300)	\$	\$	\$	\$	\$	\$	\$ (300)	
Net Position at beginning of year	9,693							9,693	
Net Position at end of year	\$ 9,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,393	

The accompanying notes are an integral part of these financial statements

FLORIDA MUNICIPAL POWER AGENCY
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended September 30, 2020
(000's US\$)

	Business-Type Activities- Proprietary Funds							
	Agency Fund	Pooled Loan	St. Lucie Project	Stanton Project	All Requirements Project	Tri-City Project	Stanton II Project	Totals
Cash Flows From Operating Activities:								
Cash Received From Customers	\$ 15,460	\$ (67)	\$ 51,622	\$ 22,910	\$ 425,530	\$ 6,741	\$ 51,706	\$ 573,902
Cash Paid to Suppliers	(6,605)	152	(15,929)	(15,947)	(323,970)	(6,008)	(28,697)	(397,004)
Cash Paid to Employees	(7,994)							(7,994)
Net Cash Provided by (Used in) Operating Activities	\$ 861	\$ 85	\$ 35,693	\$ 6,963	\$ 101,560	\$ 733	\$ 23,009	\$ 168,904
Cash Flows From Investing Activities:								
Proceeds From Sales and Maturities Of Investments	\$ 8,044	-	\$ 1,160,907	\$ 19,753	\$ 272,248	\$ 6,195	\$ 44,862	\$ 1,512,009
RSA Deposits and Interest Earnings	(85)							(85)
Purchases of Investments	(9,873)	(3,921)	(1,158,967)	(26,261)	(195,089)	(7,378)	(34,105)	(1,435,594)
Income received on Investments	106	3	12,586	74	2,459	36	(527)	14,737
Net Cash Provided by (Used in) Investment Activities	\$ (1,808)	\$ (3,918)	\$ 14,526	\$ (6,434)	\$ 79,618	\$ (1,147)	\$ 10,230	\$ 91,067
Cash Flows From Capital & Related Financing Activities:								
Proceeds from Issuance of Bonds & Loans	-	\$ 3,921	-	-	\$ 101,851	-	\$ 3,921	\$ 109,693
Debt Issuance Costs					(503)		9	(494)
Capital Expenditures - Utility Plant	(325)		(11,568)	(3,651)	(11,747)	(1,306)	(3,772)	(32,369)
Long Term Gas Pre Pay - PGP					(783)			(783)
Principal Payments - Long Term Debt			(17,715)	(8,985)	(166,043)	(3,290)	(14,987)	(211,020)
Line of Credit Advances								
Line of Credit Payments					(5,000)			(5,000)
Transferred (To) From Other Funds	12	(7)						5
Interest paid on Debt		19	(5,913)	(240)	(44,119)	(35)	(4,181)	(54,469)
Swap Termination Payments					(15,482)			(15,482)
Deferred Charges - Solar Project	1							1
Net Cash Provided (Used in) Capital & Related Financing Activities	\$ (312)	\$ 3,933	\$ (35,196)	\$ (12,876)	\$ (141,826)	\$ (4,631)	\$ (19,010)	\$ (209,918)
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,259)	\$ 100	\$ 15,023	\$ (12,347)	\$ 39,352	\$ (5,045)	\$ 14,229	\$ 50,053
Cash and Cash Equivalents - Beginning	5,922	145	26,765	18,598	76,477	6,650	9,575	144,132
Cash and Cash Equivalents - Ending	\$ 4,663	\$ 245	\$ 41,788	\$ 6,251	\$ 115,829	\$ 1,605	\$ 23,804	\$ 194,185
Consisting of:								
Unrestricted	\$ 4,597	\$ 243	\$ 2,911	\$ 5,436	\$ 41,423	\$ 1,286	\$ 5,505	\$ 61,401
Restricted	66	2	38,877	815	74,406	319	18,299	132,784
Total	\$ 4,663	\$ 245	\$ 41,788	\$ 6,251	\$ 115,829	\$ 1,605	\$ 23,804	\$ 194,185
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ (483)	\$ (2)	\$ 25,402	\$ 2,991	\$ 45,194	\$ (1,043)	\$ 16,167	\$ 88,226
Adjustment to Reconcile Net Operating Income to Net Cash Provided by (Used In) Operating Activities:								
Depreciation	372		2,458	3,685	58,395	1,416	5,738	72,064
Asset Retirement Costs								
Decommissioning			5,758					5,758
Amortization of Nuclear Fuel			3,209					3,209
Amortization of Pre Paid Gas - PGP					8,268			8,268
Amortization of Vero Exit Payment					(6,790)			(6,790)
Changes in Assets and Liabilities Which Provided (Used) Cash:								
Inventory				389	(1,329)	140	625	(175)
Receivables From (Payable to) Participants	524	(79)	(1,232)	285	(878)	332	(316)	(1,364)
Prepays	(372)	192	83	(75)	(1,023)	(1)	10	(1,186)
Accounts Payable and Accrued Expense	820	19	15	(312)	(84)	(111)	785	1,132
Other Deferred Costs		(45)			(193)			(238)
Net Cash Provided By (Used In) Operating Activities	\$ 861	\$ 85	\$ 35,693	\$ 6,963	\$ 101,560	\$ 733	\$ 23,009	\$ 168,904
Noncash Investing, capital and financing activities:								
Increase (Decrease) in mark to market values								
Non-Trust Investments	\$ 77	-	\$ (4,930)	\$ 281	\$ 3,439	\$ 33	\$ 1,570	\$ 470
Interest Rate Derivative Contracts								
Change in Effective Swaps					(2,919)			(2,919)

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

I. Summary of Significant Accounting Policies

A. Reporting Entity

Florida Municipal Power Agency (FMPA or Agency) was created on February 24, 1978, pursuant to the terms of an Interlocal Agreement signed by the governing bodies of 25 Florida municipal corporations or utility commissions chartered by the State of Florida.

The Florida Interlocal Cooperation Act of 1969 authorizes local government units to enter together into mutually advantageous agreements which create separate legal entities for certain specified purposes. FMPA, as one such entity, was authorized under the Florida Interlocal Cooperation Act and the Joint Power Act to finance, acquire, construct, manage, operate, or own electric power projects or to accomplish these same purposes jointly with other public or private utilities. An amendment to the Florida Interlocal Cooperation Act in 1985 and an amendment to the Interlocal Agreement in 1986 authorized FMPA to implement a pooled financing or borrowing program for electric, water, wastewater, waste refuse disposal, gas or other utility projects for FMPA and its members. FMPA established itself as a project-oriented agency.

This structure allows each member the option of whether to participate in a project, to participate in more than one project, or not to participate in any project. Each of the projects are financially independent from the others and the project bond resolutions specify that no revenues or funds from one project can be used to pay the costs of any other project, except that, as of the sale of the Vero Beach electric system to FPL, the ARP has taken a transfer and assignment of Vero Beach's interests , as a project participant, in the Stanton, Stanton II and St. Lucie Projects. As of September 30, 2020, FMPA has 31 members.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Agency Fund and each of the projects are maintained using the Governmental Accounting Standards Board (GASB), the Uniform System of Accounts of the Federal Energy Regulatory Commission (FERC) and Generally Accepted Accounting Principles of the United States (GAAP) using the economic resources measurement focus and the accrual basis of accounting. Application of the accounting methods for regulatory operations is also included in these financial statements. This accounting guidance relates to the deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process, which is governed by the Executive Committee and the Board of Directors.

The Agency's General Bond Resolution requires that its rate structure be designed to produce revenues sufficient to pay operating, debt service and other specified costs. The Agency's Board of Directors, which is comprised of one representative from each member city, and Executive Committee, which is comprised of one representative from each of the active All-Requirements Project members, are responsible for reviewing and approving the rate structure. The application of a given rate structure to a given period's electricity sales may produce revenues not intended to pay that period's costs and conversely, that period's costs may not be intended to be recovered in that period's revenues. The affected revenues and/or costs are, in such cases, deferred for future recognition. The recognition of deferred items is correlated with specific future events, primarily payment of debt principal.

FMPA considers electric revenues and costs that are directly related to generation, purchases, transmission, and distribution of electricity to be operating revenues and expenses. Revenues are recorded when they are earned and expenses are recorded when a liability is incurred, following GAAP.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

1. Fund Accounting

FMPA maintains its accounts on a fund/project basis, in compliance with appropriate bond resolutions, and operates its various projects in a manner similar to private business. Operations of each project are accounted for as a proprietary fund and as such, inter-project transactions, revenues and expenses are not eliminated.

The Agency operates the following major funds:

- The Agency Fund, which accounts for general operations beneficial to all members and projects.
- The Pooled Loan Fund was re-established during the fiscal year 2019 and will loan funds to member utilities or FMPA projects.
- The St. Lucie Project, which accounts for ownership interest in the St. Lucie Unit 2 nuclear generating facility.
- The Stanton Project and the Tri-City Project, which account for respective ownership interests in the Stanton Energy Center (SEC) Unit 1, a coal-fired generation facility,
- The All-Requirements Project, which accounts for ownership interests in Stanton Energy Center Unit 1, Stanton Energy Center Unit 2, Stanton Unit A, and Indian River Combustion Turbine Units A, B, C and D. Also included in the All-Requirements Project is the purchase of power for resale to the participants and 100% ownership or ownership cost responsibility (for jointly owned and participant-owned units) of Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, FMPA's Key West Combustion Turbine Units 1, 2, 3 and 4 and Key West Stock Island MS Units 1 & 2. The project also assumed the participant interest of Vero Beach in the St. Lucie, Stanton, and Stanton II Projects. Some of the All-Requirements participants subscribed to the output of a solar farm that came online in July of 2020.
- The Stanton II Project, which accounts for an ownership interest in SEC Unit 2.

Certain accounts within these funds are grouped and classified in the manner established by respective bond resolutions and/or debt instruments.

All funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary or business fund's principal on-going operations. The principal operating revenues of FMPA's proprietary or business funds are charges to participants for sales and services. Operating expenses for proprietary or business funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is FMPA's policy to use restricted funds for their intended purposes only, based on the bond resolutions. Unrestricted resources are used as they are needed in a hierarchical manner from the General Reserve accounts to the Operations and Maintenance accounts.

Certain direct and indirect expenses allocable to FMPA's fully owned and undivided ownership in the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project and the Stanton II Project are capitalized as part of the cost of acquiring or constructing the respective utility plant. Direct and indirect expenses not associated with these projects are capitalized as part of the cost of Development Projects in Progress in the Agency Fund. Electric Plant in Service is depreciated using the straight-line method over the assets' respective estimated useful lives. Estimated useful lives for electric plant assets range from 23 years to 42 years.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

2. Capital Assets

FMPA has adopted the policy of capitalizing net interest costs during the period of project construction (interest expense less interest earned on the investment of bond proceeds). Capitalized net interest cost on borrowed funds include amortization of bond discount and bond premium, interest expense and interest income. The cost of major replacements of assets in excess of \$5,000 is capitalized to the utility plant accounts. The cost of maintenance, repairs and replacements of minor items are expensed as incurred.

3. Inventory

Coal, oil, and natural gas inventory is stated at weighted average cost. Parts inventory for the generating plants is also stated at weighted average cost. Nuclear fuel is carried at cost and is amortized on the units of production basis.

4. Cash & Cash Equivalents

FMPA considers the following highly liquid investments (including restricted assets) to be cash equivalents for the statement of cash flows:

- Demand deposits (not including certificates of deposits)
- Money market funds

5. Investments

Florida Statutes authorize FMPA to invest in the FL Local Government Surplus Funds Trust Fund, obligations of the U.S. Instrumentalities, Money Market Funds, U.S. Government and Agency Securities, Certificates of Deposit, commercial paper and repurchase agreements fully collateralized by all the items listed above. In addition to the above, FMPA's policy also authorizes the investment in certain corporate and municipal bonds, bankers' acceptances, prime commercial paper and repurchase agreements, guaranteed investment contracts and other investments with a rating confirmation issued by a rating agency.

Investments are stated at fair value based on quoted market prices and using third party pricing models for thinly traded investments that don't have readily available market values. Investment income includes changes in the fair value of these investments. Interest on investments is accrued at the Statement of Net Position date. All of FMPA's project and fund investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

6. Debt-Related Costs

Debt issuance costs are expensed as incurred. Gains and losses on the refunding of bonds are deferred and amortized over the life of the refunding bonds or the life of the refunded bonds, whichever is shorter, using the bonds outstanding method. This method is used for the St. Lucie Project, the Stanton Project, the All-Requirements Project, the Tri-City Project, and the Stanton II Project.

7. Compensated Absences

Liabilities related to Compensated Absences are recognized as incurred in accordance with GASB Statement No. 16 and are included in accrued expenses. Regular, full-time employees in good standing, upon resignation or retirement, are eligible for vacation pay, and sick/personal pay. At September 30, 2020, the liability for unused vacation was \$826,571 and \$661,316 for unused sick/personal leave is accounted for in the Agency Fund.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

8. Allocation of Agency Fund Expenses

General and administrative operating expenses of the Agency Fund are allocated based on direct labor hours of specific positions and certain other minimum allocations to each of the projects. Any remaining expenses are allocated to the All-Requirements Project.

9. Billing to Participants

Participant billings are designed to systematically provide revenue sufficient to recover costs. Rates and budgets can be amended by the Board of Directors or the Executive Committee at any time.

For the All-Requirements Project, energy rate adjustments are driven by the Project's Operation and Maintenance (O & M) Fund month-end cash balance and the cash balance needed to meet the targeted balance of 60 days of cash within the O & M Fund. If it is determined that the O & M Fund balance is over the 60 days O & M Fund cash balance target amount, the energy rate adjustment will result in a lower billing rate relative to projected expenses and thereby reduce the future O & M Fund balance. Likewise, if the O & M Fund balance is below the 60 day cash target, the energy rate adjustment will result in a higher billing rate relative to projected expenses and thereby increase the future O & M Fund balance.

Amounts due from participants are deemed to be entirely collectible and as such, no allowance for uncollectible accounts has been recorded.

For the St. Lucie Project, the Stanton Project, the Tri-City Project and the Stanton II Project, variances in current fiscal year billings and actual project costs are computed and compared to the current year budget target under or over recovery and under the terms of the project contract, net excesses or deficiencies are credited or charged to future participant billings or may be paid from the General Reserve Fund, as approved by the Board of Directors, or Executive Committee as appropriate.

10. Income Taxes

FMPA is a local governmental entity and therefore is exempt from federal and state income taxes.

11. Use of Estimates

The management of FMPA has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Examples of major areas where estimates are used include the estimate for useful lives of property, plant and equipment and the estimate for the nuclear decommissioning liability. Other examples include using third party pricing models for pricing of thinly traded investments, amortization of Public Gas Partner gas based on estimated total reserves and use of estimates when computing the OPEB liability. Actual results could differ from those estimates.

12. Derivative Financial Investments

FMPA uses commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas storage. The contracts are held by Florida Gas Utility (FGU) and FMPA agrees to reimburse FGU for any loss on the contracts and FGU agrees to pay FMPA for any gain on the contracts. Previously, FMPA used interest rate swap contracts to hedge the fluctuations in the interest rate of variable-rate debt, however, with the retirement of the 2008C All-Requirements bonds in November of 2019, all interest rate swaps have been terminated.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

13. Deferred Inflows and Deferred Outflows

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. FMPA has two items that qualify for reporting in this category, the deferred portion of Asset Retirement Obligations and the Unamortized Loss on Refunding. The deferred Asset Retirement Obligation costs will be collected from participants as determined by the Board and Executive Committee during the budget process. A deferred Loss on Refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. FMPA has two items that qualify for reporting in this category, the Net Cost Refundable/Future Participant Billings, and the Acquisition Adjustment- Vero Beach Entitlements. The net Costs Refundable/Future Participant Billings are recognized as a rate benefit in future periods through the rate-making process. The Acquisition Adjustment – Vero Beach Entitlements are being amortized to income to offset the additional annual costs to the All-Requirements project for the assumption of the Project obligations acquired.

14. Financial Reporting for Pension Plans

FMPA has a Defined Contribution Pension Plan and therefore the impacts of reporting for pension plans are minimal compared to entities that have a Defined Benefit Pension Plan. The impacts on accounting and reporting for FMPA are disclosed in footnote XII.A.

15. Financial Reporting for Postemployment Benefits Other Than Pensions

The Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) was adopted by FMPA for reporting the employer's OPEB Plan Liability. The accounting and reporting for FMPA and additional disclosures are provided in footnote XII.B and in the Required Supplementary Information section.

16. Landfill Closure and Post Closure Maintenance Cost

In accordance with Governmental Accounting Standards Board Statement No. 18, Accounting for Landfill Closure and Post Closure Maintenance Cost was implemented beginning with the fiscal year ending September 30, 2018, for reporting the Stanton, Stanton II, Tri-City and All Requirements Projects liability for the fly ash landfill at the Stanton Energy Center.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

I. Summary of Significant Accounting Policies (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

17. Fair Value Measurement and Application

Investments for FMPA are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1 inputs**-are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- **Level 2 inputs**-are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Agency Obligation securities are recorded at fair value based upon Bloomberg pricing models using observable inputs and as such are presented as level 2 in the GASB 72 hierarchy in footnote IV.
- **Level 3 inputs**-are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

II. Nuclear Decommissioning Liability

St. Lucie Project

The U.S. Nuclear Regulatory Commission (NRC) requires that each licensee of a commercial nuclear power reactor furnish to the NRC a certification of its financial capability to meet the costs of nuclear decommissioning at the end of the useful life of the licensee's facility. As a co-licensee of St. Lucie Unit 2, FMPA's St. Lucie Project is subject to these requirements and therefore has complied with the NRC regulations.

To comply with the NRC's financial capability regulations, FMPA established an external trust fund (Decommissioning Trust) pursuant to a trust agreement. Funds deposited, together with investment earnings in the Trust, are anticipated to result in sufficient funds in the Decommissioning Trust at the expiration of the license extension to meet the Project's share of the decommissioning costs. This is reflected in the St. Lucie Project's Statement of Net Position as Restricted Cash and Investments (\$93.6 million) and Accrued Decommissioning Liability (\$93.3 million) at September 30, 2020. These amounts are to be used for the sole purpose of paying the St. Lucie nuclear decommissioning costs. Based on a site-specific study approved by the Florida Public Service Commission in 2020, Unit 2's future net decommissioning costs are estimated to be \$1.7 billion or \$674 million in 2020 dollars, and FMPA's share of the future net decommissioning costs is estimated to be \$146 million or \$59 million in 2020 dollars. A new study will be completed and made available in December 2025. The Decommissioning Trust is irrevocable, and funds may be withdrawn from the Trust solely for the purpose of paying the St. Lucie Project's share of costs for nuclear decommissioning. Also, under NRC regulations, the Trust is required to be segregated from other FMPA assets and outside FMPA's administrative control. FMPA has complied with these regulations.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

III. Landfill Closure and Post Closure Maintenance Liability and Asset Retirement Obligations

In accordance with Governmental Accounting Standard No. 18, the ownership share of the landfill closure and post closure maintenance costs the Stanton Energy Center Units 1 & 2, the proportionate closure and post closure maintenance costs of \$627 thousand as of September 30, 2020, was recognized across FMPA's All Requirements, Stanton, Stanton II and Tri-City Projects. FMPA expects to recognize the remaining share of its estimated closure and post-closure costs of \$324 thousand over the remaining useful life of the landfill. As of September 30, 2019 and 2020, 53.9% and 65.9%, respective of the total landfill capacity has been used. Three years remain on the landfill life.

In accordance with Governmental Accounting Standard No. 83, Asset Retirement Obligation have been calculated for each of the generating sites owned by FMPA. Significant assumptions used in the calculation of the Obligations are as follows:

There are no pollution events that need to be addressed. If a pollution event occurs it will be cleaned up as soon as practicable and the expense will be recognized at the time of the event.

Scrap and salvage values for the natural gas plants exceed the cost to retire the units therefore, no obligation is accrued for these assets.

Coal plant retirement obligations are based on an EPRI study, removing costs for asbestos abatement. All ash disposal is included in the Landfill Closure Cost estimate.

The impact for each of FMPA Projects as of September 30, 2020 is:

	(000's US\$)							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Landfill Closure Costs								
Total Exposure	\$ -	\$ -	\$ -	\$ 235	\$ 262	\$ 84	\$ 370	\$ 951
Remaining Liability				(80)	(89)	(29)	(126)	(324)
Total Liability at September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 173</u>	<u>\$ 55</u>	<u>\$ 244</u>	<u>\$ 627</u>
Closure Liability	\$ -	\$ -	\$ -	\$ 44	\$ 51	\$ 16	\$ 77	\$ 188
Post-Closure Liability				111	122	39	167	439
Asset Retirement Obligation				1,004	1,122	360	1,594	4,080
Total Landfill Closure and Asset Retirement Obligation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,159</u>	<u>\$ 1,295</u>	<u>\$ 415</u>	<u>\$ 1,838</u>	<u>\$ 4,707</u>

IV. Capital Assets

A description and summary as of September 30, 2020, of Capital Assets by fund and project, is as follows:

The column labeled "Increases" reflects new capital undertakings and depreciation expense. The column labeled "Decreases" reflects retirements of those assets.

A. Agency Fund

The Agency Fund contains the general plant assets of the Agency that are not associated with specific projects. Depreciation of general plant assets is computed by using the straight-line method over the expected useful life of the asset. Expected lives of the different types of general plant assets are as follows:

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

IV. Capital Assets (continued)

A. Agency Fund (Continued)

- Structures & Improvements 25 years
- Furniture & Fixtures 8 years
- Office Equipment 5 years
- Automobiles and Computers 3 years

New capital undertakings are accounted for in the Development Projects in Progress account and included in the Other Assets section of the Statement of Net Position. Depending on whether these undertakings become a project, costs are either capitalized or expensed. The activity for the Agency's general plant assets for the year ended September 30, 2020 was as follows:

	<i>Beginning Balance</i>	<i>September 30, 2020</i>		<i>Ending Balance</i>
		<i>Increases*</i>	<i>Decreases*</i>	
		<i>(000's US\$)</i>		
Land	\$ 653	\$ -	\$ -	\$ 653
General Plant	8,594	365	-	8,959
Construction work in process	40	(40)	-	-
General Plant in Service	<u>\$ 9,287</u>	<u>\$ 325</u>	<u>\$ -</u>	<u>\$ 9,612</u>
Less Accumulated Depreciation	(6,195)	(372)	-	(6,567)
General Plant in Service, Net	<u>\$ 3,092</u>	<u>\$ (47)</u>	<u>\$ -</u>	<u>\$ 3,045</u>

* Includes Retirements Less Salvage

B. St. Lucie Project

The St. Lucie Project consists of an 8.806% undivided ownership interest in St. Lucie Unit 2, a nuclear power plant primarily owned and operated by Florida Power & Light (FPL).

Depreciation was originally computed using the straight-line method over the expected useful life of the asset, which was originally computed to be 34.6 years. In FYE 2019, management extended the useful life to 41.6 years based on the extended operating license for St. Lucie Unit 2. Nuclear fuel is amortized on a units of production basis. St. Lucie plant asset activity for the year ended September 30, 2020, was as follows:

	<i>Beginning Balance</i>	<i>September 30, 2020</i>		<i>Ending Balance</i>
		<i>Increases</i>	<i>Decreases*</i>	
		<i>(000's US\$)</i>		
Land	\$ 75	\$ -	\$ -	\$ 75
Electric Plant	300,182	6,274	-	306,456
General Plant	1,209	-	-	1,209
Nuclear Fuel	22,388	5,274	-	27,662
Construction work in process	878	118	-	996
Electric Utility Plant in Service	<u>\$ 324,732</u>	<u>\$ 11,666</u>	<u>\$ -</u>	<u>\$ 336,398</u>
Less Accumulated Depreciation	(304,178)	(5,667)	(98)	(309,943)
Utility Plant in Service, Net	<u>\$ 20,554</u>	<u>\$ 5,999</u>	<u>\$ (98)</u>	<u>\$ 26,455</u>

* Includes Retirements Less Salvage

Construction work in process is recorded on an estimate basis and reversed 3 months later when actual amounts are determined.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

IV. Capital Assets (continued)

C. Stanton Project

The Stanton Project consists of an undivided 14.8193% ownership in Stanton Energy Center Unit 1, a coal-fired power plant. Asset retirements and additions for the plant are decided by Orlando Utilities Commission (OUC), the primary owner and operator of the plant.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different plant assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Stanton Unit 1 plant asset activity for the year ended September 30, 2020, was as follows:

	September 30, 2020			Ending Balance
	Beginning Balance	Increases	Decreases*	
	(000's US\$)			
Land	\$ 125	\$ -	\$ -	\$ 125
Electric Plant	91,150	3,651	-	94,801
General Plant	13	-	-	13
Electric Utility Plant in Service	\$ 91,288	\$ 3,651	\$ -	\$ 94,939
Less Accumulated Depreciation	(64,209)	(3,686)	-	(67,895)
Utility Plant in Service, Net	\$ 27,079	\$ (35)	\$ -	\$ 27,044

* Includes Retirements Less Salvage

D. All-Requirements Project

The All-Requirements Project's current utility plant assets include varying ownership interests in Stanton Energy Center Units 1 and 2; Indian River Combustion Turbines A, B, C and D; and Stanton A. The All-Requirements Project's current utility plant assets also consist of 100% ownership in the Treasure Coast Energy Center, Cane Island Units 1, 2, 3 and 4, Key West Units 1, 2, 3 and 4, and Stock Island MSD Units 1 & 2, with the exception of the Key West and KUA – TARP Capital Lease Obligation. See footnote IX.A.4 for more detail on the Key West and KUA – TARP Capital Lease Obligations.

Retirements and additions for the All-Requirements Project assets are decided by the All-Requirements members.

Depreciation of plant assets and amortization of capital leases is computed using the straight-line method over the expected useful life of the asset. Expected lives of the different plant assets are as follows:

- Stanton Energy Center Units 1 and 2 40 years
- Stanton Energy Center Unit A 35 years
- Treasure Coast Energy Center 23 years
- Cane Island Unit 1 25 years
- Cane Island Units 2, 3 30 years
- Cane Island Unit 4 23 years
- Key West Units 1, 2 and 3 25 years
- Key West Stock Island Units 1 and 2 25 years
- Key West Stock Island Unit 4 23 years
- Indian River Units A, B, C and D 23 years *
- Computer Equipment 9 years

* Indian River Units A, B, C and D, reached the end of their useful lives. Management has extended the useful life by 5 years for new capital additions.

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

IV. Capital Assets (continued)
D. All-Requirements Project (continued)

All-Requirements plant asset activity for the year ended September 30, 2020, was as follows:

	<i>September 30, 2020</i>			<i>Ending Balance</i>
	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases*</i>	
		<i>(000's US\$)</i>		
Land	\$ 13,405	\$ -	\$ -	\$ 13,405
Electric Plant	1,270,589	11,363	-	1,281,952
General Plant	4,492	384	-	4,876
CWIP	-	-	-	-
Electric Utility Plant in Service	\$ 1,288,486	\$ 11,747	\$ -	\$ 1,300,233
Less Accumulated Depreciation	(653,301)	(58,395)	-	(711,696)
Utility Plant in Service, Net	<u>\$ 635,185</u>	<u>\$ (46,648)</u>	<u>\$ -</u>	<u>\$ 588,537</u>

* Includes Retirements Less Salvage

E. Tri-City Project

The Tri-City Project consists of an undivided 5.3012% ownership interest in Stanton Unit 1, a coal-fired power plant. Retirements and additions for Stanton Unit 1 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

Tri-City Project plant asset activity for the year ended September 30, 2020, was as follows:

	<i>September 30, 2020</i>			<i>Ending Balance</i>
	<i>Beginning Balance</i>	<i>Increases</i>	<i>Decreases*</i>	
		<i>(000's US\$)</i>		
Land	\$ 48	\$ -	\$ -	\$ 48
Electric Plant	36,380	1,306	-	37,686
General Plant	36	-	-	36
Electric Utility Plant in Service	\$ 36,464	\$ 1,306	\$ -	\$ 37,770
Less Accumulated Depreciation	(26,004)	(1,416)	-	(27,420)
Utility Plant in Service, Net	<u>\$ 10,460</u>	<u>\$ (110)</u>	<u>\$ -</u>	<u>\$ 10,350</u>

* Includes Retirements Less Salvage

F. Stanton II Project

The Stanton II Project consists of an undivided 23.2367% ownership interest in Stanton Unit 2, a coal-fired power plant. Retirements and additions for Stanton Unit 2 are determined by OUC, the primary owner and operator.

Depreciation of plant assets is computed using the straight-line method over the expected useful life of the different assets. Expected useful lives of the assets are as follows:

- Electric Plant 40 years
- Computer Equipment 9 years

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

IV. Capital Assets (continued)
F. Stanton II Project (continued)

Stanton Unit 2 plant asset activity for the year ended September 30, 2020, was as follows:

	<i>Beginning</i>	<i>September 30, 2020</i>		<i>Ending</i>
	<i>Balance</i>	<i>Increases</i>	<i>Decreases*</i>	<i>Balance</i>
		<i>(000's US\$)</i>		
Land	\$ 217	\$ -	\$ -	\$ 217
Electric Plant	203,755	3,772	-	207,527
General Plant	91	-	-	91
Electric Utility Plant in Service	\$ 204,063	\$ 3,772	\$ -	\$ 207,835
Less Accumulated Depreciation	(110,145)	(5,738)	-	(115,883)
Utility Plant in Service, Net	<u>\$ 93,918</u>	<u>\$ (1,966)</u>	<u>\$ -</u>	<u>\$ 91,952</u>

* Includes Retirements Less Salvage

V. Cash, Cash Equivalents, and Investments

A. Cash and Cash Equivalents

At September 30, 2020, FMPA's Cash and Cash Equivalents consisted of demand deposit accounts and money market accounts which are authorized under FMPA bond resolutions. Cash and cash equivalents are held at two financial institutions. All of FMPA's demand deposits at September 30, 2020, were insured by Federal Depository Insurance Corporation (FDIC) or collateralized pursuant to the Public Depository Security Act of the State of Florida. Current unrestricted cash and cash equivalents are used in FMPA's funds' and projects' day-to-day operations.

B. Investments

FMPA adheres to a Board and Executive Committee-adopted investment policy based on the requirements of the bond resolutions. The policy requires diversification based upon investment type, issuing institutions, and duration. All of the fund and project accounts have specified requirements with respect to investments selected and the length of allowable investment.

Investments at September 30, 2020 were insured or registered and held by its agent in FMPA's name. Changes in the fair value of investments are reported in current period revenues and expenses. All of FMPA's fund and project investments can be sold at any point due to cash flow needs, changes in market trends or risk management strategies.

Foreign Currency Risk

FMPA's investments are not exposed to foreign currency risk.

Interest-Rate Risk

FMPA's investment policy requires that funds generally be invested to match anticipated cash flow. All fund and project accounts have a specified maximum maturity for investments and, the majority of FMPA's funds are required to be invested for less than five years. All project funds and accounts are monitored using weighted average maturity analysis as well as maturity date restrictions.

Concentration of Credit Risk

Each project is separate from the others, and as such, each project is evaluated individually to determine the credit and interest rate risk. FMPA's investment policy prohibits investments in commercial paper that exceed 50% of any of the projects' or the Agency's assets. All commercial paper must be rated in the highest rating category by a nationally recognized bond rating agency at the time of purchase. These investments must not exceed 50% for any of FMPA's projects. As of September 30, 2020, fixed income commercial paper investments, held by FMPA from any one issuer (investments issued or explicitly guaranteed by the US Government, investments in mutual funds, external investment pools and other pooled investments are excluded) are limited to 10% of the projects' investment assets. No project exceeded that limit.

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

FMPA maintains all assets other than demand deposit accounts within a trust department of a bank. All cash and investments, other than demand deposit accounts, are held in the name of a custodian or a trustee for the Agency and its projects.

1. Agency Fund

Cash, cash equivalents and investments on deposit for the Agency at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
Restricted	<i>(000's US\$)</i>		
Cash and Cash Equivalents	\$ 66		
US Gov't/Agency Securities	100	120	Aaa/AA+/AAA *
Commercial Paper *	-		P1/A1**
Total Restricted	<u>\$ 166</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 4,597		
US Gov't/Agency Securities *	5,534	329	Aaa/AA+/AAA *
Commercial Paper	998	286	
Corporate Notes	500	1	
Total Unrestricted	<u>\$ 11,629</u>		
Total	<u>\$ 11,795</u>		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3/A-/A.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the Agency at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets	Significant Other Observable Inputs	Significant Unobservable Inputs
	(Level 1) <i>(000's US\$)</i>	(Level 2) <i>(000's US\$)</i>	(Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 5,574	\$ -
US Treasury Obligations	100		
Corporate Notes		501	
Brokered CDs			
Total By Level	<u>\$ 100</u>	<u>\$ 6,075</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 4,663		
Commercial Paper	998		
Total Money Market and Mutual Fund Instruments	<u>\$ 5,661</u>		
Total Market Value of Assets	\$ 11,836		
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(41)	
Market value (less) Accrued Interest	<u>\$ 11,795</u>		

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

2. Pooled Loan Fund

Cash, cash equivalents and investments on deposit for Pooled Loans at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
Restricted	<i>(000's US\$)</i>		
Cash and Cash Equivalents	\$ 2		
Total Restricted	<u>\$ 2</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 243		
Total Unrestricted	<u>\$ 243</u>		
Total	<u><u>\$ 245</u></u>		

Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure	
Cash Equivalents	\$ 245
Total Money Market and Mutual Fund Instruments	<u>\$ 245</u>
Total Market Value of Assets	\$ 245
Accrued Interest (including portion within other current assets of Unrestricted Assets)	
Market value (less) Accrued Interest	<u><u>\$ 245</u></u>

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

3. St. Lucie Project

In addition to normal operational cash needs for the project, investments are being accumulated in order to pay-off the balloon maturity of the Project's debt in 2026. The primary investments being used for this are zero coupon municipal bonds. Cash, cash equivalents and investments for the St. Lucie Project at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
<i>(000's US\$)</i>			
Restricted			
Cash and Cash Equivalents	\$ 38,877		
US Gov't/Agency Securities	100,058	82	Aaa/AA+/AAA **
Municipal Bonds	2,888	210	*
Commercial Paper	3,498	102	P1/A1 **
Corporate Notes	231	213	
Total Restricted	<u>\$ 145,552</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 2,911		
US Gov't/Agency Securities *	17,568	412	Aaa/AA+/AAA **
Municipal Bonds	5,252	1,076	
Commercial Paper	2,994	246	
Corporate Notes	12,121	1,113	
Total Unrestricted	<u>\$ 40,846</u>		
Total	<u>\$ 186,398</u>		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3/A-/A.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the St. Lucie Project at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) (000's US\$)	Significant Other Observable Inputs (Level 2) (000's US\$)	Significant Unobservable Inputs (Level 3) (000's US\$)
Agency Obligations	\$ -	\$ 27,648	\$ -
US Treasury Obligations	90,145		
Municipal Bonds		8,202	
Corporate Notes		9,758	
Brokered CDs		2,705	
Total By Level	<u>\$ 90,145</u>	<u>\$ 48,313</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 12,697		
Commercial Paper	6,492		
Morgan Stanley Institutional	29,091		
Total Money Market and Mutual Fund Instruments	<u>\$ 48,280</u>		
Total Market Value of Assets	\$ 186,738		
Accrued Interest(including portion within other current assets of Unrestricted Assets)	(340)		
Market value (less) Accrued Interest	<u>\$ 186,398</u>		

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

4. Stanton Project

Cash, cash equivalents and investments for the Stanton Project at September 30, 2020, are as follows:

	<u>September 30, 2020</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating</u>
Restricted	<i>(000's US\$)</i>		
Cash and Cash Equivalents	\$ 815		
US Gov't/Agency Securities	1,502	268	Aaa/AA+/AAA **
Municipal Bonds	1,173	768	*
Commercial Paper	385	27	P1/A1 **
Corporate Notes	1,502	15	
Total Restricted	<u>\$ 5,377</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 5,436		
US Gov't/Agency Securities	9,254	367	Aaa/AA+/AAA **
Municipal Bonds	2,018	366	*
Commercial Paper	1,299	78	P1/A1 **
Corporate Notes	1,023	358	
Total Unrestricted	<u>\$ 19,030</u>		
Total	<u>\$ 24,407</u>		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of A3+/A-/A.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton Project at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	<u>Quoted Prices in Active Markets</u>	<u>Significant Other Observable Inputs</u>	<u>Significant Unobservable Inputs</u>
	<i>(Level 1) (000's US\$)</i>	<i>(Level 2) (000's US\$)</i>	<i>(Level 3) (000's US\$)</i>
Agency Obligations	\$ -	\$ 6,054	\$ -
US Treasury Obligations	4,767		
Municipal Bonds		3,219	
Corporate Notes		2,556	
Total By Level	<u>\$ 4,767</u>	<u>\$ 11,829</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 6,251		
Commercial Paper	1,685		
Morgan Stanley Institutional	-		
	-		
Total Money Market and Mutual Fund Instruments	<u>\$ 7,936</u>		
Total Market Value of Assets	\$ 24,532		
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(125)	
Market value (less) Accrued Interest	<u>\$ 24,407</u>		

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

V. **Cash, Cash Equivalents, and Investments (continued)**
B. Investments (continued)

5. All-Requirements Project

Cash, cash equivalents and investments for the All-Requirements Project at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
	<i>(000's US\$)</i>		
Restricted			
Cash and Cash Equivalents	\$ 74,406		
US Gov't/Agency Securities	7,399	1,667	Aaa/AA+/AAA **
Municipal Bonds	11,349	4,045	*
Commercial Paper	5,995	115	P1/A1 **
Corporate Notes	626	489	
Total Restricted	<u>\$ 99,775</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 41,423		
US Gov't/Agency Securities	22,601	614	Aaa/AA+/AAA **
Municipal Bonds	3,609	525	*
Commercial Paper	10,984	188	P1/A1 **
Corporate Notes	9,991	480	
Total Unrestricted	<u>\$ 88,608</u>		
Total	<u>\$ 188,383</u>		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of Aa3/AA+/A-.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the All-Requirements Project at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 25,010	\$ -
US Treasury Obligations	5,105		
Municipal Bonds		15,090	
Brokered CD's		6,089	
Corporate Notes		4,562	
Total By Level	<u>\$ 5,105</u>	<u>\$ 50,751</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 45,112		
Commercial Paper	16,979		
Money Market Funds	70,717		
Total Money Market and Mutual Fund Instruments	<u>\$ 132,808</u>		
Total Market Value of Assets	\$ 188,664		
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(281)	
Market value (less) Accrued Interest	<u>\$ 188,383</u>		

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

6. Tri-City Project

Cash, cash equivalents and investments for the Tri-City Project at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
Restricted	<i>(000's US\$)</i>		
Cash and Cash Equivalents	\$ 319		
US Gov't/Agency Securities	488	167	Aaa/AAA/AAA **
Municipal Bonds	1,229	250	*
Commercial Paper	-		
Corporate Notes	550	85	
Total Restricted	<u>\$ 2,586</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 1,286		
US Gov't/Agency Securities	500	424	Aaa/AAA/AAA **
Municipal Bonds	-		*
Commercial Paper	249	271	P1/A1 **
Corporate Notes	350	22	
Total	<u>\$ 2,385</u>		
Total	<u>\$ 4,971</u>		

*The Municipal Bond ratings range from a best of AAA/AAA/AAA to a worst of Aa3/AAA/AA.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the Tri-City Project at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) <i>(000's US\$)</i>	Significant Other Observable Inputs (Level 2) <i>(000's US\$)</i>	Significant Unobservable Inputs (Level 3) <i>(000's US\$)</i>
Agency Obligations	\$ -	\$ 389	\$ -
US Treasury Obligations	605		
Municipal Bonds		1,242	
Corporate Notes		908	
Total By Level	<u>\$ 605</u>	<u>\$ 2,539</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 1,605		
Commercial Paper	249		
Total Money Market and Mutual Fund Instruments	<u>\$ 1,854</u>		
Total Market Value of Assets	\$ 4,998		
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(27)	
Market value (less) Accrued Interest	<u>\$ 4,971</u>		

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

V. Cash, Cash Equivalents, and Investments (continued)
B. Investments (continued)

7. Stanton II Project

Cash, cash equivalents and investments for the Stanton II Project at September 30, 2020, are as follows:

	September 30, 2020	Weighted Average Maturity (Days)	Credit Rating
Restricted	<i>(000's US\$)</i>		
Cash and Cash Equivalents	\$ 18,299		
US Gov't/Agency Securities	1,118	303	Aaa/AA+/AAA **
Municipal Bonds	-		*
Commercial Paper	500	71	P1/A1 **
Corporate Notes	1,074	317	
Total Restricted	<u>\$ 20,991</u>		
Unrestricted			
Cash and Cash Equivalents	\$ 5,505		
US Gov't/Agency Securities	9,883	421	Aaa/AA+/AAA **
Municipal Bonds	10,195	1,631	*
Commercial Paper	6,985	252	P1/A1 **
Corporate Notes	10,636	591	
Total Unrestricted	<u>\$ 43,204</u>		
Total	<u>\$ 64,195</u>		

*The Municipal Bond ratings range from a best of Aa1/AAA/AAA to a worst of Aa1/AAA/AAA.

** Moody's/S&P/Fitch

Investments measured at Fair Value for the Stanton II Project at September 30, 2020, are as follows:

Investment Assets by Fair Value Level	Quoted Prices in Active Markets (Level 1) (000's US\$)	Significant Other Observable Inputs (Level 2) (000's US\$)	Significant Unobservable Inputs (Level 3) (000's US\$)
Agency Obligations	\$ -	\$ 5,814	\$ -
US Treasury Obligations	5,237		
Municipal Bonds		10,273	
Brokered CD's		3,987	
Corporate Notes		7,808	-
Total By Level	<u>\$ 5,237</u>	<u>\$ 27,882</u>	<u>\$ -</u>
Money Market and Mutual Fund Instruments Not Subject to Fair Value Disclosure			
Cash Equivalents	\$ 6,937		
Commercial Paper	7,485		
Money Market	16,867		
Total Money Market and Mutual Fund Instruments	<u>\$ 31,289</u>		
Total Market Value of Assets	\$ 64,408		
Accrued Interest(including portion within other current assets of Unrestricted Assets)		(213)	
Market value (less) Accrued Interest	<u>\$ 64,195</u>		

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

VI. Derivative Financial Instruments

A. Swap Agreements

FMPA's All-Requirements project was party to interest rate swap agreements during the current fiscal year. In November 2019 with the retirement of the 2008C Bonds, all of the Swap agreements were terminated.

1. All-Requirements Project

<u>Swaps Currently Effective</u>							
<i>(000's US\$)</i>							
<i>Notional Amount</i>	<i>Effective Date</i>	<i>Fixed Rate Paid</i>	<i>Variable Rate Received</i>	<i>Termination Date</i>	<i>Fair Value**</i>	<i>Counterparty</i>	<i>Counterparty Credit Rating</i>
All Swaps were terminated in November 2019 when the 2008C Debt was refunded							
Total Swap Termination Value					\$ -		
Prior Year Termination Value of Effective Swaps and Hybrid Loans					\$ (15,971)		
Change in Fair Market Value					<u>\$ 15,971</u>		
*floating to fixed							
** () denotes that termination value payable to dealer if swap had been terminated 9/30/20							

B. Natural Gas Futures, Contracts and Options

FMPA uses commodity futures contracts and options on forward contracts to hedge the effects of fluctuations in the price of natural gas storage. The contracts are held by Florida Gas Utility (FGU) and FMPA agrees to reimburse FGU for any loss on the contracts and FGU agrees to pay FMPA for any gain on the contracts. Any gain or loss of value in these futures contracts are ultimately rolled into the price of natural gas burned in the Project's electric generators. As of September 30, 2020 FMPA has 48 sales contracts outstanding for gas in storage, valued at \$(117,205), which will expire in November 2020 and February 2021.

FMPA also uses fixed-price firm physical purchases of natural gas as a tool to establish the cost of natural gas that will be needed by the All-Requirements Project in the future. For fiscal year 2021, FMPA has contracted for 11,085,000 MMBtu of natural gas (about one third of annual need) at an average price of \$2.55/MMBtu.

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

VII. Regulatory Assets (Net Costs Refundable/Future Participant Billings)

FMPA has elected to apply the accounting methods for regulatory operations of GASB No. 62. Billing rates are established by the Board of Directors or Executive Committee and are designed to fully recover each project's costs over the life of the project, but not necessarily in the same year that costs are recognized under generally accepted accounting principles (GAAP). Instead of GAAP costs, annual participant billing rates are structured to systematically recover current debt service requirements, operating costs and certain reserves that provide a level rate structure over the life of the project which is equal to the amortization period. Accordingly, certain project costs are classified as deferred on the accompanying Statement of Net Position as a regulatory asset, titled "Net costs recoverable/future participant billings," until such time as they are recovered in future rates. Types of deferred costs include depreciation and amortization in excess of bond principal payments, and prior capital construction interest costs.

In addition, certain billings recovering costs of future periods have been recorded as a regulatory liability, titled "Net costs refundable/future participant billings", or as a reduction of deferred assets on the accompanying Statement of Net Position. Types of deferred revenues include billings for certain reserve funds and related interest earnings in excess of expenditures from those funds, and billings for nuclear fuel purchases in advance of their use.

VIII. Restricted Net Position

Bond resolutions require that certain designated amounts from bond proceeds and project revenues be deposited into designated funds. These funds are to be used for specific purposes and certain restrictions define the order in which available funds may be used. Other restrictions require minimum balances or accumulation of balances for specific purposes. At September 30, 2020, all FMPA projects were in compliance with requirements of the bond resolution.

Segregated restricted net position at September 30, 2020, are as follows:

	(000's US\$)							
	Agency Fund	Pooled Loan Fund	St. Lucie Project	Stanton Project	All-Req Project	Tri-City Project	Stanton II Project	Total
Debt Service Funds	\$ -	\$ 39	\$ 37,572	\$ -	\$ 71,718	\$ 1	\$ 17,181	\$ 126,511
Reserve & Contingency Funds			14,485	5,424	28,188	2,611	3,835	54,543
Decommissioning Fund			93,577					93,577
Rate Stabilization Accounts	166							166
Accrued Interest on								
Long-Term Debt	-		(23,320)	-	(48,490)	-	(10,995)	(82,805)
Accrued Decommissioning Expenses			(93,302)					(93,302)
Rate Stabilization Accounts	(154)							(154)
Total Restricted Net Assets	\$ 12	\$ 39	\$ 29,012	\$ 5,424	\$ 51,416	\$ 2,612	\$ 10,021	\$ 98,536

Restrictions of the various bank funds are as follows:

- Debt service funds include the Debt Service Account, which is restricted for payment of the current portion of the bond principal and interest and the Debt Service Reserve Account, which includes sufficient funds to cover one half of the maximum annual principal and interest requirement of the specific fixed rate issues or 10% of the original bond proceeds.
- Reserve and Contingency Funds are restricted for payment of major renewals, replacements, repairs, additions, betterments, and improvements for capital assets.

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

VIII. Restricted Net Position (continued)

- If, at any time, the Debt Service Fund is below the current debt requirement and there are not adequate funds in the General Reserve Fund to resolve the deficiency, funds will be transferred from the Reserve and Contingency Fund to the Debt Service Fund.
- Decommissioning Funds are restricted and are funded for the payment of costs related to the decommissioning, removal, and disposal of FMPA’s ownership on nuclear power plants.
- Project Funds are used for the acquisition, construction, and capitalized interest, as specified by the participants.
- Revenue Funds are restricted under the terms of outstanding resolutions.

IX. Long-Term Debt

A. Debt

FMPA enters into Long-term debt to fund different projects. The type of Long-term debt differs among each of the projects. A description and summary of Long-term debt at September 30, 2020, is as follows:

1. Agency Fund

The Agency Fund paid off all long-term debt during fiscal year ended September 30, 2019.

2. Pooled Loan Fund

Business-Type Activities	2020 (000's US\$)				Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases			
Direct Placement Debt						
Total Loan	\$ 7,935	\$ 3,921	\$ (342)	\$ 11,514	\$ 742	
Less Conduit Loan - Bushnell	(7,935)		342	(7,593)	(319)	
Non-Conduit Pooled Loans	\$ -	\$ 3,921	\$ -	\$ 3,921	\$ 423	

Loan Payable to First Horizon Bank

The Pooled Loan was re-established in FY 2019 under a credit facility from First Horizon Bank fka Capital Bank. The credit facility will allow FMPA to sponsor loans to FMPA members or FMPA projects up to a maximum of \$25 million. In September 2019 the City of Bushnell drew \$7.9 million at 2.56% for 10 years. Loans to member cities are conduit debt instruments. In June 2020 the Stanton II project drew \$3.9 million at 1.77% for 7.25 years.

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

IX. Long-Term Debt (continued)

A. Debt (continued)

3. St. Lucie Project

Business-Type Activities	2020 (000's US\$)				Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
Revenue Bonds					
Bonds 2009A	\$ 12,010	\$ -	\$ (12,010)	\$ -	\$ -
Bonds 2011A	22,345	-	(2,415)	19,930	19,930
Bonds 2011B	24,305	-	-	24,305	-
Bonds 2012A	58,870	-	-	58,870	-
Direct Placement Debt					
Bonds 2010A	6,330	-	(2,040)	4,290	2,110
Bonds 2013A	10,990	-	(1,250)	9,740	1,280
Total Principal	<u>\$ 134,850</u>	<u>\$ -</u>	<u>\$ (17,715)</u>	<u>\$ 117,135</u>	<u>\$ 23,320</u>
Deferred Premiums And Discounts	5,463	-	(1,249)	4,214	-
Total Revenue Bonds	<u>\$ 140,313</u>	<u>\$ -</u>	<u>\$ (18,964)</u>	<u>\$ 121,349</u>	<u>\$ 23,320</u>
Unamortized loss on advanced refunding	<u>\$ (5,922)</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ (4,622)</u>	<u>\$ -</u>

The 2000 and 2002 bonds were variable rate bonds and were retired in December 2018. The 2009A bonds were retired in October 2019. The 2010A bonds have a fixed interest rate of 2.72% through 2021. The 2011A and 2011B bonds are fixed and have a series of maturity dates through 2026. The rates for the 2011A bonds are 5.0%, and the rate for the 2011B bonds range from 4.375% to 5.0%. The 2012A bonds have a fixed interest rate of 5.0%, and mature in 2026. The 2013A bonds have a fixed interest rate of 2.73%, and mature in 2026.

The Series 2012 bonds are subject to redemption prior to maturity at the election of FMPA on or after October 1, 2022, at a call rate of 100%.

4. Stanton Project

Business-Type Activities	2020 (000's US\$)				Amounts Due Within One Year
	Beginning Balance	Increases	Decreases	Ending Balance	
Revenue Bonds					
Refunding 2008	\$ 7,595	\$ -	\$ (7,595)	\$ -	\$ -
Bonds 2009A	1,390	-	(1,390)	-	-
Total Principal	<u>\$ 8,985</u>	<u>\$ -</u>	<u>\$ (8,985)</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Premiums And Discounts	-	-	-	-	-
Total Bonds and Loans	<u>\$ 8,985</u>	<u>\$ -</u>	<u>\$ (8,985)</u>	<u>\$ -</u>	<u>\$ -</u>
Unamortized loss on advanced refunding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The 2008 and 2009A revenue bonds were paid off on October 1, 2019.

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

IX. Long-Term Debt (continued)
A. Debt (continued)

5. All-Requirements Project

Business-Type Activities	2020 (000's US\$)			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases		
Revenue Bonds					
Bonds 2008A	\$ 38,515	\$ -	\$ (38,515)	\$ -	\$ -
Bonds 2008C	79,103		(79,103)	-	
Bonds 2009A	5,145		(5,145)	-	
Bonds 2009B	15,235		(15,235)	-	
Bonds 2015B	104,730		(5,940)	98,790	6,235
Bonds 2016A	424,120			424,120	38,415
Bonds 2017A	69,625			69,625	
Bonds 2017B	52,925			52,925	2,225
Bonds 2018A	57,790			57,790	
Bonds 2019A		75,220		75,220	
Bonds 2019B		6,670		6,670	1,615
Direct Placement Debt					
Bonds 2013A	8,135		(8,135)	-	
Total Principal	\$ 855,323	\$ 81,890	\$ (152,073)	\$ 785,140	\$ 48,490
Capital Leases and Other					
KUA - TARP	\$ 114,043	\$ -	\$ (13,271)	\$ 100,772	\$ 12,225
Keys - TARP	644		(644)	-	
St. Lucie County	377		(55)	322	58
Total Other Liabilities	\$ 115,064	\$ -	\$ (13,970)	\$ 101,094	\$ 12,283
Total Principal & Capital Lease Deferred Premiums	\$ 970,387	\$ 81,890	\$ (166,043)	\$ 886,234	\$ 60,773
And Discounts	\$ 93,038	\$ 19,961	\$ (24,747)	\$ 88,252	\$ -
Total Revenue Bonds & Capital Lease	\$ 1,063,425	\$ 101,851	\$ (190,790)	\$ 974,486	\$ 60,773
Unamortized loss on advanced refunding	\$ (51,912)	\$ -	\$ 12,861	\$ (39,051)	\$ -

The 2008C and 2013A bonds were the only variable rate bonds and were retired November 7, 2019.

Portions of the Series 2008A, 2008C, 2009A, 2013A, 2015B, 2016A, 2017B and 2019A bonds are subject to redemption prior to maturity at the election of FMPA at a call rate of 100%. The Series 2008B, 2009B and 2017A bonds are not subject to redemption prior to maturity.

On April 1, 2019 \$68.8 million of The All Requirements Series 2008C debt was retired early using a portion of the proceeds from the payment received from Vero Beach for taking over their FMPA Project obligations.

KUA – TARP Capital Lease Obligation

Effective October 1, 2008, the Capacity and Energy Sales Contract with KUA was revised and on July 1, 2019 was amended to provide additional payments with a present value of \$10.7 million. Under the revised and amended contract, KUA receives agreed upon-fixed payments over preset periods.

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

IX. Long-Term Debt (continued)

A. Debt (continued)

5. All-Requirements Project (continued)

Payments remaining under the agreement at September 30, 2020, amount to \$120.7 million and the present value of these payments is \$100.8 million. The capital assets at September 30, 2020 include Facilities and Equipment of \$228.8 million less Accumulated Depreciation of \$162.4 million resulting in a net book value of \$66.4 million.

Keys – TARP Capital Lease Obligation

Effective January 1, 2011, the Capacity and Energy Sales Contract with Keys Energy Services was revised. Under the contract, Keys Energy Services receives agreed-upon fixed payments over preset periods relating to each of their generating units. FMPA assumed all cost liability and operational management of the generating units. FMPA is accounting for this transaction as a capital lease. Total final payment under the agreement was made in December 2019. The capital assets at September 30, 2020 include Facilities and Equipment of \$4.8 million less Accumulated Depreciation of \$4.7 million resulting in a net book value of \$.1 million.

St. Lucie County

As a condition of obtaining its conditional use permit for the construction and operation of the Treasure Coast Energy Center, the All-Requirements project agreed to pay St. Lucie County, Florida \$75,000 a year for a period of 20 years. Upon commercial operation of the plant, the unpaid amounts were discounted at a rate of 5.3% and capitalized to plant. At September 30, 2020, five payments remain under this obligation with the final payment to be made September 30, 2025.

Refinancing of the 2008C and 2013A All-Requirements Project Bonds

On November 07, 2019, the All-Requirements project issued the 2019A and 2019B bonds with a face amount of \$81.9 million at a premium and used the \$102 million of cash to retire the 2008C and the 2013A bonds with a total face value of \$85.7 million, terminate associated swaps at a cost of \$15.5 million and pay closing costs. This transaction eliminates all variable rate debt and all associated swaps of the Project.

Line of Credit

The All-Requirements Project has two lines of credit - one from JPMorgan Chase in the amount of \$75 million, and one from Wells Fargo Bank in the amount of \$25 million. The JPMorgan Chase line expires in June 2021. The Wells Fargo line expires in November 2021.

6. Tri-City Project

Business-Type Activities	2020 (000's US\$)			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases		
Revenue Bonds					
Bonds 2009A	\$ 410	\$ -	\$ (410)	\$ -	\$ -
Bonds 2013A	2,880		(2,880)	-	-
Total Principal	<u>\$ 3,290</u>	<u>\$ -</u>	<u>\$ (3,290)</u>	<u>\$ -</u>	<u>\$ -</u>
Deferred Premiums And Discounts	-		-	-	-
Total Bonds and Loans	<u>\$ 3,290</u>	<u>\$ -</u>	<u>\$ (3,290)</u>	<u>\$ -</u>	<u>\$ -</u>
Unamortized loss on advanced refunding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>

All Tri-City Bonds were paid off October 1, 2019.

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

IX. Long-Term Debt (continued)

A. Debt (continued)

7. Stanton II Project

Business-Type Activities	2020 (000's US\$)			Ending Balance	Amounts Due Within One Year
	Beginning Balance	Increases	Decreases		
Revenue Bonds					
Bonds 2009A	\$ 4,705	\$ -	\$ (4,705)	\$ -	\$ -
Refunding 2012A	51,410		(5,080)	46,330	5,310
Direct Placement Debt					
Refunding 2017A	21,501		(387)	21,114	387
Refunding 2017B	45,185		(4,815)	40,370	4,875
Pooled Loan		3,921		3,921	423
Total Principal	\$ 122,801	\$ -	\$ (14,987)	\$ 111,735	\$ 10,995
Deferred Premiums And Discounts	3,487		(432)	3,055	
Total Bonds and Loans	\$ 126,288	\$ -	\$ (15,419)	\$ 114,790	\$ 10,995
Unamortized loss on advanced refunding	\$ (9,691)		\$ 1,825	\$ (7,866)	\$ -

The 2012A, 2017A and 2017B revenue bonds are fixed, and have a maturity date of 2027. The rates for the bonds range from 3.0% to 5.0%. The pooled loan has a fixed rate of 1.77% and a final maturity of 2027.

The Series 2012A bonds are subject to redemption prior to maturity at the election of FMPA at 100%, beginning October 1, 2022. The Series 2017A and 2017B subject to redemption in whole or part prior to maturity at the call rate of 100% and Cost of Prepayment. The 2009A bonds were retired in July 2020 with proceeds of the Pooled Loan and will result in a Net Present Value Savings of \$463 thousand.

B. Major Debt Provisions (All Projects)

Principal and accrued interest payments on bonds may be accelerated on certain events of default. Events of default include failure to pay scheduled principal or interest payments and certain events of bankruptcy or insolvency of FMPA. Bond holders must give written notice of default and FMPA has 90 days to cure the default. The acceleration requires approval of holders of at least 25% of the principal amount of the outstanding bonds.

Bonds, which are special obligations of FMPA, are payable solely from (1) revenues less operating expenses (both as defined by the respective bond resolutions) and (2) other monies and securities pledged for payment thereof by the respective bond resolutions. The respective resolutions require FMPA to deposit into special funds all proceeds of bonds issued and all revenues generated as a result of the projects' respective Power Sales and Power Support Contracts or the Power Supply Contract. The purpose of the individual funds is also specifically defined in the respective bond resolutions.

Investments are generally restricted to those types described in Note I. Additional restrictions that apply to maturity dates are defined in the respective bond resolutions and FMPA's investment policy.

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

IX. Long-Term Debt (continued)

C. Annual Requirements

The annual cash flow debt service requirements to amortize the long-term **bonded** and **direct placement** debt outstanding as of September 30, 2020, are as follows:

Fiscal Year Ending September	(000's US\$)												Totals
	St. Lucie Project		Stanton Project		All-Req Project		Tri-City Project		Stanton II Project		Totals		
	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net			
Revenue Bonds													
2021	\$ 19,930	\$ 4,627	\$ -	\$ -	\$ 48,490	\$ 35,119	\$ -	\$ -	\$ 5,310	\$ 2,102	\$ 115,578		
2022	-	4,128	-	-	55,280	33,145	-	-	5,620	1,829	100,002		
2023	4,410	4,018	-	-	42,190	30,940	-	-	5,870	1,541	88,969		
2024	4,630	3,792	-	-	43,985	29,008	-	-	6,185	1,240	88,840		
2025	4,860	3,570	-	-	45,985	26,972	-	-	6,480	923	88,790		
2026 - 2030	69,275	4,942	-	-	363,345	93,775	-	-	16,865	892	549,094		
2031 - 2035	-	-	-	-	185,865	9,563	-	-	-	-	195,428		
Total Revenue Bonds	\$ 103,105	\$ 25,077	\$ -	\$ -	\$ 785,140	\$ 258,522	\$ -	\$ -	\$ 46,330	\$ 8,527	\$ 1,226,701		
Direct Placement Debt													
2021	\$ 3,390	\$ 354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,685	\$ 1,522	\$ 10,951		
2022	3,495	261	-	-	-	-	-	-	5,829	1,407	10,992		
2023	1,355	195	-	-	-	-	-	-	5,937	1,275	8,762		
2024	1,390	158	-	-	-	-	-	-	5,986	1,138	8,672		
2025	1,430	120	-	-	-	-	-	-	6,078	1,002	8,630		
2026 - 2030	2,970	122	-	-	-	-	-	-	35,890	2,165	41,147		
2031 - 2035	-	-	-	-	-	-	-	-	-	-	-		
Total Direct Placement Debt	\$ 14,030	\$ 1,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,405	\$ 8,509	\$ 89,154		
Total Principal & Interest	\$ 117,135	\$ 26,287	\$ -	\$ -	\$ 785,140	\$ 258,522	\$ -	\$ -	\$ 111,735	\$ 17,036	\$ 1,315,855		
Less:													
Interest		(26,287)				(258,522)				(17,036)	(301,845)		
Unamortized Loss on refunding	(4,622)				(39,051)				(7,866)		(51,539)		
Add:													
Unamortized Premium (Discount), net	4,214				88,252				3,055		95,521		
Total Net Debt Service Requirement at September 30, 2020	\$ 116,727	\$ -	\$ -	\$ -	\$ 834,341	\$ -	\$ -	\$ -	\$ 106,924	\$ -	\$ 2,463,001		

The annual cash flow debt service requirements to amortize **all** long-term debt outstanding as of September 30, 2020, are as follows:

Fiscal Year Ending September	(000's US\$)												Totals
	Agency Fund		St. Lucie Project		Stanton Project		All-Req Project		Tri-City Project		Stanton II Project		
	Principal	Interest Including Swaps, Net	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net	Principal	Interest	Principal	Interest Including Swaps, Net	
2021			\$ 23,320	4,981	\$ -	\$ -	\$ 60,773	\$ 40,166	\$ -	\$ -	\$ 10,995	\$ 3,624	\$ 143,859
2022			3,495	4,389			68,277	37,527			11,449	3,236	128,373
2023			5,765	4,213			55,942	34,617			11,807	2,816	115,160
2024			6,020	3,950			58,526	31,947			12,171	2,378	114,992
2025			6,290	3,690			61,375	29,115			12,558	1,925	114,953
2026 - 2030			72,245	5,064			395,476	95,609			52,755	3,057	624,206
2031 - 2032							185,865	9,563					195,428
Total Principal & Interest	\$ 0	\$ 0	\$ 117,135	\$ 26,287	\$ 0	\$ 0	\$ 886,234	\$ 278,544	\$ 0	\$ 0	\$ 111,735	\$ 17,036	\$ 1,436,971

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies

A. Participation Agreements

FMPA has entered into participation agreements, and acquired through capital leases, individual ownership of generating facilities as follows:

Project	Operating Utility	Joint Ownership Interest	Commercial Operation Date
St. Lucie	Florida Power & Light	8.806% of St. Lucie Unit 2 nuclear plant	August 1983
Stanton*	Orlando Utilities Commission (OUC)	14.8193% of Stanton Energy Center (SEC) Unit 1 coal-fired plant	July 1987
All-Requirements*	OUC	11.3253% of SEC Unit 1	July 1987
Tri-City*	OUC	5.3012% of SEC Unit 1	July 1987
All-Requirements	OUC	51.2% of Indian River Units A & B combustion turbines	A - June 1989 B - July 1989
All-Requirements	OUC	21% of Indian River Units C & D combustion turbines	C - August 1992 D - October 1992
All-Requirements	OUC	5.1724% of SEC Unit 2 coal-fired plant	June 1996
Stanton II	OUC	23.2367% of SEC Unit 2	June 1996
All-Requirements	Southern Company	7% of Stanton Unit A combined cycle	October 2003

*OUC has the contractual right to unilaterally make any retirement decision for SEC Unit 1 beginning in 2017

Operational control of the electric generation plants rests with the operating utility and includes the authority to enter into long-term purchase obligations with suppliers. FMPA is liable under its participation agreements for its ownership interest of total construction and operating costs. Further contracts with Orlando Utilities Commission (OUC) include commitments for purchases of coal. According to information provided by OUC, such existing commitments are currently scheduled to terminate on December 31, 2025. Through participation with OUC, FMPA's estimated cost share of the existing purchases by project for the next five fiscal years is summarized below.

Project	<i>000's US\$</i>				
	2021	2022	2023	2024	2025
Stanton Project	\$ 4,564	\$ 4,564	\$ 3,585	\$ 1,934	\$ 1,934
All-Requirements Project	10,645	10,645	8,362	4,511	4,511
Tri-City Project	1,633	1,633	1,283	692	692
Stanton II Project	7,157	7,157	5,622	3,033	3,033

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies (continued)

B. Public Gas Partners, Inc.

Public Gas Partners, Inc. (PGP) is a nonprofit corporation of the State of Georgia, duly created and existing under the Georgia Nonprofit Corporation Code, O.C.G.A Sections 14-3-101 through 14-3-1703, as amended. Pursuant to its Articles of Incorporation and by-laws, PGP's purpose is to acquire and manage reliable and economical natural gas supplies through the acquisition of interests in natural gas producing properties and other long-term sources of natural gas supplies for the benefit of participating joint action agencies and large public natural gas and power systems.

On November 16, 2004, FMPA signed an agreement with six other public gas and electric utilities in five different states to form PGP. The initial members of PGP, along with FMPA, included Municipal Gas Authority of Georgia, Florida Gas Utility, Lower Alabama Gas District, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. Florida Gas Utility has left the organization, and their interest was acquired by all members, except for FMPA and the Tennessee Energy Acquisition Corporation, as of May 2008. Lower Alabama Gas District has assigned its interest in each Pool to the Gas Authority effective October 2013.

FMPA has entered into two separate Production Sharing Agreements (PSAs) that obligate FMPA to pay as a component of gas operations expense its share of all costs incurred by the related PGP Pool until all related PGP or participant debt has been paid and the last volumes have been delivered. In addition, PGP has the option, with at least six month notice, to require FMPA to prepay for its share of pool costs, which may be financed by FMPA through the issuance of bonds or some other form of long-term financing. The PSAs include a step-up provision that could obligate FMPA to increase its participation share in the pool by up to 25% in the event of default by another member.

On November 1, 2004, FMPA entered into a PSA as a 22.04% participant of PGP Gas Supply Pool No. 1 (PGP Pool #1). PGP Pool #1 was formed by all of the participants. PGP Pool #1 had targeted an initial supply portfolio capable of producing 68,000 MMBtu per day of natural gas or 493 Bcf over a 20-year period. The acquisition period for PGP Pool #1 has closed after acquiring a supply currently estimated to be 140 Bcf. Current production from Pool #1 is approximately 10,428 MMBtu per day. FMPA's share of this amounts to 2,298 MMBtu per day.

On October 1, 2005, FMPA entered into a PSA as a 25.90% participant of PGP Gas Supply Pool No. 2 (PGP Pool #2). PGP Pool #2 was formed to participate in specific transactions that have different acquisition criteria than PGP Pool #1. PGP Pool #2 had a total expenditure limit of \$200 million, with FMPA's share being \$52 million as authorized by the Board (before step-up provisions which would increase ARP's commitment to a maximum of \$65 million). The other members of PGP Pool #2, along with FMPA, include Municipal Gas Authority of Georgia, Patriots Energy Group, Southeast Alabama Gas District and Tennessee Energy Acquisition Corporation. FMPA entered into a separate agreement with Fort Pierce Utilities Authority whereby FMPA agreed to sell to FPUA 3.474903% of the benefits that FMPA receives from its participation in PGP Pool #2. The acquisition period for PGP Pool #2 has closed after acquiring a supply currently estimated to be 42 Bcf. Current production for PGP Pool #2 is approximately 2,971 MMBtu per day. FMPA's share of this amounts to 742 MMBtu per day.

FMPA's share of the total investment costs amounts to approximately \$103 million for PGP Pool #1, and \$29 million for PGP Pool #2 as of September 30, 2020. During the prior fiscal year, the operating committees for Pool #1 and Pool #2 made the decision to sell the Pool 1 and 2 portfolios and close the Pools. Accordingly, the project was written down to the estimated future cash flows of the assets totaling \$16.5 million. Some sales were made during the current fiscal year and the current estimate of the remaining value of the pools exceeds the unamortized balance of \$9.0 million.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies (continued)

C. Contractual Service Agreements

The All-Requirements Project has signed, or accepted assignment of, Contractual Service Agreements (CSAs) with General Electric International, Inc. (GE) for the Treasure Coast Energy Center, Cane Island 3 and Cane Island 4 combustion turbines, steam turbines and generators. The CSAs cover specified monitoring and maintenance activities to be performed by GE over the contract term, which is the earlier of a specified contract end date, or a performance end date based on reaching certain operating milestones of either Factor Fired Hours or Factored Starts on the combustion turbines. GE or FMPA may terminate the agreements for the breach of the other party. The defaulting party pays the termination amount based on the performance metric specified in the contract.

On March 31, 2016 Cane Island Unit 2 CSA was transitioned to a Managed Maintenance Program (MMP). The MMP does not have a factored starts or hours based payment, and maintenance is paid for at the time it's incurred at pre-negotiated discounts.

The following is a summary of the contract status.

	Treasure Coast	Cane Island Unit 2	Cane Island Unit 3	Cane Island Unit 4
Original Effective Date	1/30/2007	3/31/2016	12/12/2003	12/22/2010
Last Amendment Effective Date	11/21/2017		11/21/2017	11/21/2017
Cumulative Factor Fired Hours	99,509	95,683	129,456	70,090
Estimated Hours at Performance End Date	148,000		202,000	146,000
Current Termination Amount (000's USD)	\$1,671		\$2,520	\$2,831
Specified Contract End Date	11/21/2037	12/31/2019	11/21/2037	11/21/2037
Estimated Performance End Date	FYE 2026		FYE 2030	FYE 2029

In November 2017, FMPA and General Electric negotiated a revised CSA to combine Cane Island Units 3 & 4 and Treasure Coast under one service agreement.

D. Other Agreements

FMPA has entered into certain long-term contracts for transmission services for its projects. These amounts are recoverable from participants in the projects (except the All-Requirements Project) through the Power Sales and Project Support Contracts. FMPA has entered into Power Sales and Project Support Contracts with each of the project participants for entitlement shares aggregating 100% of FMPA's joint ownership interest. In the case of the All-Requirements Project, a Power Supply Contract was entered into providing for the participant's total power requirements (except for certain excluded resources). Revenues received under these individual project contracts are expected to be sufficient to pay all of the related project costs.

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

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

1. St. Lucie Project (continued)

- FMPA has entered into a Reliability Exchange Agreement and a Replacement Power Agreement with FPL. The Reliability Exchange agreement results in FMPA exchanging 50% of its share of the output from St. Lucie Unit 2 for a like amount from the St. Lucie Unit 1. This agreement's original expiration was on October 1, 2017. The Parties mutually agreed to extend the expiration date to October 1, 2022. The Replacement Power Agreement provides for replacement power and energy to be made available to FMPA if FPL voluntarily ceases to operate or reduces output from St. Lucie Unit 2 or St. Lucie Unit 1 for economic reasons or valley-load conditions, until each unit is retired from service or, in the case of St. Lucie Unit 1, if the Reliability Exchange Agreement terminates prior to the retirement date of that unit. Either party may terminate the agreement with 60 days written notice.
- The St. Lucie Project, a joint owner of St. Lucie Unit 2, is subject to the Price-Anderson Act, which limits the liability of nuclear reactor owners to the amount of insurance available from both private sources and an industry retrospective payment plan. In accordance with this Act, FPL maintains \$450 million of private liability insurance for the St. Lucie Plant, which is the maximum obtainable, and participates in a secondary financial protection system, which provides up to \$12.6 billion of liability insurance coverage per incident at any nuclear reactor in the U.S. Under the secondary financial protection system, St. Lucie Unit 2 is subject to retrospective assessments of up to approximately \$127.3 million, plus any applicable taxes, per incident at any nuclear reactor in the U.S., payable at a rate not to exceed approximately \$19.0 million per incident per year. FMPA is contractually liable for its ownership interest of any assessment made against St. Lucie Unit 2 under this plan.
- FPL further participates in a nuclear insurance mutual company that provides \$2.75 billion of limited insurance coverage per occurrence per site for property damage, decontamination, and premature decommissioning risks at the St. Lucie plant and a sublimit of \$1.5 billion for non-nuclear perils. The proceeds from such insurance, however, must first be used for reactor stabilization and site decontamination before they can be used for plant repair. FPL also participates in an insurance program that provides limited coverage for replacement power costs if St. Lucie Unit 2 is out of service for an extended period of time because of an accident. In the event of an accident at one of FPL's or another participating insured's nuclear plants, St. Lucie Unit 2 could be assessed up to approximately \$27 million, plus any applicable taxes, in retrospective premiums in a policy year. FPL is contractually entitled to recover FMPA's ownership share of any such assessment made against St. Lucie 2.
- On December 16, 1999, FMPA and J.P. Morgan Chase (formerly Chase Manhattan Bank) entered into a Forward Delivery Agreement for a portion of the St. Lucie Decommissioning Trust. The agreement provides that J.P. Morgan Chase deliver securities initially with a value not to be less than \$10,225,000 for an equivalent payment. Upon maturity, the securities and the yield earned along with any cash delivered by J.P. Morgan Chase will be equivalent to 7.03% of the face value of the Agreement.

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

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All-Requirements Project

- FMPA supplies all of the wholesale power needs, unless limited to a contract rate of delivery, of the All-Requirements Project participants (except for certain excluded resources). In addition to its ownership facilities, FMPA has entered into interchange and power purchase contracts with minimum future payments as detailed below.

Supplier	End of Contract	Minimum Contract Liability (000's US\$)	
Stanton Clean Energy LLP - Stanton A PPA	9/30/2023	\$	26,638
Oleander Power Project LP, LLC - Unit 5 PPA	12/16/2027		62,907
Total Minimum Liability		\$	<u>89,545</u>

- In October 2003, FMPA executed contracts for a \$10 million investment in a brine water processing plant and other water facilities at the Stanton Energy Center in Orlando, Florida.
- The Stanton Unit A combined cycle generator receives cooling water treatment services from the brine plant and associated facilities. The owners of Stanton Unit A (Stanton Clean Energy LLC (formerly Southern Company Florida), FMPA, KUA and Orlando Utilities Commission) pay the owners of Stanton Energy Center Units 1 and 2 (including FMPA's Stanton, Stanton II, Tri-City and All-Requirements Projects) a fixed and a variable operation and maintenance charge for services received from this facility.
- The All-Requirements Project has several commitments/entitlements for natural gas transportation services to supply fuel to its owned and leased generation facilities. Below were the current commitments/entitlements during the past year.

Pipeline	Ave Daily Volume mBtu/day)	Annual Cost (000's US\$)	Expiration	Primary Delivery/Receiving Point
Fl Gas Transmission FTS-1	21,984	\$ 4,432	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2	61,488	16,747	Various	Cane Island Treasure Coast
Fl Gas Transmission FTS-2 Stanton A	14,950	3,423	Various	Stanton A
Transco	50,000	1,811	4/30/2026	FGT
TECO-Peoples Gas	-	750	12/31/2033	Treasure Coast
TECO- Peoples Gas	-	750	12/31/2033	Cane Island/Oleander
		<u>\$ 27,913</u>		

- The All-Requirements Project has entered into a storage contract with SG Resources Mississippi LLC, for 1 million MMBtu of storage capacity in the Southern Pines Storage facility. The contract was effective August 1, 2008, for storage capacity of 500,000 MMBtu and revised April 1, 2011, to increase the storage capacity by 500,000 MMBtu. The contract expired July 31, 2019, for 500,000 MMBtu and will expire March 31, 2021, for the remaining 500,000 MMBtu.

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

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- The All-Requirements Project is under a contractual arrangement to have generation facilities in Key West, Florida, at a minimum level of 60% of the island utility's weather normalized annual peak capacity requirements. With installed capacity of 112 MW located in the Key West service territory, the All-Requirements Project believes it has sufficient existing generating capacity to fulfill the 60% on-island generation requirement well beyond the next decade.
- FMPA has entered into the Florida Municipal Power Pool (FMPP) Agreement, as amended, with the FMPP members. Pursuant to Amendment 7 – the most recent Amendment, executed November of 2020 – the term of the agreement is three years, with automatically-renewed three-year term extensions. Any party wishing to withdraw from the agreement must provide at least three years notice to the other FMPP members. The FMPP Agreement documents, among other things, how FMPP operating costs are accounted for and allocated among the members, and liability between the FMPP members.
- In 2020 Florida Gas Utilities (FGU), on behalf of the All-Requirements Project (ARP), entered into thirty-year natural gas supply agreements with the Black Belt Energy Gas District (Black Belt Energy) and the Municipal Gas Authority of Georgia (MGAG) for the purchase of specified amounts of natural gas at discounted prices that FGU expects to supply to the ARP. The ARP's weighted average discount from the transactions involving MGAG is \$0.32 per MMBtu on 13,250 MMBtu per Day. The ARP's weighted average discount from the transactions involving Black Belt Energy is \$0.32 per MMBtu on 10,000 MMBtu per day.
- The All Requirements Project has signed contracts with Fort Pierce Utilities Authority (FPUA), Kissimmee Utility Authority (KUA) and Keys Energy Services (KES) to operate and maintain Treasure Coast Energy Center, Cane Island Power Park and Stock Island generation facilities, respectively. The contracts provide for reimbursement of direct and indirect costs incurred by FPUA, KUA and KES, for operating the plants. The All-Requirements Project, in consultation with FPUA, KUA and KES, sets staffing levels, operating and capital budgets, and operating parameters for the plants.
- In the amended and Restated Agreement Concerning Delivery and Use of treated Sewage Effluent with Toho Water Authority for the Cane Island Site dated September 24, 2008, in the event that peak demand requires the addition of some increased storage capacity for reclaimed water, FMPA will financially assist Toho Water Authority in the construction of reclaimed water storage to assist in providing the projected peak demand. Toho Water Authority and FMPA have separately agreed that the cost of such reclaimed water storage shall not exceed \$2 million. In October 2019, TOHO called on and FMPA paid the \$2 million financial assistance.
- The City of Vero Beach sold their system to Florida Power and Light and for a payment of \$105.4 million the All-Requirements Project assumed Vero Beach's Power Project Entitlement Shares and has transferred remaining liability for 32.521%, 16.489% and 15.202% of Vero's participant entitlement shares of the Stanton, Stanton II and St. Lucie Projects, respectively.
- The City of Starke has given FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Project Contract that the term of their contracts will stop automatically renewing each year. The terms of their contract is now fixed and terminates on September 30, 2035.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- The City of Lake Worth has limited its All-Requirements Service to a contract rate of delivery (CROD), as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2014. The amount of capacity and energy the City is obligated to purchase under this conversion of their contract was determined to be zero in December 2013. Additionally, effective January 1, 2014, the Capacity and Energy Sales Contract between the City and FMPA terminated.
- The City of Fort Meade has limited its All-Requirements Service to a (CROD), as permitted in Section 3 of the All-Requirements Power Supply Contract. The limitation commenced January 1, 2015. Based on the city's usage between December 2013 and November 2014, and Executive Committee action in December 2014, the maximum hourly obligation was established at 10.360 MW. Concurrently with its notice of limitation, the City gave FMPA notice pursuant to Section 2 of the All-Requirements Power Supply Contract that the term of its contract will stop renewing automatically each year. The term of the City's contract is now fixed and will terminate on October 1, 2041. In March 2020, FMPA and Fort Meade entered into a Supplemental Power and Ancillary Services Agreement (Fort Meade Supplemental Agreement). Effective September 1, 2019, the ARP now serves Fort Meade with any additional power needed to serve its total requirements above its St. Lucie Project entitlement and CROD.

The ARP also provides Fort Meade with transmission and ancillary services as if CROD had not been implemented. The effect of this arrangement is that Fort Meade is served and billed as if it was a full-requirements ARP Participant. The initial term of the Fort Meade Supplemental Agreement runs through September 30, 2027 and includes 5-year automatic renewals until the termination of Fort Meade's ARP contract. Concurrent with the approval of the Fort Meade Supplemental Agreement, the Executive Committee approved a reduction of Fort Meade's CROD amount from 10.360 MW to 9.009 MW. If the Fort Meade Supplemental Agreement is terminated prior to the termination of Fort Meade's ARP contract, Fort Meade will be served at the lower CROD amount.

- Green Cove Springs notified FMPA of its election to limit its All-Requirements Service, as permitted in Section 3 of the Power Supply Contract, to a CROD. Beginning January 1, 2020 and continuing for the term of the Power Supply Contract, the All-Requirements Power Supply Project will serve Green Cove Springs with a maximum hourly obligation which was calculated in December 2019 as 23.608 MW. Green Cove Springs has also given FMPA notice pursuant to Section 2 of the Power Supply Contract that the term of its contract will not automatically renew each year and the term of Green Cove Springs' contract is now fixed and will terminate on October 1, 2037. In 2019, Green Cove Springs approved a supplemental power sales agreement with the All-Requirements Power Supply Project, for a minimum of 10 years, such that the All-Requirements Power Supply Project will provide capacity and energy to Green Cove Springs as if Green Cove Springs had not effectuated CROD. The agreement may be extended beyond the initial 10-year term.
- The All-Requirements Project has entered into power sales agreement with the following cities with the indicated capacity and time periods indicated:
 - City of Bartow, 20 MW peaking power, expires 2020.
 - City of Bartow, full power supply requirements of approximately 65 MWs from 2021 through 2022.
 - City of Winter Park, 10MW base load power supply through 2019.
 - City of Winter Park, partial requirements of about 70MW from 2020 through 2027.
 - City of Homestead, partial requirements of 15MW from 2020 through 2026.
 - Other short-term sales for which the Project does not receive a capacity payment.
- During 2008, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for KUA whereby the All-Requirements Project has assumed all cost liability and operational management of all KUA-owned generation assets and will pay to KUA agreed-upon fixed payments over preset periods

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies (continued)

D. Other Agreements (continued)

2. All Requirements (continued)

- relating to each asset. On July 1, 2019 the agreement was amended to extend payments on the assets due to anticipated extension of the operating life of the assets.
- Effective January 1, 2011, the All-Requirements Project entered into a Revised, Amended and Restated Capacity and Energy Sales Contract for Key West whereby the All-Requirements Project has assumed all cost liability and operational management of all Key West owned generation assets and will pay to Key West fixed annual payments of \$670,000 each January 1 from 2011 through 2020. The revised, amended, and restated contract provides the All-Requirements Project the right to retire Keys generation assets at any time during the term of the contract, subject to the 60% on-island capacity requirement, without shortening the fixed payment term.
- In December 2018, FMPA received notice pursuant to Section 768.28, Florida Statutes, of an intent to file suit against FMPA for unspecified personal injuries relating to FMPA's interest as a co-owner of the Stanton Energy Center. OUC and KUA also received similar notices. A lawsuit was filed against OUC in state court on December 20, 2018. Seeking class action status, the suit alleges certain property damage and takings claims due to pollution; the suit was removed to federal court, and the plaintiffs have failed to achieve class certification. On November 18, 2020 the US District Court dismissed the case with prejudice.
- In the normal course of its business, FMPA has had claims or assertions made against it. In the opinion of management, the ultimate disposition of these currently asserted claims is either not substantiated or will not have a material impact on FMPA's financial statements.

E. Solar Project

In March 2019, the FMPA Board of Directors approved the formation of the Solar Project, as a sixth FMPA power supply project, and for which FMPA approved a 20-year power purchase agreement for 57 MW-AC of solar energy on behalf of its participants as of the solar facilities' commercial operation date, which is expected to be in Summer of 2023. Also, in March 2019, the FMPA Executive Committee approved a 20-year power purchase agreement (among other enabling agreements) for a total of 58 MW-AC of solar energy as an ARP resource. In coordination with these new endeavors, the Board of Directors has authorized the creation of a Solar Project Committee, which will be advisory to the Board of Directors on matters involving the Solar Project, and the Executive Committee has authorized the creation of an ARP Solar Project Advisory Committee, which is an Executive Committee subcommittee that will address matters involving ARP participants who have committed to pay for the costs of the ARP solar power purchase. Commercial operations began late June 2020 for the All-Requirements Project first solar facility.

F. Covid-19

The outbreak of COVID-19, a respiratory virus which was first reported in China, has since spread to other countries, including the United States, and is considered a Public Health Emergency of International Concern by the World Health Organization. On April 1, 2020, the Governor issued a mandatory "safer at home" order for the entire State which was effective from April 3, 2020 through April 30, 2020. Subsequently phased reopenings began allowing for businesses to open. Many cities and counties where Participants are located have issued a number of emergency orders that supplement and are, in some cases, more restrictive than the Governor's Orders.

As a result of COVID-19, the Agency has implemented precautionary measures including limiting access to plants, restricting access to control rooms, requesting operators limit travel, prepping plant and staff for quarantine, and screening contractors coming onsite with questionnaires and thermal scans. Some of the Agency's Members have implemented suspended disconnects, provided flexible payment plans, waived late payment fees, supported financial assistance programs for customers, and referred customers to federal, state, and local assistance programs.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2020

X. Commitments and Contingencies (continued)

F. Covid-19 (continued)

While the effects of COVID-19 may be temporary, it has altered the behavior of businesses and people in a manner resulting in negative impacts on global and local economies. Due to the unprecedented nature of the spread of COVID-19, the duration and extent of the impact of COVID-19 on FMPA's revenues, expenses and cash flow or ratings are uncertain and cannot be quantified at this time. Although not all impacts on FMPA are known at this time, all FMPA's Members are current with their payments to FMPA and for the year ended September 30, 2020 sales were above budget by 2.0%. FMPA will continue to monitor the impacts of COVID-19 and will address such impacts, as necessary.

XI. Mutual Aid Agreement

The All-Requirements Project has agreed to participate in a mutual aid agreement with six other utilities for extended generator outages of defined base-load generating units. The parties of this agreement are the city of Tallahassee, Gainesville Regional Utilities, JEA, Lakeland Electric, Orlando Utilities Commission, and Municipal Electric Authority of Georgia. The All-Requirements Project has designated 120 MWs of Cane Island Unit 3, 140 MWs of Cane Island 4, and 200 MWs of the Treasure Coast Energy Center, 60 MW of Stanton Unit 1, and 60 MW of Stanton Unit 2. In the case of a qualifying failure, the All-Requirements Project will have the option to receive either 50% or 100% of the replacement of the designated MWs of the failed unit. The cost of replacement energy will be based on an identified gas index or coal index and heat rate in the agreement. In the event of any extended outage from any other participant, the All-Requirements Project would provide between 10 MWs and 53 MWs (based on the designation of the participant) for a maximum of nine months. The agreement term automatically renewed on October 1, 2017, and now has a term lasting until October 1, 2022, unless FMPA (1) has not received energy under the agreement during the current term, and (2) provides at least 90 days' notice prior to the end of the current term that it does not elect to renew its participation.

XII. Employment Benefits

A. Retirement Benefits

A Deferred Compensation Plan (in accordance with the Internal Revenue Code Section 457) and a Defined Contribution (money purchase) Plan (under the Internal Revenue Code Section 401(a)) are offered to the Agency's employees who are scheduled to work more than 1700 hours per year. The plan was established by the Board of Directors in 1984 and the Board of Directors has the authority to amend the plan. FMPA's contribution is 10% of the employee's gross base salary for the 401(a) plan. Total payroll for the year ended September 30, 2020, was \$7.99 million, which approximates covered payroll. The 401(a) defined contribution plan has 71 active members with a plan balance.

The Agency's contribution may be made to either plan at the discretion of the employee. Additionally, an employee generally may contribute to the Deferred Compensation Plan, so that the combined annual contribution does not exceed the IRS annual maximum. Assets of both plans are held by ICMA Retirement Corporation, the Plan Administrator and Trustee.

Agency contributions to the Defined Contribution Plan resulted in expenses for the fiscal year 2020 of \$797,607. Funds from these plans are not available to employees until termination or retirement, however funds from either plan can be made available, allowing an employee to borrow up to the lower of \$50,000 or one half of their balance in the form of a loan.

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

XII. Employment Benefits (continued)
B. Post-Employment Benefits other than Retirement

The Agency's Retiree Health Care Plan (Plan) is a single-employer defined benefit post-employment health care plan that covers eligible retired employees of the Agency. The Plan, which is administered by the Agency, allows employees who retire and meet retirement eligibility requirements to continue medical insurance coverage as a participant in the Agency's plan. As of September 30, 2019 and 2020, the plan membership consisted of the following participants:

	September 30, 2019	September 30, 2020
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	15	16
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	0	0
Active Plan Members	17	16
	<u>32</u>	<u>32</u>

The Agency pays 100% of the cost of employee-only coverage for employees hired prior to October 1, 2004 who retire upon meeting the retirement eligibility requirement, which is that age combined with service must exceed 900 months. This subsidy applies to the healthcare plan premiums for Pre-65 retirees as well as any Medicare supplement plan purchased by Post-65 retirees.

The Agency also provides up to \$3,000 in HRA funds to all eligible members for life. If those members elect to cover their spouse or have handicapped dependents, the HRA benefit limit is increased to \$6,000. These funds are made available to cover retirees' out-of-pocket medical expenses, and therefore are included in the Agency's Pay-As-You-Go plan costs.

Employees hired after October 1, 2004 are ineligible for any Agency subsidies, nor are they allowed to continue to participate in the plan after retirement.

No implicit benefit was valued in this valuation.

The measurement date is September 30, 2020. The measurement period for the OPEB expense was October 1, 2019 to September 30, 2020. The reporting period is October 1, 2019 through September 30, 2020. The Sponsor's Total OPEB Liability was measured as of September 30, 2020.

The Sponsor's Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2020 using a discount rate of 2.14%.

Actuarial Assumptions:

Total OPEB Liability for The Agency's ledger adjustment was measured as of September 30, 2020 using a discount rate of 2.14%.

The Total OPEB Liability was determined by an actuarial valuation as of September 30, 2020 (measurement date) using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	2.14%
Initial Trend Rate	7.00%

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

XII. Employment Benefits (continued)

B. Post-Employment Benefits other than Retirement (continued)

Ultimate Trend Rate	4.00%
Years to Ultimate	54

For all lives, mortality rates were RP-2000 Combined Healthy Mortality Tables projected to the valuation date using Projection Scale AA.

Discount Rate:

Given the Agency's decision not to establish a trust for the program, all future benefit payments were discounted using a high-quality municipal bond rate of 2.14 %. The high-quality municipal bond rate was based on the week closest but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 Years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's, or AA by Fitch. If there are multiple ratings, the lowest rating is used.

OPEB Expense:

For the year ended September 30, 2020, the Agency will recognize OPEB Cost of \$859 thousand.

	(000's US\$)
Fiscal Year Ending	9/30/2020
Service Cost	\$ 56
Interest	201
Recognition of Changes in Total OPEB Liability	599
Administrative Expenses	3
Total OPEB Expense/(Revenue)	\$ 859

Total OPEB Liability as of the Measurement Date is:

Description	(000's US\$) Amount
Reporting Period Ending September 30, 2019	\$ 5,668
Service Cost	56
Interest	201
Difference Between Expected and Actual Experience	(74)
Changes in Assumptions	674
Changes of Benefit Terms	-
Contributions - Employer	-
Benefits Payments	(253)
Other Changes	-
Reporting Period Ending September 30, 2020	\$ 6,272

Changes of assumptions reflect a change in the discount rate from 3.58% for the reporting period ended September 30, 2019 to 2.14% for the reporting period ended September 30, 2020. Also reflected as assumption changes are updated health care costs and premiums based on plan experience and premiums in effect for the 2020 fiscal year, and updated health care cost trend rates.

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

XII. Employment Benefits (continued)

B. Post-Employment Benefits other than Retirement (continued)

Sensitivity of the Total OPEB Liability to changes in the Discount Rate:

The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	1.14%	2.14%	3.14%
Total OPEB Liability (000's US\$)	\$ 7,226	\$ 6,273	\$ 5,493

Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates:

The following presents the Total OPEB Liability of the Agency, as well as what the Agency's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
	3.00% - 6.00%	4.00% - 7.00%	5.00% - 8.00%
Total OPEB Liability (000's US\$)	\$5,724	\$ 6,273	\$ 6,933

Under GASB 75 as it applies to plans that qualify for the Alternative Measurement Method, changes in the Total OPEB Liability are not permitted to be included in deferred outflows of resources or deferred inflows of resources related to OPEB. These changes will be immediately recognized through OPEB Expense.

As of September 30, 2020, the most recent valuation date, the Total OPEB Plan Liability was \$6.3 million, and assets held in trust were \$0, resulting in a funded ratio of 0 percent. The covered payroll (annual payroll of active participating employees) was \$2.1 million, and the ratio of the Total OPEB Plan Liability to the covered payroll was 295 percent.

The OPEB Plan contribution requirements of Florida Municipal Power Agency are established and may be amended through action of its Board of Directors.

XIII. Risk Management

The Agency is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees and the public and damage to property of others. In addition, FMPA enters into contracts with third parties, some of whom are empowered to act as its agents in order to carry out the purpose of the contracts.

These contracts subject FMPA to varying degrees and types of risk. The Agency has purchased commercial insurance that management believes is adequate to cover these various risks. FMPA has elected to self-insure the Agency's risk for general liability. It is the opinion of general counsel that FMPA may enjoy sovereign immunity in the same manner as a municipality, as allowed by Florida Common Law. Under such Florida Law, the limit of liability for judgments by one person for tort is \$200,000 or a maximum of \$300,000 for the same incident or occurrence. At no point have settlements exceeded coverage in the past two fiscal years.

The Agency has established a Finance Committee (FC) made up of some of FMPA's Board of Directors and member's representatives and has assigned corporate risk management to its Treasurer and Risk Director. The Treasurer and Risk Director is designated the Agency's Risk Manager, and oversees the Risk Management Department, which reports to the Chief Financial Officer. The objective of the Agency's Enterprise Risk Management program is to identify measure, monitor and report risks in order to minimize unfavorable financial and strategic impacts.

FMPA's Risk Management Policy addresses key risk areas including, but not limited to, fuel, generation, debt, investment, insurance, credit, and contracts.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30,2020

XIV. Related Party Transactions

A. Governing Members and Committees

Each of the members of FMPA appoints a director and one or more alternatives to serve on FMPA's Board of Directors. Tallahassee joined the Agency effective October 19th, 2018 and Vero Beach left the Agency on December 17, 2018 leaving 31 members of the Agency. The Board has responsibility for developing and approving FMPA's non All-Requirements Project budgets, hiring of the General Manager and General Counsel and establishing the Agency's bylaws, which govern how FMPA operates and the policies which implement such bylaws. The Board also authorizes all non-All-Requirements Project debt issued by FMPA and allocates the Agency Fund burden to each of the Projects. The Board elects an Agency Chairman, Vice-Chairman, Secretary and Treasurer.

The Executive Committee consists of representatives from the 13 active members of the All-Requirements Project. The Executive Committee elects a Chairman and Vice-Chairman. The Board's Secretary and Treasurer serve in the same capacity on the Executive Committee. The Executive committee has sole responsibility for developing and approving FMPA's Agency Fund and All-Requirements Project budgets, and authorizes all debt issued by the All-Requirements Project.

In order to facilitate the project decision-making process, there are project committees for the St. Lucie, Stanton, Stanton II, and Tri-City Projects which are comprised of one representative from each participant in a project. The project committees serve in an advisory capacity, and all decisions concerning the project are decided by the Board of Directors, except for the All-Requirements Project, in which all decisions are made by the Executive Committee.

The Board of Directors has authorized the creation of a Solar Project Committee, which will be advisory to the Board of Directors on matters involving the Solar Project. The Executive Committee has authorized the creation of an ARP Solar Project Advisory Committee, which is an Executive Committee subcommittee that will address matters involving ARP participants.

B. Florida Gas Utility (FGU)

The All-Requirements Project has a contractual agreement to purchase natural gas from Florida Gas Utility (FGU), which accounts for approximately 80-85% of FGU's total throughput of natural gas. FMPA and the following member cities have representatives on the FGU Board of Directors: Ft. Pierce, KUA, Leesburg and Starke.

Required Supplementary Information (unaudited)

**Schedule of Changes in Agency's Net OPEB Liability and Related Ratios
Last Ten Years
(000's US\$)**

Reporting Period Ending Measurement Date	9/30/2020 9/30/2020	9/30/2019 9/30/2019	9/30/2018 9/30/2018
Total OPEB Liability			
Service Cost	\$ 56	\$ 47	\$ 53
Interest	201	215	201
Changes in Assumptions	674	410	(374)
Benefit Payments	(326)	(233)	(214)
Net Change in Total OPEB Liability	\$ 605	\$ 439	\$ (334)
Total OPEB Liability - Beginning of Year	5,668	5,229	5,563
Total OPEB Liability - End of Year	\$ 6,273	\$ 5,668	\$ 5,229
Trust Net Position			
Contributions - Employer	\$ -	\$ -	\$ -
Contributions - Member	-	-	-
Net Investment Income	-	-	-
Administrative Expenses	-	-	-
Benefit Payments, Including Refunds	-	-	-
Other	-	-	-
Net Change in Net Position Held in Trust	\$ -	\$ -	\$ -
Trust Fiduciary Net Position - Beginning of Year	-	-	-
Trust Fiduciary Net Position - End of Year	\$ -	\$ -	\$ -
Agency Net OPEB Liability - Ending	\$ 6,273	\$ 5,668	\$ 5,229
Trust Fiduciary Net Position as a % of Total OPEB Liability	0%	0%	0%
Covered Employee Payroll	2,126	2,321	2,167
Agency's Net OPEB Liability as a % of Covered Employee Payroll	295%	244%	241%
* GASB Statement 75 was implemented as of September 30, 2018. Information from 2009 - 2017 is not available and this schedule will be presented on a prospective basis.			

Notes to Schedule:

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal Year Ending September 30, 2020:	2.14%
Fiscal Year Ending September 30, 2019:	3.58%
Fiscal Year Ending September 30, 2018:	4.18%

See footnote XII.B for further information.

Supplementary Information

(unaudited)

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2020
(000's US\$)**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Agency Fund			
Received from projects	\$ 15,386	\$ 14,857	\$ (529)
Received from member assessments	28	50	22
Interest income	240	189	(51)
Other income		29	29
	<u>\$ 15,654</u>	<u>\$ 15,125</u>	<u>\$ (529)</u>
General and administrative	\$ 14,718	\$ 15,048	\$ (330)
Invested in Capital Assets	396	372	24
Principal on Debt	-	-	-
Other Adjustments	300	80	220
	<u>\$ 15,414</u>	<u>\$ 15,500</u>	<u>\$ (86)</u>
Net Revenue	<u>\$ 240</u>	<u>\$ (375)</u>	<u>\$ (615)</u>
St. Lucie Project			
Participant billing	\$ 52,151	\$ 52,151	\$ -
Reliability exchange contract sales	2,031	3,820	1,789
Interest income	662	499	(163)
	<u>\$ 54,844</u>	<u>\$ 56,470</u>	<u>\$ 1,626</u>
Operation and maintenance	\$ 11,881	\$ 9,849	\$ 2,032
Purchased power	2,255	2,894	(639)
Transmission service	370	409	(39)
General and administrative	2,451	2,395	56
Deposit to renewal and replacement fund	7,500	7,500	-
Deposit to general reserve fund & FSA	-	-	-
Deposit to Nuclear Fuel Fund	6,000	6,000	-
Deposit to debt service fund	28,829	28,749	80
	<u>\$ 59,286</u>	<u>\$ 57,796</u>	<u>\$ 1,490</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (4,442)</u>	<u>\$ (1,326)</u>	<u>\$ 3,116</u>

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2020
(000's US\$)**

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Stanton Project			
Participant billing & sales to others	\$ 23,408	\$ 23,333	\$ (75)
Interest income	91	185	94
	<u>\$ 23,499</u>	<u>\$ 23,518</u>	<u>\$ 19</u>
Operation and maintenance, fuel	\$ 13,469	\$ 13,281	\$ 188
Transmission service	1,291	1,290	1
General and administrative	1,842	1,342	500
Deposits to debt service and other funds	5,000	5,000	-
	<u>\$ 21,602</u>	<u>\$ 20,913</u>	<u>\$ 689</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ 1,897</u>	<u>\$ 2,605</u>	<u>\$ 708</u>
All-Requirements Project			
Participant billing & sales to others	\$ 460,227	\$ 429,878	\$ (30,349)
Transfer from Rate Protection	19,236	16,718	(2,518)
Interest Income	948	2,368	1,420
	<u>\$ 480,411</u>	<u>\$ 448,964</u>	<u>\$ (31,447)</u>
Member Capacity	\$ 53,115	\$ 49,418	\$ 3,697
Contract Capacity	18,370	17,931	439
ARP Owned Capacity	42,276	39,836	2,440
Debt & Capital Leases	117,103	120,315	(3,212)
Direct Charges & Other	22,415	21,134	1,281
Gas Transportation	30,737	30,254	483
Fuels	157,968	119,942	38,026
Purchased Power	8,160	11,546	(3,386)
Transmission	30,267	35,813	(5,546)
	<u>\$ 480,411</u>	<u>\$ 446,189</u>	<u>\$ 34,222</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ -</u>	<u>\$ 2,775</u>	<u>\$ 2,775</u>

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

**SCHEDULE OF
AMOUNTS DUE TO (FROM) PARTICIPANTS
RESULTING FROM BUDGET/ACTUAL VARIANCES
YEAR ENDED SEPTEMBER 30, 2020
(000's US\$)**

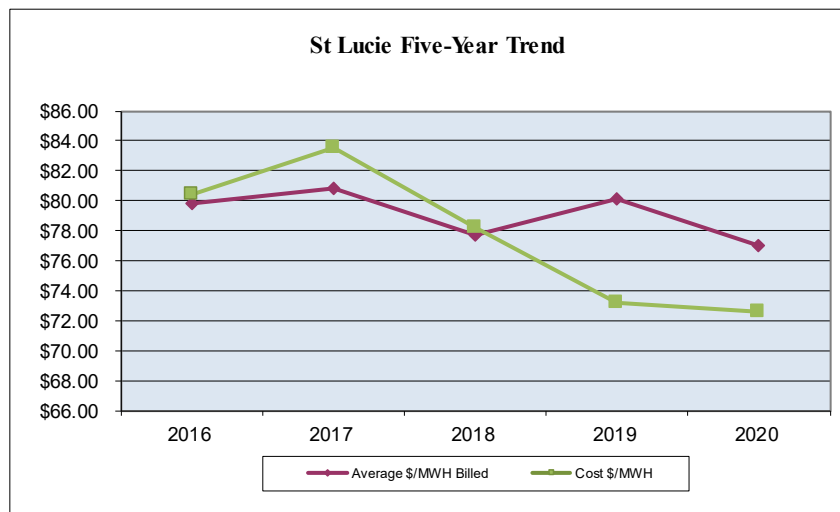
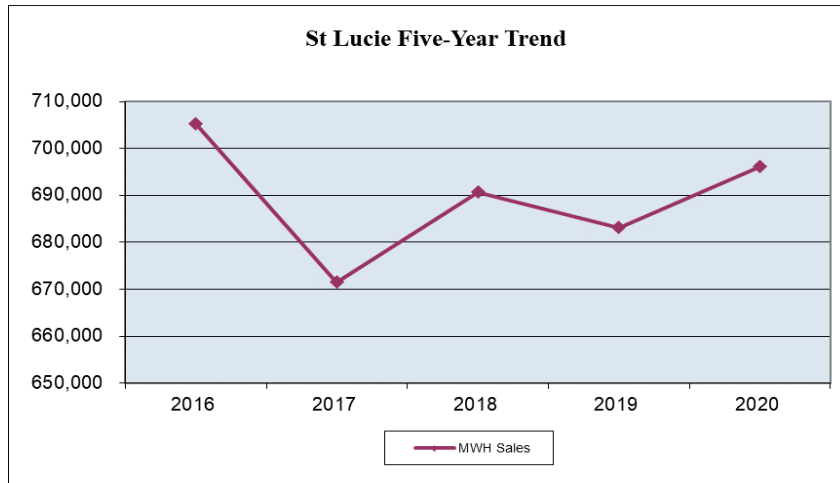
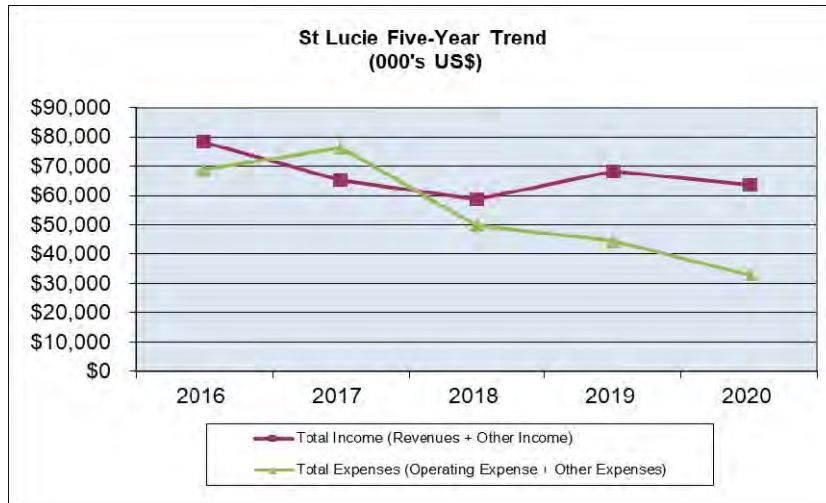
	Amended Budget	Actual	Variance Favorable (Unfavorable)
Tri-City Project			
Participant billing & sales to others	\$ 6,750	\$ 6,615	\$ (135)
Interest income	56	77	21
	<u>\$ 6,806</u>	<u>\$ 6,692</u>	<u>\$ (114)</u>
Operation and maintenance, fuel	\$ 4,963	\$ 4,800	\$ 163
Transmission service	457	456	1
General and administrative	923	766	157
Deposits to debt service and other funds	1,200	1,200	0
	<u>\$ 7,543</u>	<u>\$ 7,222</u>	<u>\$ 321</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ (737)</u>	<u>\$ (530)</u>	<u>\$ 207</u>
Stanton II Project			
Participant billing & sales to others	\$ 55,298	\$ 54,815	\$ (483)
Interest income	388	366	(22)
	<u>\$ 55,686</u>	<u>\$ 55,181</u>	<u>\$ (505)</u>
Operation and maintenance, fuel	\$ 28,843	\$ 26,093	\$ 2,750
Transmission service	2,085	2,082	3
General and administrative	2,400	1,885	515
Deposits to debt service and other funds	19,987	19,958	29
	<u>\$ 53,315</u>	<u>\$ 50,018</u>	<u>\$ 3,297</u>
Net Due to (from) Participants Resulting from Budget/Actual Variances	<u>\$ 2,371</u>	<u>\$ 5,163</u>	<u>\$ 2,792</u>

Note: These schedules are prepared on budgetary basis and as such do not present the results of operations in accordance with generally accepted accounting principles.

FIVE-YEAR TREND ANALYSIS

	2016	2017	2018	2019	2020
<i>(000's US\$ except for MWH Sales and Average \$/MWH)</i>					
St. Lucie Project					
Capital Assets	\$ 50,196	\$ 23,656	\$ 19,469	\$ 20,554	\$ 26,455
Total Assets & Deferred Outflows	\$ 431,817	\$ 418,281	\$ 404,525	\$ 235,863	\$ 220,606
Long-Term Liabilities	\$ 418,789	\$ 403,457	\$ 392,067	\$ 130,798	\$ 98,029
Total Liabilities & Deferred Inflows	\$ 431,817	\$ 418,281	\$ 404,525	\$ 235,863	\$ 220,606
Billings to Participants	\$ 56,287	\$ 54,296	\$ 53,678	\$ 54,748	\$ 53,687
Sales to Others	2,561	2,439	2,470	2,892	2,284
Total Operating Revenues	<u>\$ 58,848</u>	<u>\$ 56,735</u>	<u>\$ 56,148</u>	<u>\$ 57,640</u>	<u>\$ 55,971</u>
Purchased Power	\$ 3,874	\$ 4,431	\$ 3,540	\$ 3,116	\$ 2,894
Production-Nuclear O&M	9,727	12,087	10,953	7,594	10,026
Nuclear Fuel Amortization	5,963	5,270	4,799	5,338	3,209
Transmission	380	321	350	350	408
General & Administrative	2,486	3,248	3,278	2,722	2,700
Depreciation & Decommissioning	31,417	35,624	11,342	6,743	8,216
Total Operating Expenses	<u>\$ 53,847</u>	<u>\$ 60,981</u>	<u>\$ 34,262</u>	<u>\$ 25,863</u>	<u>\$ 27,453</u>
Net Operating Revenues	<u>\$ 5,001</u>	<u>\$ (4,246)</u>	<u>\$ 21,886</u>	<u>\$ 31,777</u>	<u>\$ 28,518</u>
Investment Income	\$ 19,430	\$ 8,553	\$ 2,586	\$ 10,676	\$ 7,662
Total Other Income	<u>\$ 19,430</u>	<u>\$ 8,553</u>	<u>\$ 2,586</u>	<u>\$ 10,676</u>	<u>\$ 7,662</u>
Interest Expense	\$ 13,454	\$ 13,759	\$ 14,111	\$ 11,675	\$ 4,259
Amortization & Other Expense	1,544	1,579	1,613	7,003	1,300
Total Other Expenses	<u>\$ 14,998</u>	<u>\$ 15,338</u>	<u>\$ 15,724</u>	<u>\$ 18,678</u>	<u>\$ 5,559</u>
Net Income (Loss)	\$ 9,433	\$ (11,031)	\$ 8,748	\$ 23,775	\$ 30,621
Net Cost Recovered (Credited) in the Future	(9,862)	9,235	(9,080)	(18,998)	(27,505)
Due from (to) Participants	429	1,796	332	(4,777)	(3,116)
Total Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MWH Sales	705,233	671,510	690,698	683,132	697,116
Average \$/MWH Billed	\$ 79.81	\$ 80.86	\$ 77.72	\$ 80.14	\$ 77.01
Cost \$/MWH	\$ 80.42	\$ 83.53	\$ 78.20	\$ 73.15	\$ 72.54

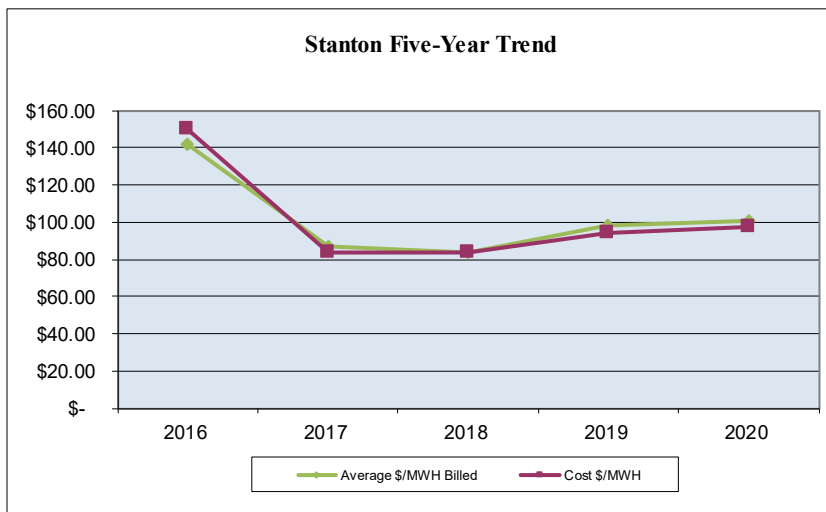
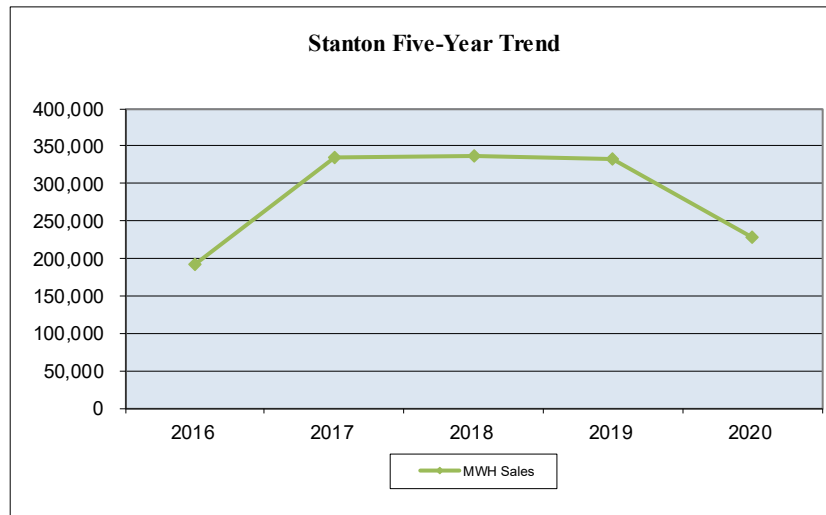
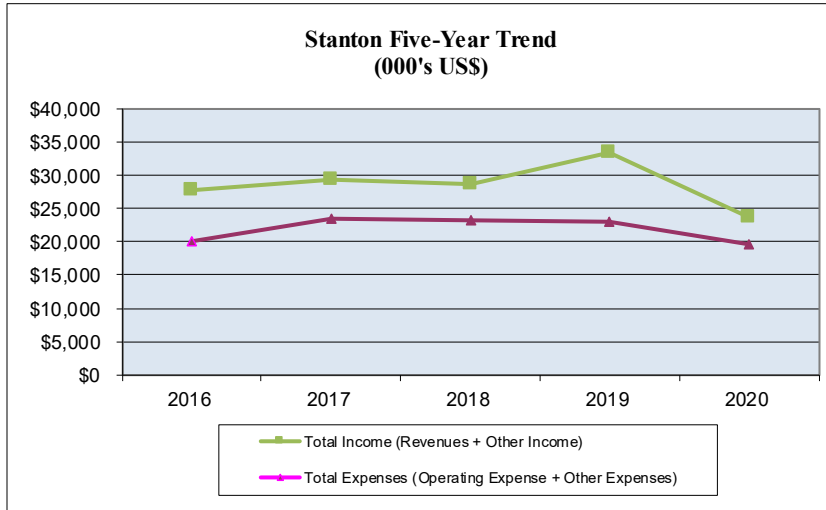
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2016	2017	2018	2019	2020
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton Project					
Capital Assets	\$ 30,536	\$ 30,977	\$ 28,797	\$ 27,079	\$ 27,044
Total Assets & Deferred Outflows	\$ 63,579	\$ 62,445	\$ 59,299	\$ 62,403	\$ 55,644
Long-Term Debt	\$ 25,299	\$ 17,347	\$ 9,091	\$ 1,123	\$ 1,159
Total Liabilities & Deferred Inflows	\$ 63,579	\$ 62,445	\$ 59,299	\$ 62,403	\$ 55,644
Billings to Participants	\$ 27,103	\$ 28,909	\$ 28,027	\$ 32,521	\$ 22,955
Sales to Others	327	356	352	360	378
Total Operating Revenues	<u>\$ 27,430</u>	<u>\$ 29,265</u>	<u>\$ 28,379</u>	<u>\$ 32,881</u>	<u>\$ 23,333</u>
Production-Steam O&M	\$ 5,520	\$ 4,293	\$ 4,702	\$ 5,134	\$ 5,384
Fuel Expense	7,400	12,392	11,625	11,132	7,934
Transmission	1,132	1,062	1,176	1,170	1,289
General & Administrative	1,287	1,304	1,382	1,562	1,342
Depreciation & Decommissioning	2,937	3,029	3,436	3,569	3,685
Total Operating Expenses	<u>\$ 18,276</u>	<u>\$ 22,080</u>	<u>\$ 22,321</u>	<u>\$ 22,567</u>	<u>\$ 19,634</u>
Net Operating Revenues	<u>\$ 9,154</u>	<u>\$ 7,185</u>	<u>\$ 6,058</u>	<u>\$ 10,314</u>	<u>\$ 3,699</u>
Investment Income	\$ 251	\$ 122	\$ 209	\$ 549	\$ 401
Total Other Income	<u>\$ 251</u>	<u>\$ 122</u>	<u>\$ 209</u>	<u>\$ 549</u>	<u>\$ 401</u>
Interest Expense	\$ 1,680	\$ 1,310	\$ 911	\$ 472	\$ -
Amortization & Other Expense	112	86	58	37	0
Total Other Expenses	<u>\$ 1,792</u>	<u>\$ 1,396</u>	<u>\$ 969</u>	<u>\$ 509</u>	<u>\$ -</u>
Net Income (Loss)	<u>\$ 7,613</u>	<u>\$ 5,911</u>	<u>\$ 5,298</u>	<u>\$ 10,354</u>	<u>\$ 4,100</u>
Net Cost Recovered (Credited) in the Future	(9,121)	(5,042)	(5,474)	(9,035)	(3,392)
Due from (to) Participants	1,508	(869)	176	(1,319)	(708)
Total Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MWH Sales	190,985	334,166	336,361	332,105	228,947
Average \$/MWH Billed	\$ 141.91	\$ 86.51	\$ 83.32	\$ 97.92	\$ 100.26
Cost \$/MWH	\$ 149.81	\$ 83.91	\$ 83.85	\$ 93.95	\$ 97.17

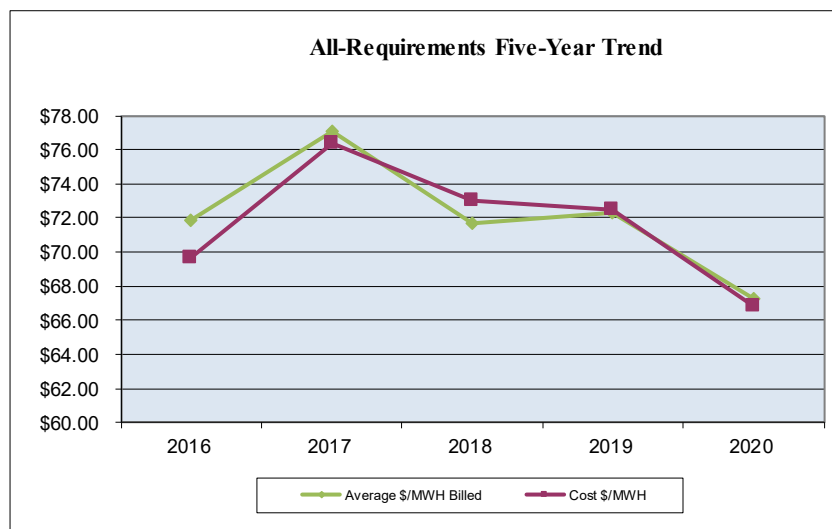
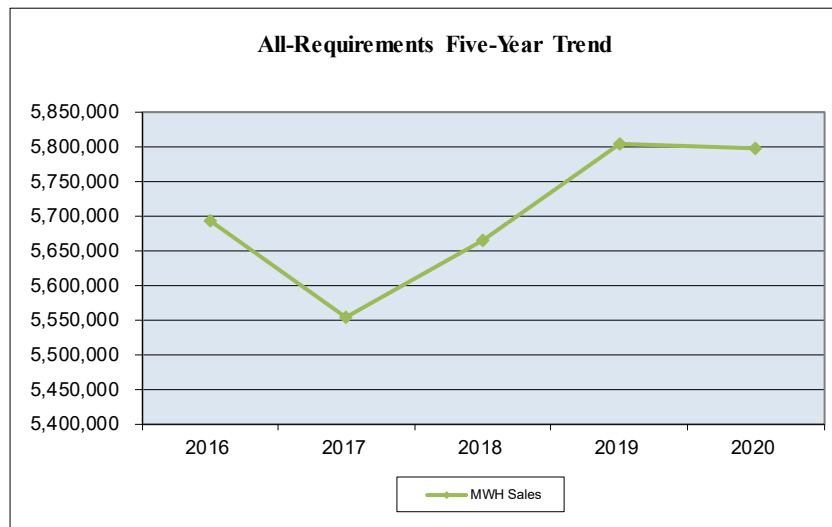
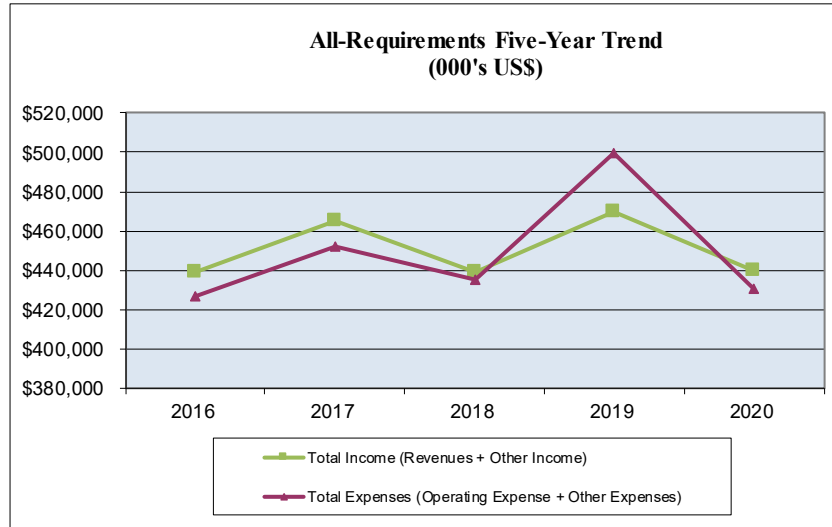
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2016	2017	2018	2019	2020
(000's US\$ except for MWH Sales and Average \$/MWH)					
All-Requirements Project					
Capital Assets	\$ 777,532	\$ 727,100	\$ 674,858	\$ 635,185	\$ 588,537
Total Assets & Deferred Outflows	\$ 1,471,708	\$ 1,397,705	\$ 1,307,621	\$ 1,265,991	\$ 1,163,954
Long-Term Liabilities	\$ 1,331,563	\$ 1,241,223	\$ 1,157,636	\$ 1,007,611	\$ 933,813
Total Liabilities & Deferred Inflows	\$ 1,471,708	\$ 1,397,705	\$ 1,307,621	\$ 1,265,991	\$ 1,163,954
Billings to Participants **	\$ 409,104	\$ 428,034	\$ 406,073	\$ 419,721	\$ 390,242
Sales to Others	26,146	33,480	29,883	43,166	46,427
Total Operating Revenues	\$ 435,250	\$ 461,514	\$ 435,956	\$ 462,887	\$ 436,669
Purchased Power	\$ 25,546	\$ 21,814	\$ 23,561	\$ 28,034	\$ 29,509
O&M Production-Steam	67,270	65,550	61,398	79,383	82,078
Fuel Expense	170,762	205,925	194,661	196,638	159,716
Transmission	26,256	28,187	28,661	29,658	35,492
General & Administrative	22,349	21,841	22,029	23,922	23,510
Depreciation & Decommissioning	55,101	56,412	57,332	58,599	58,395
Total Operating Expenses	\$ 367,284	\$ 399,729	\$ 387,642	\$ 416,234	\$ 388,700
Net Operating Revenues	\$ 67,966	\$ 61,785	\$ 48,314	\$ 46,653	\$ 47,969
Investment Income	\$ 3,805	\$ 3,307	\$ 2,657	\$ 6,681	\$ 3,364
Total Other Income	\$ 3,805	\$ 3,307	\$ 2,657	\$ 6,681	\$ 3,364
Interest Expense	\$ 56,843	\$ 55,371	\$ 51,785	\$ 35,043	\$ 29,070
Amortization & Other Expense	2,150	(3,203)	(4,265)	48,401	12,780
Total Other Expenses	\$ 58,993	\$ 52,168	\$ 47,520	\$ 83,444	\$ 41,850
Net Income (Loss)	\$ 12,778	\$ 12,924	\$ 3,451	\$ (30,110)	\$ 9,483
Net Cost Recovered (Credited) in the Future	(359)	(9,008)	(10,739)	29,221	(6,708)
Due from (to) Participants	(12,419)	(3,916)	7,288	889	(2,775)
Total Income	\$ -	\$ -	\$ -	\$ -	\$ -
MWH Sales	5,691,752	5,553,937	5,664,825	5,803,759	5,797,669
Average \$/MWH Billed	\$ 71.88	\$ 77.07	\$ 71.68	\$ 72.32	\$ 67.31
Cost \$/MWH	\$ 69.69	\$ 76.36	\$ 72.97	\$ 72.47	\$ 66.83

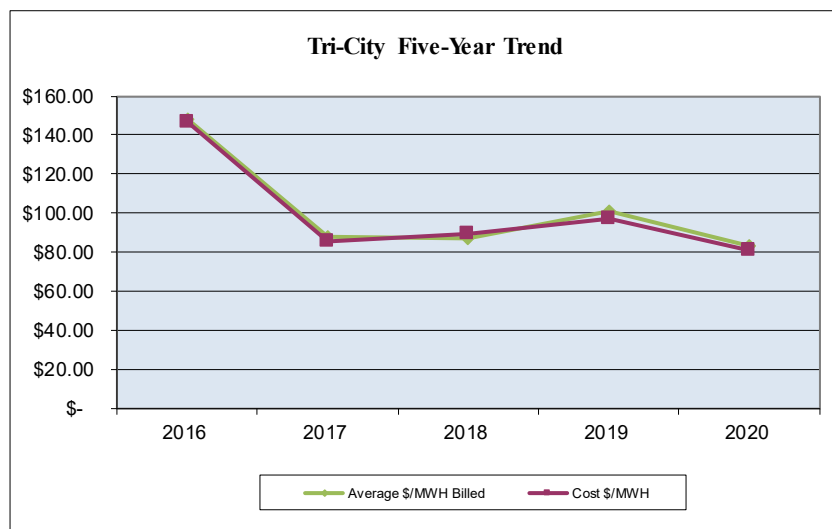
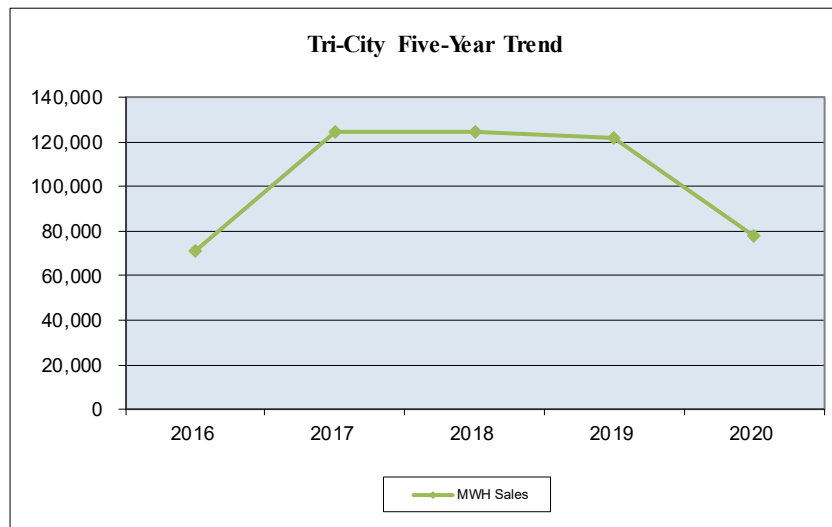
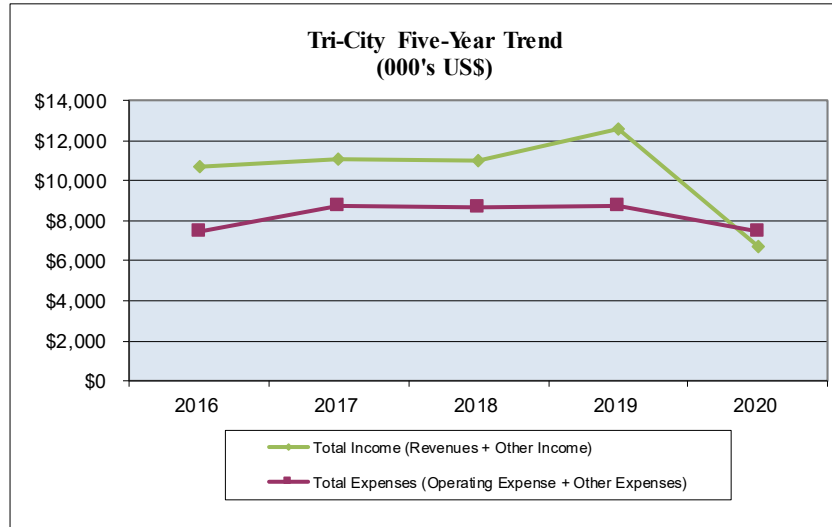
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2016	2017	2018	2019	2020
(000's US\$ except for MWH Sales and Average \$/MWH)					
Tri-City Project					
Capital Assets	\$ 11,947	\$ 12,019	\$ 11,157	\$ 10,460	\$ 10,350
Total Assets & Deferred Outflows	\$ 21,520	\$ 20,864	\$ 20,172	\$ 21,241	\$ 16,635
Long-Term Debt	\$ 9,659	\$ 6,508	\$ 3,325	\$ 402	\$ 415
Total Liabilities & Deferred Inflows	\$ 21,520	\$ 20,864	\$ 20,172	\$ 21,241	\$ 16,635
Billings to Participants	\$ 10,548	\$ 10,919	\$ 10,794	\$ 12,296	\$ 6,480
Sales to Others	116	127	126	129	135
Total Operating Revenues	<u>\$ 10,664</u>	<u>\$ 11,046</u>	<u>\$ 10,920</u>	<u>\$ 12,425</u>	<u>\$ 6,615</u>
Production-Steam O&M	\$ 1,991	\$ 1,536	\$ 1,682	\$ 1,836	\$ 1,938
Fuel Expense	2,715	4,579	4,246	4,123	2,875
Transmission	427	382	415	415	456
General & Administrative	735	743	774	837	766
Depreciation & Decommissioning	1,134	1,168	1,312	1,359	1,416
Total Operating Expenses	<u>\$ 7,002</u>	<u>\$ 8,408</u>	<u>\$ 8,429</u>	<u>\$ 8,570</u>	<u>\$ 7,451</u>
Net Operating Revenues	<u>\$ 3,662</u>	<u>\$ 2,638</u>	<u>\$ 2,491</u>	<u>\$ 3,855</u>	<u>\$ (836)</u>
Investment Income	\$ 44	\$ 34	\$ 73	\$ 138	\$ 97
Total Other Income	<u>\$ 44</u>	<u>\$ 34</u>	<u>\$ 73</u>	<u>\$ 138</u>	<u>\$ 97</u>
Interest Expense	\$ 266	\$ 203	\$ 139	\$ 69	\$ -
Amortization & Other Expense	190	144	97	76	0
Total Other Expenses	<u>\$ 456</u>	<u>\$ 347</u>	<u>\$ 236</u>	<u>\$ 145</u>	<u>\$ -</u>
Net Income (Loss)	\$ 3,250	\$ 2,325	\$ 2,328	\$ 3,848	\$ (739)
Net Cost Recovered (Credited) in the Future	(3,129)	(2,019)	(2,656)	(3,419)	946
Due from (to) Participants	(121)	(306)	328	(429)	(207)
Total Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MWH Sales	71,172	124,588	124,558	121,919	77,805
Average \$/MWH Billed	\$ 148.20	\$ 87.64	\$ 86.66	\$ 100.85	\$ 83.29
Cost \$/MWH	\$ 146.50	\$ 85.18	\$ 89.29	\$ 97.34	\$ 80.62

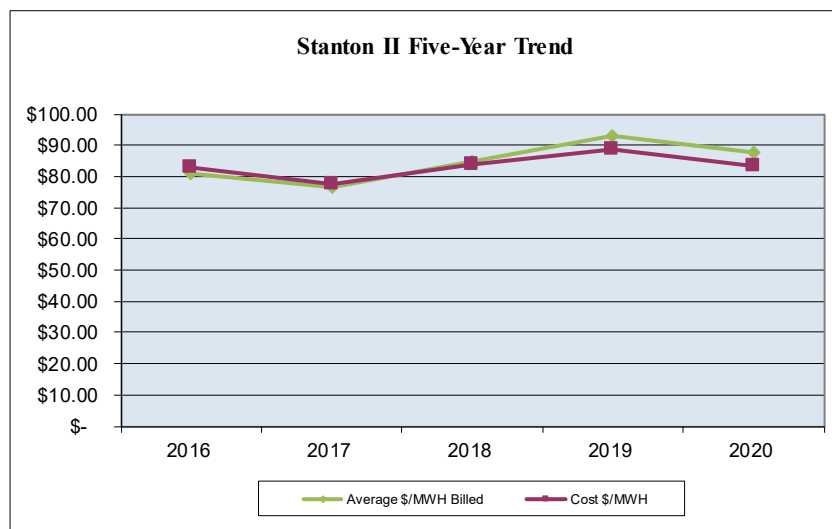
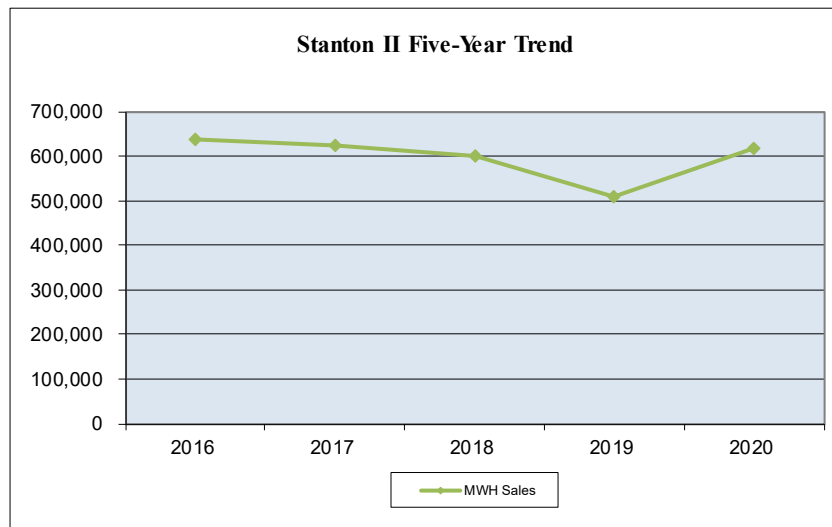
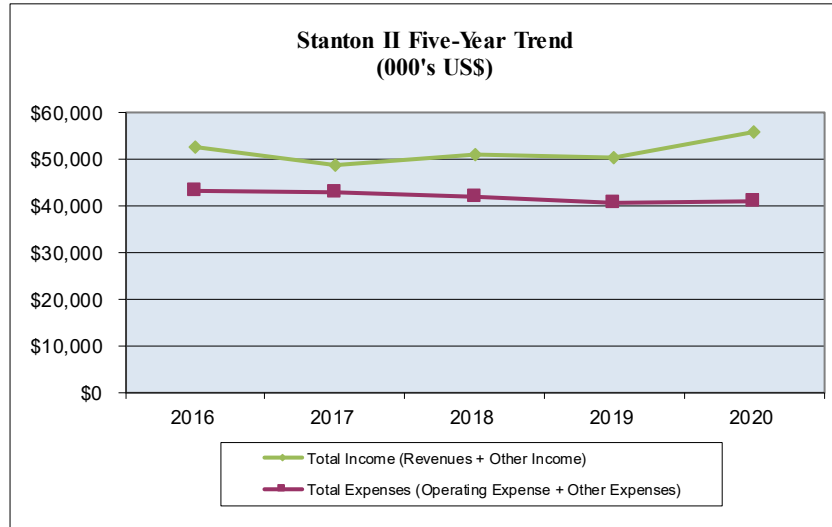
FIVE-YEAR TREND ANALYSIS



FIVE-YEAR TREND ANALYSIS

	2016	2017	2018	2019	2020
(000's US\$ except for MWH Sales and Average \$/MWH)					
Stanton II Project					
Capital Assets	\$ 100,258	\$ 96,589	\$ 92,263	\$ 93,918	\$ 91,952
Total Assets & Deferred Outflows	\$ 176,182	\$ 166,748	\$ 170,490	\$ 170,021	\$ 171,548
Long-Term Debt	\$ 139,040	\$ 138,885	\$ 127,446	\$ 117,323	\$ 105,633
Total Liabilities & Deferred Inflows	\$ 176,182	\$ 166,748	\$ 170,490	\$ 170,021	\$ 171,548
Billings to Participants	\$ 51,463	\$ 48,001	\$ 50,933	\$ 47,171	\$ 54,223
Sales to Others	511	558	552	565	592
Total Operating Revenues	<u>\$ 51,974</u>	<u>\$ 48,559</u>	<u>\$ 51,485</u>	<u>\$ 47,736</u>	<u>\$ 54,815</u>
Production-Steam O&M	\$ 6,688	\$ 7,363	\$ 6,860	\$ 8,634	\$ 7,834
Fuel Expense	21,650	20,773	19,809	16,836	18,317
Transmission	1,750	1,677	1,895	1,895	2,082
General & Administrative	1,889	1,897	1,941	2,221	1,885
Depreciation & Decommissioning	5,336	5,392	5,535	5,556	5,738
Total Operating Expenses	<u>\$ 37,313</u>	<u>\$ 37,102</u>	<u>\$ 36,040</u>	<u>\$ 35,142</u>	<u>\$ 35,856</u>
Net Operating Revenues	<u>\$ 14,661</u>	<u>\$ 11,457</u>	<u>\$ 15,445</u>	<u>\$ 12,594</u>	<u>\$ 18,959</u>
Investment Income	\$ 738	\$ 113	\$ (475)	\$ 2,637	\$ 1,050
Total Other Income	<u>\$ 738</u>	<u>\$ 113</u>	<u>\$ (475)</u>	<u>\$ 2,637</u>	<u>\$ 1,050</u>
Interest Expense	\$ 6,359	\$ 6,295	\$ 4,695	\$ 3,295	\$ 3,469
Amortization & Other Expense	(545)	(463)	1,260	2,260	1,816
Total Other Expenses	<u>\$ 5,814</u>	<u>\$ 5,832</u>	<u>\$ 5,955</u>	<u>\$ 5,555</u>	<u>\$ 5,285</u>
Net Income (Loss)	<u>\$ 9,585</u>	<u>\$ 5,738</u>	<u>\$ 9,015</u>	<u>\$ 9,676</u>	<u>\$ 14,724</u>
Net Cost Recovered (Credited) in the Future	(10,698)	(6,284)	(8,579)	(7,476)	(11,932)
Due from (to) Participants	1,113	546	(436)	(2,200)	(2,792)
Total Income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MWH Sales	635,926	625,514	601,691	507,678	616,808
Average \$/MWH Billed	\$ 80.93	\$ 76.74	\$ 84.65	\$ 92.92	\$ 87.91
Cost \$/MWH	\$ 82.68	\$ 77.61	\$ 83.93	\$ 88.58	\$ 83.38

FIVE-YEAR TREND ANALYSIS



Compliance Report

**INDEPENDENT AUDITOR'S REPORT 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 Directors and Executive Committee
Florida Municipal Power Agency
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 business-type activities and each major fund of the Florida Municipal Power Agency (the Agency), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 23, 2020.

Internal Control over Financial Reporting

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

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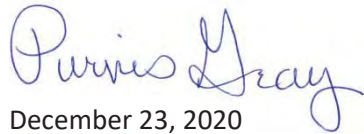
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



December 23, 2020
Ocala, Florida

MANAGEMENT LETTER

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

Report on the Financial Statements

We have audited the financial statements of the Florida Municipal Power Agency (the Agency), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated December 23, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report 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* and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated December 23, 2020, should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Noted no prior year management letter comments.

Official Title and Legal Authority

Section 10.554(1)(i)4, *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information has been disclosed in Note I of the Agency's September 30, 2020, financial statements. There are no component units related to the Agency.

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Florida Municipal Power Agency
Orlando, Florida

MANAGEMENT LETTER

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Agency has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Agency did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Agency. It is management's responsibility to monitor the Agency's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Our audit noted no findings of deteriorating financial condition, required to be reported.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

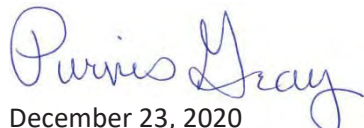
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other applicable agencies, the Agency's Executive Committee, the Board of Directors and the Finance Committee and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



December 23, 2020
Ocala, Florida

INDEPENDENT ACCOUNTANT'S REPORT

Board of Directors and Executive Committee
Florida Municipal Power Agency
Orlando, Florida

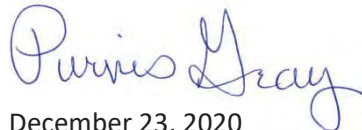
We have examined Florida Municipal Power Agency's (the Agency) compliance with Section 218.415, Florida Statutes, during the fiscal year ended September 30, 2020. The Agency's management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extend of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

This report is intended solely for the information and use of the Florida Auditor General, the Agency's Executive Committee, the Board of Directors, and the Finance Committee, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



December 23, 2020
Ocala, Florida

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APPENDIX D

FMPA BONDS SUBJECT TO CONTINUING DISCLOSURE UNDERTAKINGS¹

FMPA has entered into continuing disclosure undertakings with respect to the following bonds to provide certain information to the Municipal Securities Rulemaking Board not later than nine months following the end of FMPA's Fiscal Year (currently September 30).

ALL-REQUIREMENTS POWER SUPPLY PROJECT

All-Requirements Power Supply Project Revenue Bonds, Series 2015B

Maturity Date	Interest Rate	CUSIP #
10/1/2021	5.000%	342816F42
10/1/2022	5.000%	342816F59
10/1/2023	5.000%	342816F67
10/1/2024	5.000%	342816F75
10/1/2025	5.000%	342816F83
10/1/2025	3.000%	342816G90
10/1/2026	5.000%	342816F91
10/1/2027	5.000%	342816G25
10/1/2027	3.250%	342816H24
10/1/2028	5.000%	342816G33
10/1/2029	5.000%	342816G41
10/1/2030	5.000%	342816G58
10/1/2031	5.000%	342816G66

¹ The CUSIP numbers listed in this APPENDIX D are provided for the convenience of bondholders. FMPA is not responsible for the accuracy or completeness of such numbers.

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2016A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2021	5.000%	342816H40
10/1/2022	5.000%	342816H57
10/1/2023	5.000%	342816H65
10/1/2024	5.000%	342816H73
10/1/2026	4.000%	342816J71
10/1/2026	5.000%	342816H81
10/1/2027	5.000%	342816H99
10/1/2028	5.000%	342816J22
10/1/2029	5.000%	342816J30
10/1/2030	5.000%	342816J48
10/1/2031	3.000%	342816J63
10/1/2031	5.000%	342816J55

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2025	5.00%	342816N84
10/1/2026	5.00%	342816N92
10/1/2027	5.00%	342816P25
10/1/2028	5.00%	342816P33

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2017B (Federally Taxable)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2021	2.380%	342816P58
10/1/2022	2.580%	342816P66
10/1/2023	2.769%	342816P74
10/1/2024	2.919%	342816P82
10/1/2025	3.059%	342816P90

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2018A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2028	4.000%	342816Q24
10/1/2029	3.000%	342816Q32
10/1/2030	4.000%	342816Q40

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2025	5.000%	342816Q57
10/1/2026	5.000	342816Q65
10/1/2027	5.000	342816Q73
10/1/2028	5.000	342816Q81
10/1/2029	5.000	342816Q99
10/1/2030	5.000	342816R23
10/1/2031	5.000	342816R31

All-Requirements Power Supply Project Refunding Revenue Bonds, Series 2019B (Federally Taxable)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2021	1.986%	342816R56
10/1/2022	2.064	342816R64
10/1/2023	2.178	342816R72

All-Requirements Power Supply Project Revenue Bonds, Series 2021A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2032	3.000%	342816R80
10/1/2033	3.000	342816R98

**All-Requirements Power Supply Project Subordinated Revenue Bonds, Series 2021B
(Federally Taxable)**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2026	1.425%	342816S22

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ST. LUCIE PROJECT

St. Lucie Project Revenue Bonds, Series 2011B

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2022	5.000%	342816C45
10/1/2023	5.000%	342816C52
10/1/2024	4.375%	342816C60
10/1/2025	5.000%	342816C78
10/1/2026	5.000%	342816C86

St. Lucie Project Revenue Bonds, Series 2012A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2026	5.000%	342816C94

[Remainder of page intentionally left blank]

STANTON PROJECT

None

STANTON II PROJECT

Stanton II Project Revenue Bonds, Series 2012A

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP #</u>
10/1/2021	5.000%	342816E27
10/1/2022	5.000%	342816E35
10/1/2023	5.000%	342816E43
10/1/2024	5.000%	342816E50
10/1/2025	5.000%	342816E68
10/1/2026	5.000%	342816E76
10/1/2027	3.000%	342816E84

TRI-CITY PROJECT

None

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**AGENDA ITEM 9 – INFORMATION
ITEMS**

b. FY21 Sales Margin Summary

**Executive Committee
July 21, 2021**



Fiscal 2021 Third-Party Sales Margin

Summary

BOD 9a / EC 9b

Board of Directors & Executive Committee

July 21, 2021

Third-Party Sales Lower ARP Rates by \$2 Per MWh

Monetizing Excess Capacity and Energy Offsets Costs

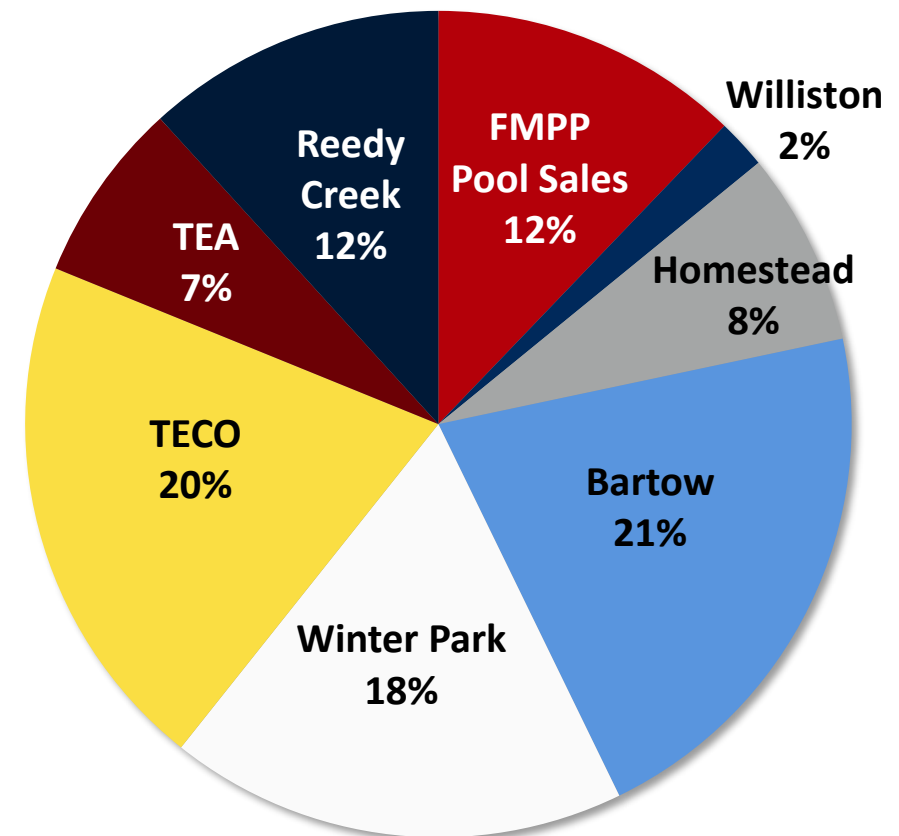
- Recent efforts to monetize surplus position contributed to lower rates for the ARP starting in fiscal 2019 and the benefit has steadily increased
- The ARP received roughly \$5.8 million in margin in fiscal 2020
- Year-to-date June, ARP has realized \$9.8 million in margin
- Staff estimates benefit for fiscal 2021 will be ~\$13 million
- This will contribute to lowering fiscal 2021 rates by ~\$2.10 per MWh
- FMPA insulated from risks of natural gas price increases due to heat rate structure of sales

~\$2.10 Per MWh Rate Benefit Sustainable into 2022

FY21 Margins of ~\$13M, Likely ~\$7.0M Higher than FY20

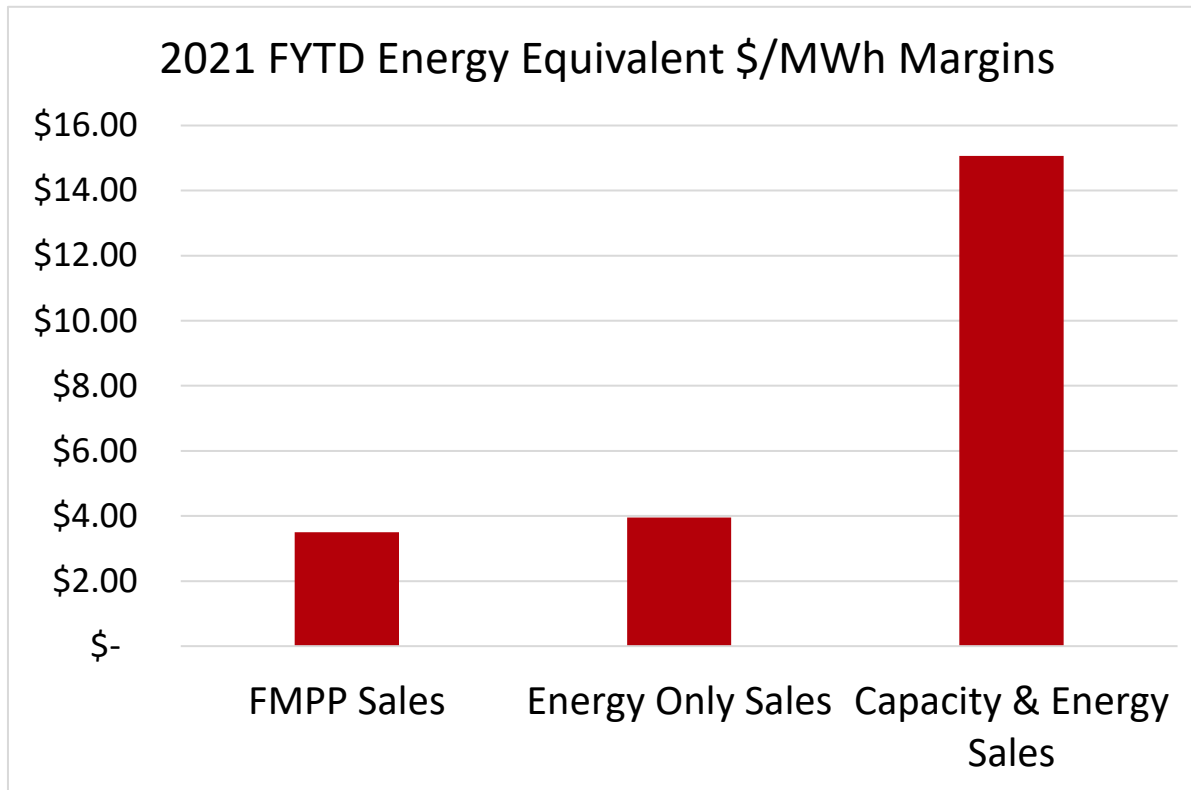
- Dramatic shift in 3rd party sales to higher margin sales:
 - FY17, over 90% of sales to FMPP
 - FY21, over 70% of sales to higher margin non-FMPP 3rd parties
 - Only 12% of the 3rd party margin from sales within FMPP in FY21
- FMPP 3rd party sales have allowed FMPP to better optimize FMPP CHP process biases
- FMPP a much smaller net seller in FMPP

Surplus Sales Margin Contribution



3rd Party Sales Provide Superior Value Over FMPP

Pool Optimizes Day-Ahead Dispatch, Not Long-Term Value

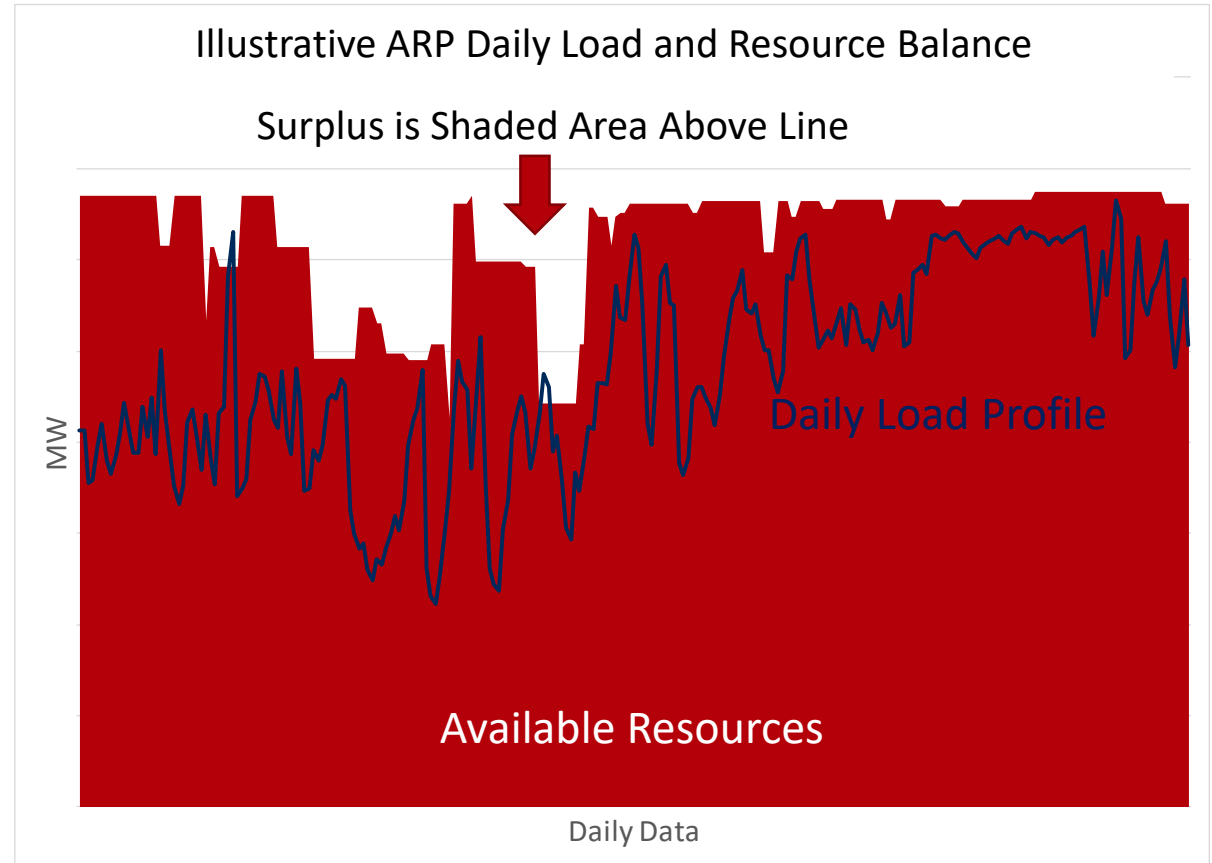


- Sales of surplus capacity and energy bring the highest value for Members
- 3rd Party energy only sales can bring value, but opportunities are targeted towards off-peak
- FMPP is market of last resort given current rules

Surplus Capacity Position Has Been Minimized

Staff Continuing to Optimize Monthly Capacity and Energy

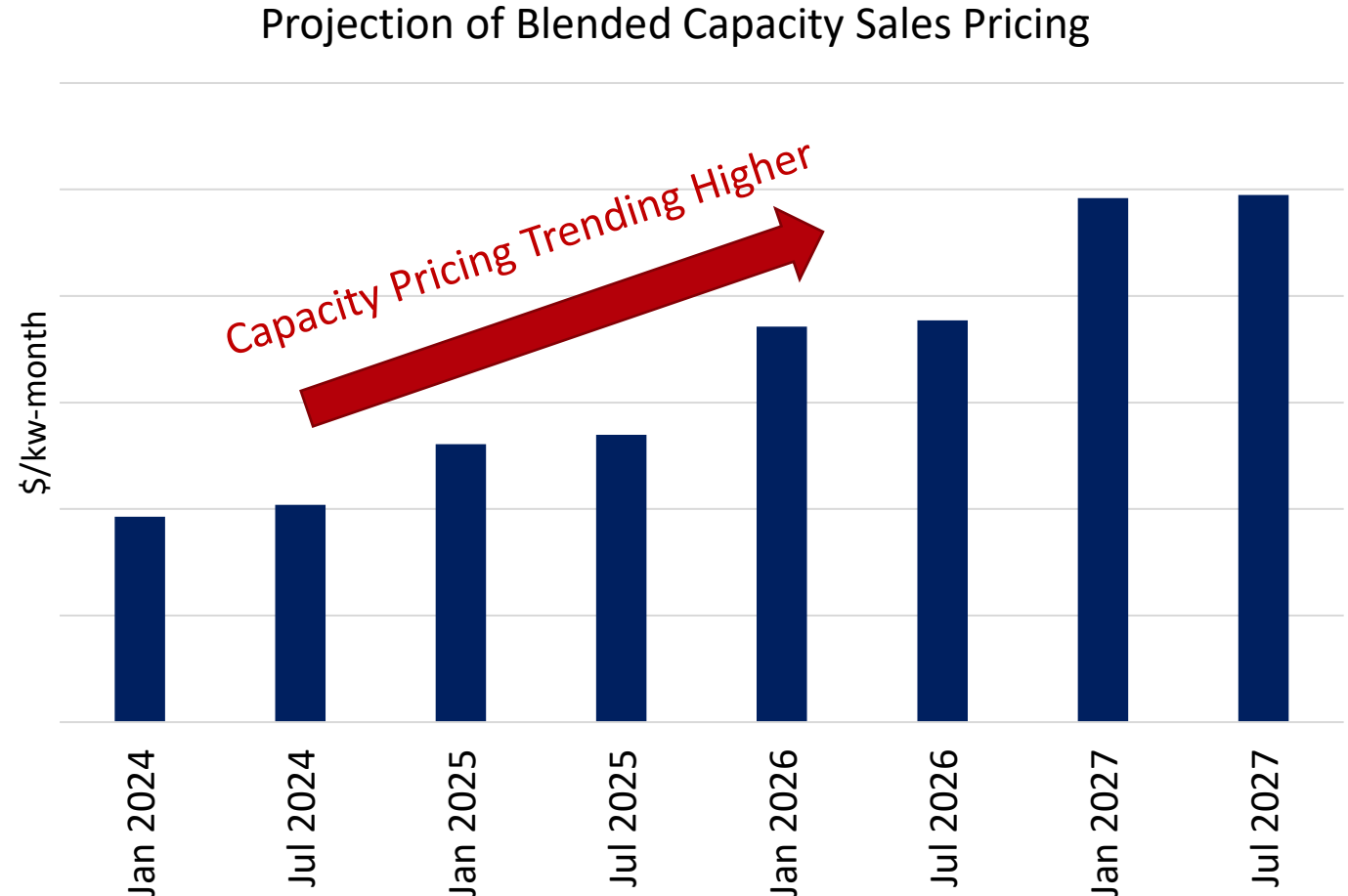
- Summer peak capacity position <25MW above 15% reserve margin
- Focus now on short-term monthly opportunities, where surplus still exists (mostly energy)
- TEA assisting with sales and estimated to contribute roughly \$1 million margin for fiscal 2021



Capacity Value Trending Higher With Additional Sales

Offer Strategy Has Allowed Capture of Better Opportunities

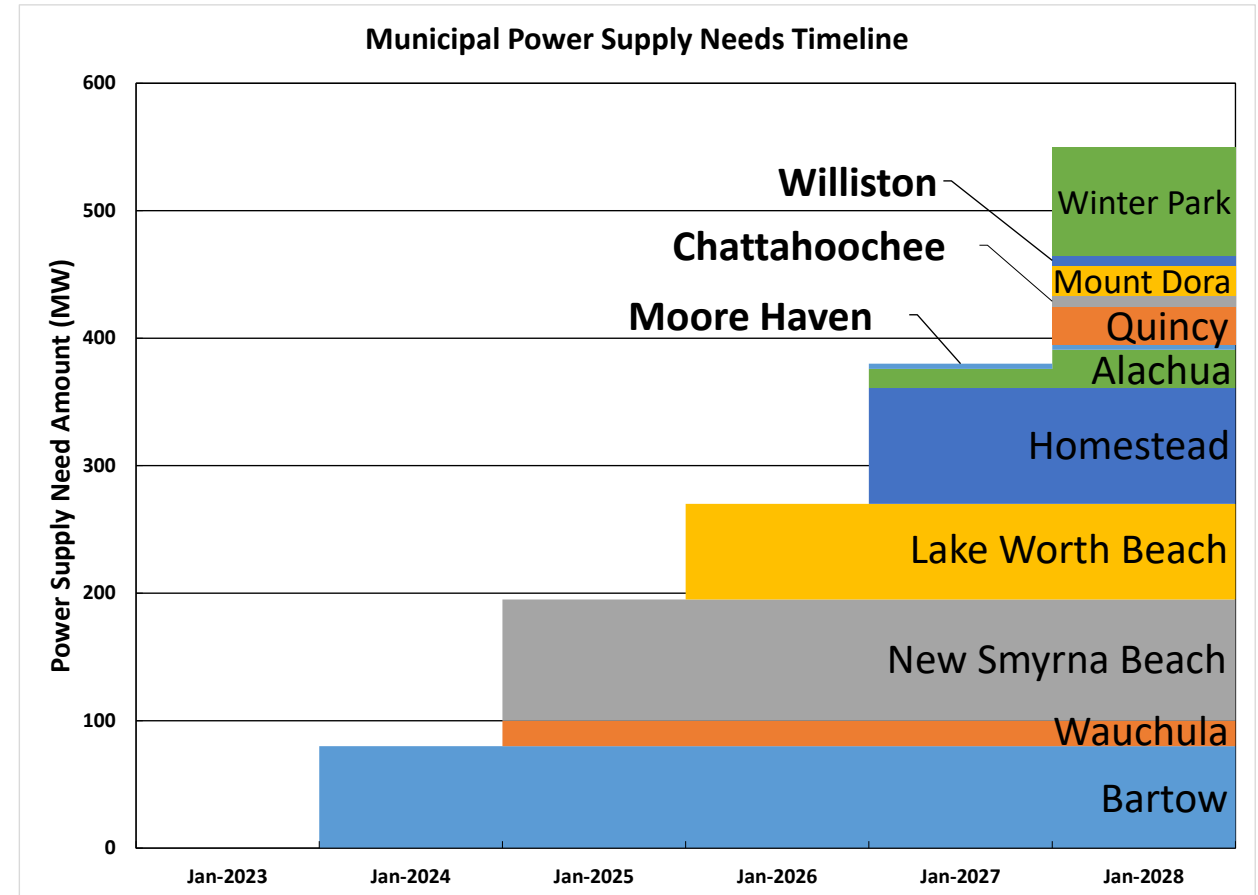
- Out years are showing higher value for capacity
- More recent sales have captured increased pricing beyond 2024
- FMPA has not been overly aggressive and pursuing opportunities that fit position



New Opportunities Must Consider ARP Risk Tolerance

Thus Far Market Backfill Has Been Limited

- As FMPA capacity surplus declines, there may be opportunities for continuing sales
- Demand management and potential unit upgrades could provide opportunity to extend benefits to rates
- Staff reviewing potential and will bring further information to Board and Executive Committee



AGENDA ITEM 9 – INFORMATION ITEMS

**c) APPA Climate Discussions and
Comparison of Legislative Proposals**

**Executive Committee
July 21, 2021**



APPA Climate Discussions and Comparison of Legislative Proposals

BOD 9b / EC 9c

Board of Directors & Executive Committee

July 21, 2021

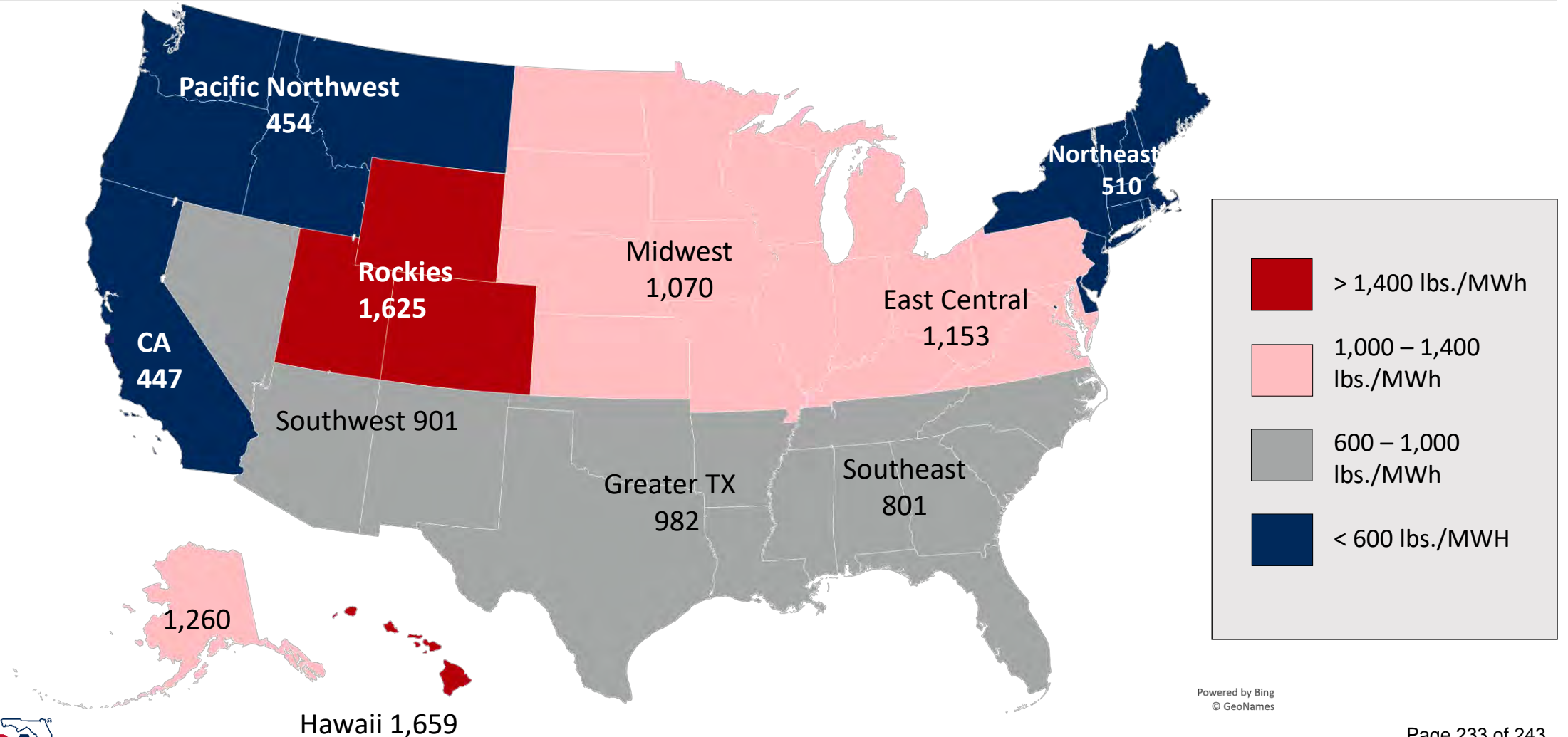
Climate Legislation a Top Priority for Administration

APPA Developing Climate Position to Participate in Discussions

- Climate legislation a top priority of administration - First Executive Order was Keystone Pipeline
- Administration called for electric sector to have net-zero carbon emissions by 2035
- APPA engaged Climate Task Force of CEOs from ~30 joint action agencies and large public power utilities to update the APPA position
- Task force wrapping up six-month effort for presentation to APPA Board in July
- Differences in generation mix, access to renewables and energy usage guided conversations around the need to balance emission reductions and have affordable, reliable power
- APPA position to help influence legislative proposals in coming months
- Two proposals (CLEAN Future Act and DeGette) represent range of alternatives with significantly different impacts to Florida customers (200%–300% increase to consumers vs. 25%–40%)

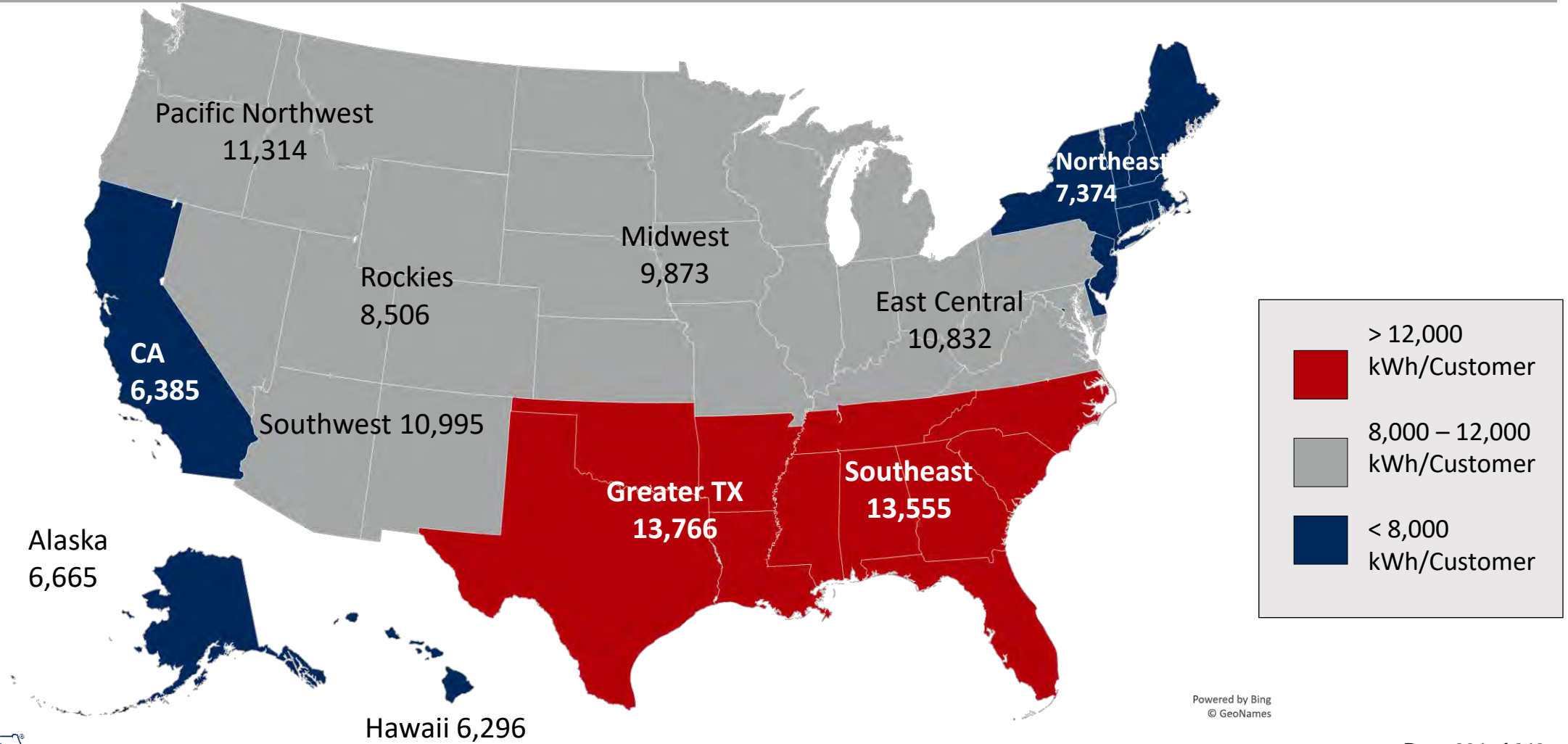
U.S. Regional Electric Generation CO₂ Emissions (lbs./MWh)

Emissions Driven in Part by Access to Natural Resources



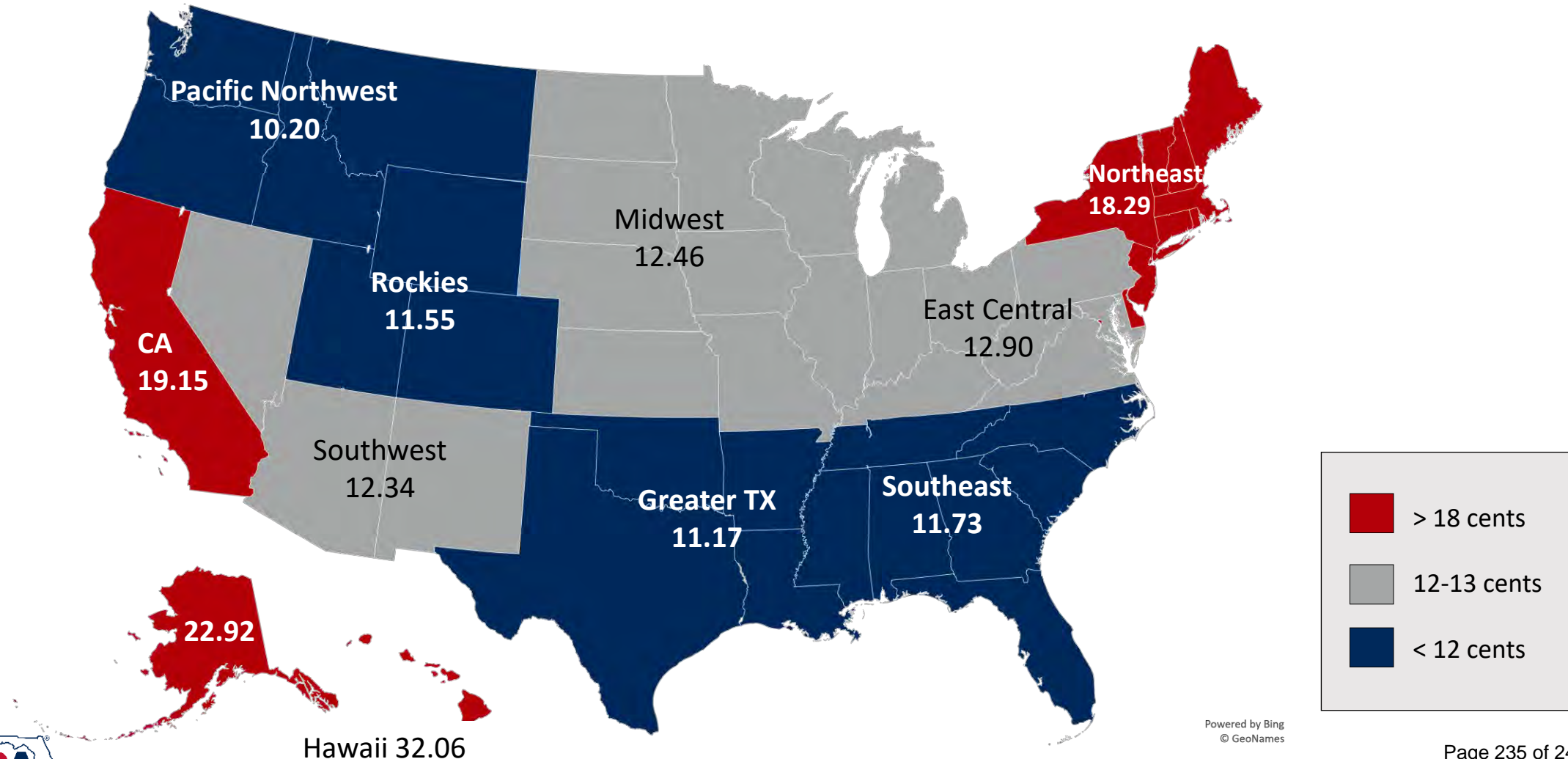
U.S. Residential Customer Consumption (kWh/Cust.)

Significant Difference in Usage Driven by Air Conditioning



U.S. Average Residential Retail Price (cents/kWh)

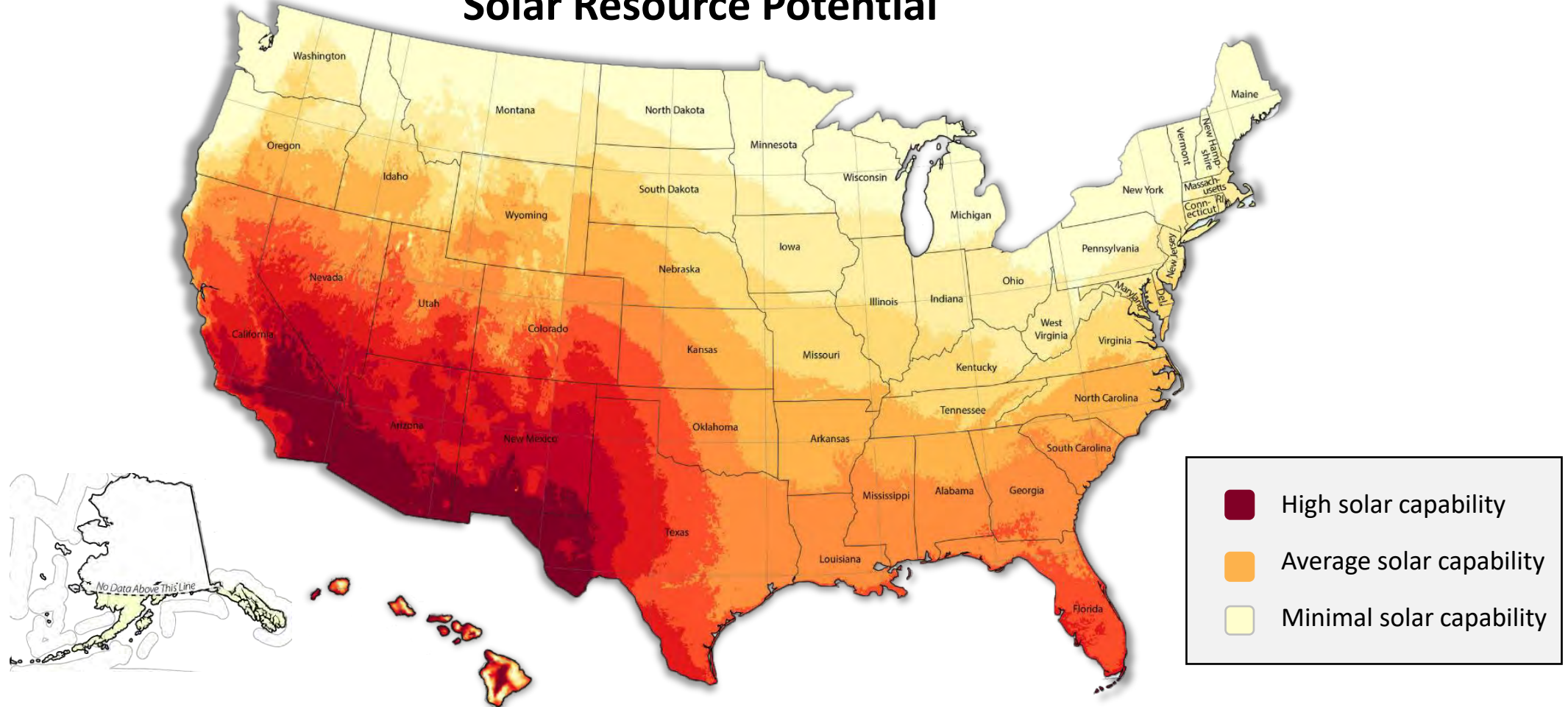
Higher Consumption Regions Tend to Have Lower Prices



U.S. Solar Capability Predominate in SW, SE

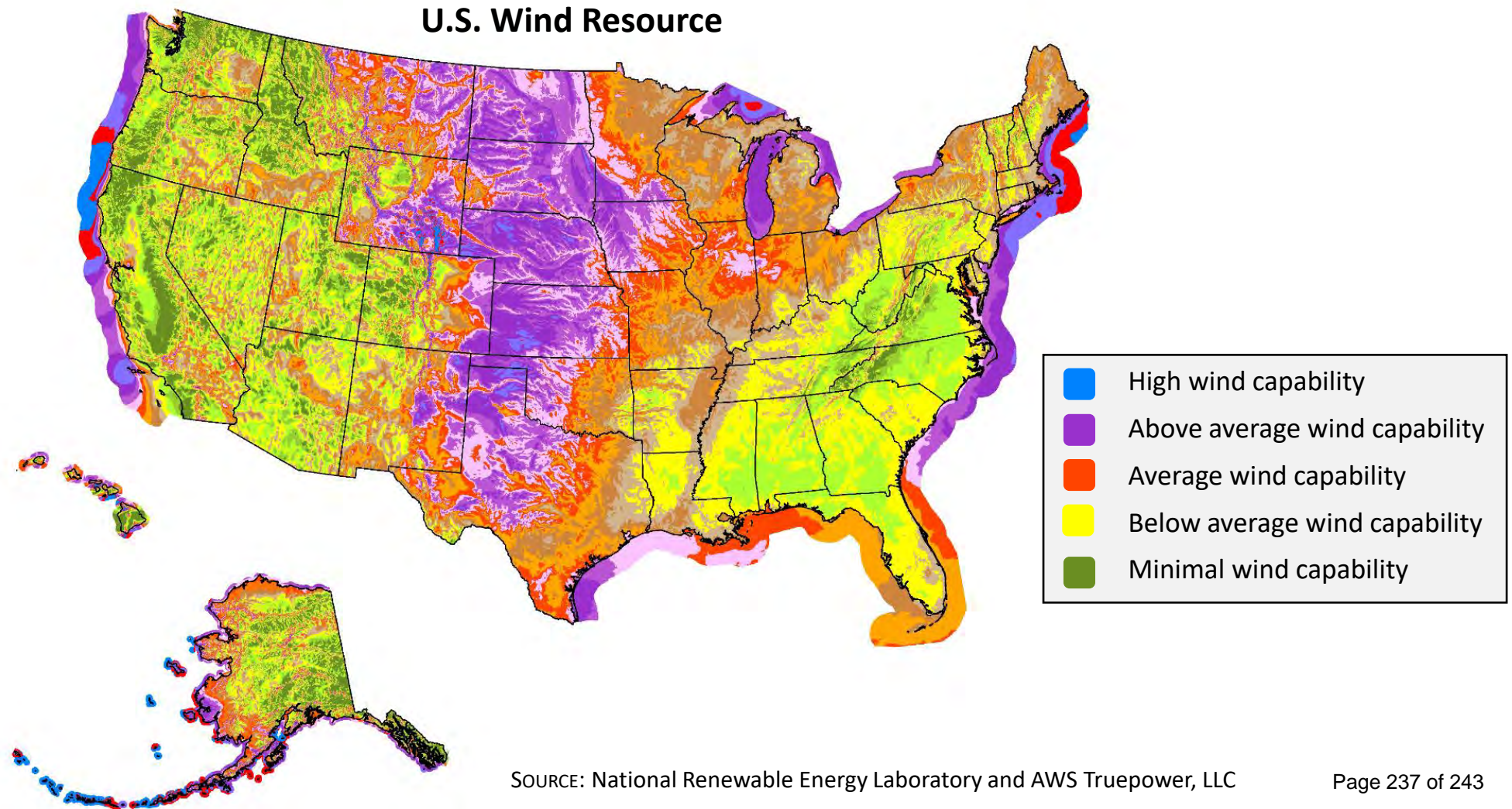
Solar Much More Unreliable Even in Florida, North Limited

Solar Resource Potential



U.S. Wind Access Strong in Middle U.S.

Very Limited in Most of Eastern U.S.



FMPA Input into APPA Draft Climate Position

Balance Emission Reductions with Power Costs and Reliability

- Few public power utilities could meet net-zero emission goals by 2035, majority cannot cost-effectively meet goal until ~2050 – similar to IOUs
- CO₂ emission reduction legislation must keep power supply reliable and affordable and have provisions if power costs rise too much in a region
 - APPA recognizes significant rate increases disproportionately hurt fixed and low-income customers
- To meet CO₂ reduction goals, new technologies must be developed and be cost effective to ensure affordable and reliable power
- Ensure cost-effective dispatchable resources remain available to serve loads until energy storage technology is commercially developed and cost effective to ensure grid reliability and rate affordability
- Significant nationwide research and development budget is required to develop these new technologies
- Significant transmission additions needed in U.S.; Federal siting authority needed for multi-state projects
- Numerous federal agencies including DOE, EPA, FERC and NERC must work together to implement, monitor cost and reliability impacts of such legislation and should report impacts to Congress every five years

Legislative Proposals Differ in Process and Impact

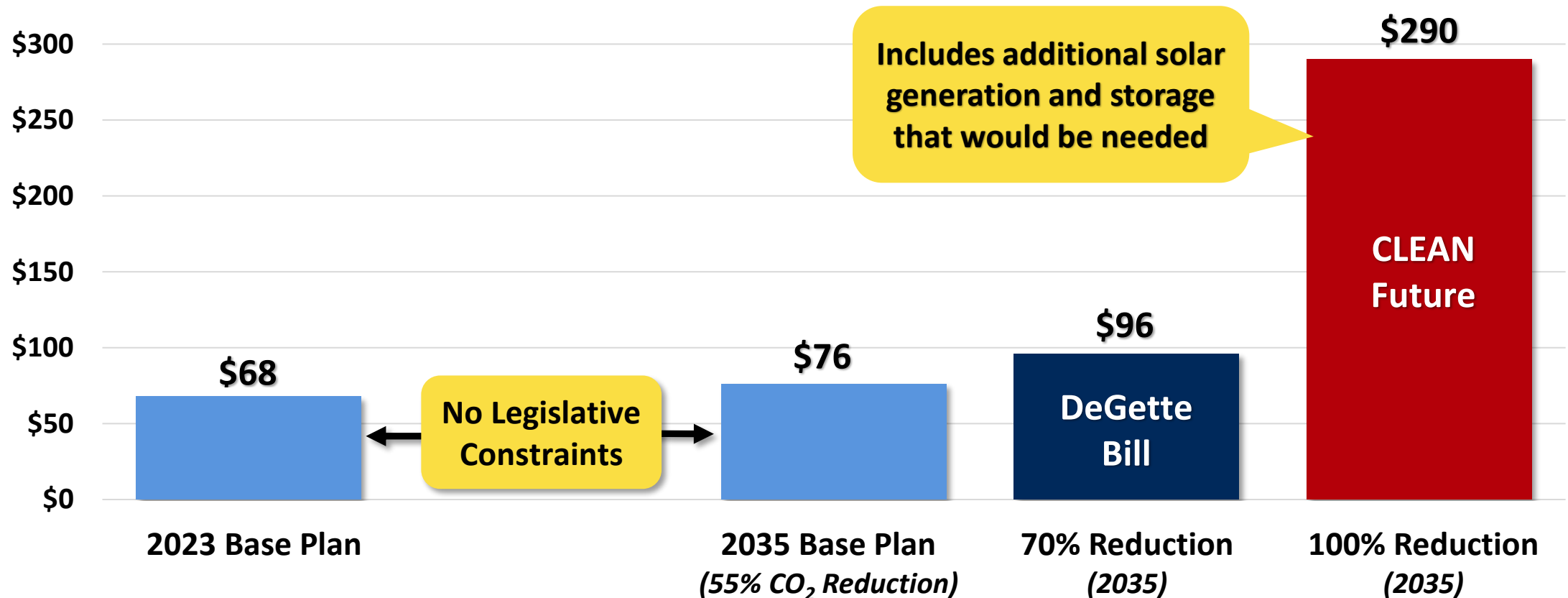
Florida Customers Could See Significant Rate Increases

CLEAN Future Act	DeGette Bill
Net-zero by 2035	Net-zero by 2050 – smoother path to goal
Alternative emission payments escalated by fixed-amount plus inflation	Alternative emission payments escalated at lower fixed-rate and no inflation
No rate protection mechanism for 2035 and beyond	Continued rate protection mechanism through 2050
Florida costs increase 200% – 300% above baseline by 2035	Florida costs increase 25% – 40% above baseline by 2035

ARP Avoids Penalties Through '35 Under DeGette Bill

Lack of Penalties Keep Rates Lower on Path to 2050

Estimated ARP Wholesale Power Rate* (\$/MWh)



Florida Response to Alternatives Would Differ

Pace of Investment Could Crowd Out Future Viable Technology

CLEAN Future Act	DeGette Bill
Significant overbuild on solar and storage – 10 X current Florida capacity	Slower solar build, time for storage gains
Many multiples of new transmission need permitting and new construction	Transmission additions at a pace similar to today's level
Customer cost burden ramps significantly through 2035	Continued rate protection mechanism through 2050 minimizes increases
Limited time for alternative tech (e.g., clean hydrogen) to become low cost	Smoother transition operationally with open-ended approach to new tech

**AGENDA ITEM 10 – MEMBER
COMMENTS**

**Executive Committee
July 21, 2021**

AGENDA ITEM 11 – ADJOURNMENT

**Executive Committee
July 21, 2021**